

*Blonde and blue-eyed? Globalizing beauty, c.1945–c.1980*¹

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This article examines the globalization of the beauty industry between 1945 and 1980. This industry grew quickly. Firms employed marketing and marketing strategies to diffuse products and brands internationally, despite business, economic, and cultural obstacles to globalization. The process was difficult and complex. The globalization of toiletries proceeded faster than cosmetics, skin care, and hair care. By 1980, strong differences remained among consumer markets. Although American influence was strong, it was already evident that globalization had not resulted in the creation of a stereotyped American blonde and blue-eyed female beauty ideal as the world standard, although it had significantly narrowed the range of variation in beauty and hygiene ideals.

I

This article considers the globalization of the beauty industry between the end of the Second World War and 1980. Like many consumer products, this industry has made the transition since the late-nineteenth century from one in which numerous small enterprises sold products for their immediate localities to one in which ‘global brands’ sold by a small number of large corporations can be found worldwide. The beauty industry has a number of distinctive characteristics which make it of unusual interest, however, including the fact that it appeared relatively late, that most of its products were marketed initially to women, that it became characterized by large advertising budgets, that it spanned the health/science and aesthetics/beauty arenas, that demand was shaped by deep-seated cultural and societal norms, and that its products affect—in an intimate fashion—how individuals perceive themselves and others. There is compelling research from a range of social sciences that there is a ‘beauty premium’. Physical attractiveness, which may be enhanced by the products of this industry, exercises a major impact on individual lifestyles, ranging from the ability to attract sexual partners to lifetime career opportunities and earnings.²

Historical studies of the beauty industry are confronted by definitional issues. Broadly the industry includes products applied to the human body to keep it clean and make it look attractive. It encompasses bath and shower products, such as toilet soap; deodorants; dental, hair care, and skin care products; colour cosmetics (including facial and eye make-up, and lip and nail products); fragrances; men’s grooming products, including shaving creams; and baby care products. In recent

¹ I would like to thank Unilever plc, Unilever NV, and Procter & Gamble for permission to consult their archives. Walter Friedman, Tom Nicholas, and two anonymous referees made invaluable comments on earlier drafts. Alexis Lefort provided essential research assistance. Suzanne Fisher was enormously helpful on the history of British American Cosmetics. The Division of Research at Harvard Business School funded this research.

² Etcoff, *Survival*, chs. 3 and 4; Hamermesh and Biddle, ‘Beauty’; Mobius and Rosenblat, ‘Why beauty matters’.

years, 'beauty' has been treated as a single industry; there are listings of the largest firms and their market shares.³ Historically, there were major differences between product categories, which appeared at different chronological periods, and differ widely in terms of production economics and distribution channels. A distinction was often made between 'toiletries', such as toothpaste and shampoo, and cosmetics and fragrances. At various times, the industry was known as 'toilet preparations' or 'personal care'. In many countries, toilet soap was placed in a different industrial classification.⁴ The industry's porous borders overlap with such services as beauty salons and cosmetic surgery.

There is general agreement that a modern beauty industry emerged during the second half of the nineteenth century. Rising discretionary incomes, urbanization, and changing values spurred fast growth, notably in the United States. Subsequently, hygiene practices and beauty ideals became widely diffused. The timing, extent, and social and cultural impact of this diffusion remains largely unexplored, as the existing literature is primarily nationally-based. The best historical studies on the industry are on the United States.⁵

This article moves beyond nationally-based studies to examine the globalization of beauty. As this article will show, although the process was underway in the nineteenth century, it accelerated after 1945, despite apparent deep-seated obstacles to globalization. As with all consumer products, there were wide cross-national differences in income levels, distribution systems, and regulations, but there were also strong physiological and cultural influences on demand. While there is evidence that infants may share basic understandings of 'attractive' faces, regardless of ethnicity,⁶ human beings have varied considerably in how they presented themselves through clothes, hairstyles, and physical appearance. This reflected skin tone and hair texture differences between ethnic groups, climatic and dietary variations which impacted on how people smelled and presented themselves, and cultural and religious values.

This article will consider the drivers of the globalization of beauty, the strategies employed by firms to overcome challenges to globalization, and the outcomes, including the extent to which globalization resulted in homogenization, or Americanization. As a result, it seeks to contribute to understanding the relationships among corporate strategies, consumption patterns, and cultural and social norms in the globalization process. The following section briefly reviews the emergence of a modern beauty industry, and its rapid growth in the United States and elsewhere before the Second World War. Section III considers the drivers and obstacles to globalization. Sections IV and V examine corporate strategies and their impact, and explore why globalization proceeded much faster in toiletries than hair care and, especially, colour cosmetics.

³ For example, *Euromonitor* and *Women's Wear Daily* provide listings of the largest firms.

⁴ In the United States (and many other countries), toilet soaps for personal washing were included in SIC code 2841, Soaps and Detergents, and were consequently excluded from statistics on Cosmetics and Toilet Preparations, which was SIC code 2844.

⁵ Peiss, *Hope*. *Idem*, 'Educating', does provide an insightful study of diffusion.

⁶ Etcoff, *Survival*; Ramsey, 'Origins'; Zaidel, Aarde, and Baig, 'Appearance'.

II

The emergence of the modern beauty industry was driven by the new possibilities arising from the potential of mass production and mass marketing, and from the application of scientific research to industrial products. Rising incomes enabled growing numbers to engage in discretionary spending. Rapid urbanization heightened concerns about hygiene and the prevention of disease. Changing diets led to new health issues, including increasing tooth decay.⁷

Shifts in values were significant also. In western societies, most people smelled bad until the middle of the nineteenth century, due to a widespread aversion to washing with water which became prevalent during the outbreaks of bubonic plague in the middle ages.⁸ However, thereafter, personal cleanliness assumed the status of an indicator of moral, social, and racial superiority. Hygienic standards became a means of defining social hierarchy and difference, and an attribute of female domesticity. Regular personal washing became routine in middle-class households in the United States at this time.⁹

Following a revolution in soap-making technology in the early-nineteenth century, numerous soap manufacturers were established. In the United States, these firms included Colgate (1806), Procter & Gamble (P & G) (1837), B. J. Johnson (1898)—renamed Palmolive in 1917—and, in Britain, Yardley (1770), Pears (1789), and Lever Brothers (1884). These companies initially made cakes of soap for washing clothes. There was a sharp distinction between laundry soap, a minor branch of the tallow trade, whose chief product was candles, and ‘toilet soap’, part of the perfumery industry centred on France.¹⁰ From the mid-nineteenth century, laundry soap companies entered the toilet soap business. The soap industry grew rapidly as a result of the application of the new mass marketing and production methods.¹¹

There was considerable product and marketing innovation, especially in the United States. Colgate sold its first toothpaste in 1873, packaging its powders and pastes in a jar, and in 1896 invented the collapsible toothpaste tube. Shaving creams were developed in response to a rapid decline in the wearing of beards by men. Gillette, a metal fabricator, invented the safety razor in 1901, and much later sold shaving creams.¹² Cosmetics made a transition from a handicraft to a factory industry as the association between the use of cosmetics and immoral behaviour broke down in the United States.¹³ Female entrepreneurs were prominent, typically working outside established wholesale and retailing systems, distributing products by mail order, through beauty salons, and door-to-door sales, and sometimes pioneering wholly new marketing techniques.¹⁴ The California Perfume Company (renamed Avon in 1939) developed direct selling on a large scale, creating markets in rural America.¹⁵ Mass production and mass marketing

⁷ Miskell, ‘Cavity protection’, pp. 33–6.

⁸ Vigarello, *Concepts of cleanliness*.

⁹ Bushman and Bushman, ‘Early history’, p. 1225.

¹⁰ *Ibid.*, p. 1234.

¹¹ Dyer, Dalzel, and Olegario, *Rising tide*, ch. 4.

¹² Adams, *King C Gillette*; Robinson, ‘Fashions’, p. 1138.

¹³ Peiss, *Hope*, ch. 1.

¹⁴ *Ibid.*, pp. 61–2; Peiss, ‘“Vital industry”’, pp. 230–7.

¹⁵ Manko, ‘California Perfume Company’; Manko, ‘Ding dong’.

techniques created new markets. The pioneers included Chesebrough, initially a firm that sold kerosene, which developed Vaseline petroleum jelly in 1878, and Pond's Extract Company, which introduced Pond's Cold Cream and Vanishing Cream in 1907.¹⁶

In Europe, product innovations frequently originated from pharmacists and chemists. Beiersdorf, which originated as a pharmacy which pioneered medical plasters, created Nivea cream, the first long-lasting moisturizer, in 1911. In 1903, Hans Schwarzkopf, a chemist and drugstore owner, developed a powder shampoo. Previously, hair had been washed using soap or with expensive oils. In France, L'Oréal originated with the invention by a young chemist of the first safe synthetic hair-colour formula in 1907, which was sold to hairdressers.¹⁷ France was the home of *haute couture* in beauty as well as fashion. Its role as the global centre for perfumery was enhanced during the nineteenth century by advances in chemistry which permitted the creation of new scents, and by marketing innovations, such as François Coty's selling of perfume in smaller bottles.¹⁸

During the interwar years, the beauty industry grew substantially in the United States. Retail sales of cosmetics and toiletries were still only \$45 million in 1915 and \$129 million in 1920.¹⁹ By comparison, retail sales of fish in that country at the end of World War I were \$25 million, and fresh vegetables and fruits were \$978 million.²⁰ In 1916, only one in five Americans used toilet preparations.²¹ By 1930, retail sales of cosmetics and toiletries in the United States had reached \$340 million, and \$840 million 20 years later.²² There was further product innovation. Baby powder, first developed by Johnson & Johnson during the 1890s, became a mass-market item in the United States, while a range of specialist creams for babies was developed.²³ Existing products became more affordable and accessible. The first metal lipstick container appeared in 1915; the first screw-up lipstick was invented in 1921. American entrepreneurs developed mascara, shampoos, and home-purchased hair dyes. The 1920s saw the emergence of three major women's fashion magazines—*Vogue*, the *Queen*, and *Harper's Bazaar*—which popularized styles and fashions, and in which beauty companies could advertise. With the advent of radio broadcasting, there was a decisive turn of cosmetics towards national advertising and media-based marketing. Cosmetic products such as lipstick and nail polish—developed commercially by Revlon in the 1930s—gained social acceptability. At the outbreak of the Pacific War in 1941, the US government

¹⁶ 'A brief history of Pond's Creams', 17 March 1944, Howard Henderson papers—Special Projects, Case History Project, Clients: Chesebrough-Pond's 1959, J. Walter Thompson Archives, John W. Hartman Center for Sales, Advertising, and Marketing, Special Collections Library, Duke University, North Carolina (hereafter JWT); Peiss, *Hope*, p. 99.

¹⁷ Beiersdorf, *100 Jahre*, pp. 16–26; Bonin, Pailhe, and Polakowski, '“The French touch”'.

¹⁸ Fragrance Foundation, 'Scents of time'; Guerlain, 'House of Guerlain'.

¹⁹ 'Perfume, cosmetic and toilet preparations sales at retail, 1914–1960', *Advertising Age*, 32, 42 (16 Oct. 1971), p. 88. In the United States, there are two separate measures of the industry size: retail sales and manufacturers' shipments.

²⁰ Mann, 'Importance of the retail trade'.

²¹ Koehn, *Brand new*, p. 148.

²² 'Perfume, cosmetic and toilet preparations sales', p. 88.

²³ Foster, *Johnson & Johnson*, p. 87.

declared the production of lipstick a wartime necessity.²⁴ By 1948, perhaps 90 per cent of American women used lipstick, and two-thirds used rouge.²⁵

Three distinctive types of firm were active participants in the industry. First, large consumer products companies sold toilet soap, dental products, men's shaving products, and baby products, categories which could be exploited by mass marketing and mass production. P & G's small personal care business remained largely toilet soap. The firm launched the iconic Camay beauty bar in 1926. Colgate-Palmolive, created by merger in 1927, built a large toothpaste business. Unilever, created in 1930 by the merger of Lever Brothers and Margarine Union of the Netherlands, sold toilet soap, toothpaste, and perfumery as a small part of its overall business, which was primarily laundry soap and edible fats.²⁶

Secondly, pharmaceutical companies, especially for over the counter (OTC) markets, manufactured dental products, toothpaste, and some cosmetics. In the United States, Lehn & Fink sold toothpaste and owned the Dorothy Gray brand of cosmetics. Vick Chemical, whose largest business was its famous vapour rub, acquired a men's toiletries business and the Prince Matchabelli cosmetics business in 1941. Bristol-Myers sold its original pharmaceutical business during the inter-war years, and devoted itself entirely to its specialties, including toothpaste—it launched the Ipana brand in 1916—and toiletries, before becoming a large penicillin manufacturer during the 1940s. British-based Beecham, a long-established firm in patent medicine, diversified into OTC powders, pills and cough mixtures, and health drinks, and acquired a British toothpaste company, Macleans, in 1938, followed by the manufacturer of a men's hair preparation, Brylcreem, designed to keep combed hair in place, which was among the first mass-marketed men's hair care products.²⁷ In 1945, the Swiss pharmaceutical company Hoffman La Roche, which had a large vitamin business, entered the personal care industry when the synthesis of the vitamin pathenol led to the development of the hair lotion, Pantene.²⁸

Finally, there were numerous specialty colour cosmetics, skin care, and hair care firms, some of which sold toilet soap and dental products. This category was populated by numerous smaller, entrepreneurial firms, which typically began as specialists in single products, including make-up (Max Factor), mascara (Maybelline), and shampoos (Helene Curtis). There were an estimated 750 firms in the US cosmetics industry alone in 1954.²⁹ There were smaller numbers of firms in Europe, and occasionally elsewhere, including Shiseido, founded as a western-style pharmacy in Japan in 1872.³⁰

The emergence of a modern beauty industry coincided with the rapid globalization of the world economy during the second half of the nineteenth century.³¹ Given the importance of values in the growth of this industry, it is not surprising that it assumed a quasi-ideological role. There was a rapid globalization of certain

²⁴ Scott, *Fresh lipstick*, p. 222.

²⁵ Peiss, *Hope*, p. 101.

²⁶ Dyer et al., *Rising tide*, pp. 93–4; Wilson, *Unilever*, vol. 1.

²⁷ Corley, T. A. B., 'Beecham and the development of semi-synthetic penicillin, 1951–1979', University of Reading Discussion papers in economics and management (2003).

²⁸ Peyer, *Roche*, p. 171.

²⁹ 'Beauty parade', *Barron's*, 8 March 1954, pp. 15–16.

³⁰ Shiseido, *100 years*.

³¹ Jones, *Multinationals*, pp. 18–31.

hygienic practices. The export of soap came to be regarded as an important contributor to the mission of ‘civilizing’ colonized peoples.³² In colonial southern Africa, the alleged lack of hygienic habits by indigenous Africans formed an important component of colonial racist rhetoric.³³ As Meiji Japan sought to modernize in the late-nineteenth century, the government explicitly changed hygienic and cosmetic practices, discouraging tooth blackening, as well as whitening of male faces.³⁴

Toilet soap led the globalization process. During the nineteenth century, Pears built a large market for its soap in the United States.³⁵ By the 1930s, a number of brands were widely sold. Colgate-Palmolive had factories in Canada, Latin America, Europe, and Australia, mainly making laundry soap, but also Palmolive toilet soap. This was the leading toilet soap on the British market, even though it was imported from Canada before local manufacture began in 1939. A number of toothpaste and shaving cream brands were also sold internationally. Johnson & Johnson and Gillette manufactured and sold in several countries, as did Unilever.³⁶

In skin and hair care, colour cosmetics, and fragrances, a number of firms sold on a smaller scale to other developed markets. As Max Factor flourished, providing make-up for Hollywood stars, the firm began to export during the early 1920s, and established a factory in Britain in 1935. Elizabeth Arden and Helena Rubenstein developed substantial sales in interwar western Europe. The latter was able to retain a large business in Nazi Germany, despite nationalistic and sometimes anti-cosmetic rhetoric.³⁷ American entrepreneurs scanned foreign countries for new ideas. The founder of Clairol acquired a new formula for hair colouring while visiting France in 1931.³⁸ Pond’s developed a large international business. It opened its first foreign plant—in Canada—in 1927. Two decades later, Pond’s sold in 119 countries, and international revenues represented more than 40 per cent of the total, and 65 per cent of total profit. Chesebrough’s Vaseline’s Hair Tonic was also sold in numerous countries by the 1940s.³⁹

European companies often marketed abroad early in their corporate lives. French fragrances were sold in many countries during the nineteenth century. They dominated the interwar American market, both for prestige products and cheaper brands sold at drug stores.⁴⁰ By 1914, L’Oréal’s products were already sold in the Netherlands, Austria, and Italy, while two-fifths of Beiersdorf’s products were sold outside Germany.⁴¹ European companies opened factories in the United States to avoid tariffs. British-owned Yardley opened a New Jersey factory in 1928, while Coty, the French fragrance firm, formed a US-based company which within a few years acquired the related Coty companies in Europe.⁴² Gal, a

³² McClintock, *Imperial Leather*, pp. 207–31.

³³ Burke, *Lifebuoy men*, pp. 17–34.

³⁴ Ashikari, ‘Memory’.

³⁵ Sivulka, *Stronger*, pp. 93–8.

³⁶ Wilkins, *Maturing*, p. 83; McKibben, *Cutting edge*, p. 35; Wilson, *Unilever*, vol. 1; Foster, *Colgate-Palmolive*.

³⁷ Houy, ‘Of course’, ch. 4.

³⁸ ‘50 colorful years. The Clairol story’ (1982), Procter & Gamble (hereafter P & G) Archives, Cincinnati, Ohio.

³⁹ ‘The Pond’s Extract Company: a case history’, 13 Feb. 1959, Howard Henderson papers—Special Projects, Case History Project, Clients: Chesebrough-Pond’s 1959, JWT; Unilever Archives Rotterdam (hereafter UAR), report 3508, ‘Preparations and perfumery survey, 1950–1’, June 1951.

⁴⁰ Caldwell, ‘Development’, pp. 132–58.

⁴¹ Beiersdorf, *100 Jahre*, p. 26.

⁴² Wilkins, *History*, pp. 228, 497; Morris, *Fragrance*, pp. 204–5; Halasz, ‘Coty Inc.’.

Table 1. *World beauty market in 1950, 1959, 1966, and 1976 (\$ million and \$ 1976 million)^a*

	1950	1959	1966	1976
<i>North America</i>	589	1,270	2,455	6,000(e)
USA	560	1,184	2,430	5,670
<i>Europe</i>	287	543	1,600	4,740
France	62	105	430	972
Germany	62	132	350	1,586
Great Britain	58	124	290	581
Italy	57	84	240	553
Scandinavia	14	21	58	
<i>Australia and New Zealand</i>	15	32	66	214
<i>Asia (excluding Japan)</i>	30	82		
India	16	37		74
Indonesia	6	10		90
<i>Japan</i>	24	112	285	1,957
<i>South America</i>	61	80		
Brazil	28	38		372
Argentina	18	24		
<i>Africa</i>	12	18		
South Africa	7	11		141
Nigeria		8		49
'World' (\$ nominal)	1,026	2,173	5,200	15,000(e)
'World' (constant \$ 1976)	2,422	4,248	9,131	15,000(e)

Notes:

a Data are for manufacturers' shipments, not retail sales, and exclude toilet soap. Communist countries are not included. Pounds and yen converted to US \$ at the then current exchange rate.

Sources: The main sources for 1950 and 1959 are UAR, report 3508, 'Preparations and perfumery survey, 1950-1', June 1951; UAR, report 3110, 'World toilet preparations survey, 1959-60'. Unilever estimates exclude Japan and Communist countries. The Japanese data is derived from Japanese Cosmetics Industry Association, *Japanese cosmetic industry*. For 1966, Euromonitor, *Consumer Europe*, tab. 101, p. 105; the US figure is from US Department of Commerce, *Industrial outlook* (1967), pp. 139-40. For 1976, the US data is derived from US Department of Commerce, *Industrial outlook* (1977), pp. 150-2, the Japanese data from Japanese Cosmetics Industry Association, *Japanese cosmetic industry*, and the remainder from 'Toilet preparations coordination forward plan, 1977-81', UAL, and 'OSC product strategy, 1974-9', Discussion Paper (May 1976), ES 76064, UAR.

Spanish perfume and soap company, developed a large export business to Latin America before the outbreak of the Spanish Civil War in 1936.⁴³

III

The United States emerged from the Second World War as by far the largest single beauty market. Table 1 provides the first published estimate of the size of the global market in that year and subsequent benchmark years. It excludes the Communist world. North America accounted for two-thirds of colour cosmetics consumption in 1950, even higher than its share of the total personal care market.⁴⁴ The overall importance of the American market was reflected in the dominant position of US firms in the world industry (see appendix table 1).

The pre-eminence of the United States in 1950 was exaggerated by the depressed disposable incomes in postwar Europe, Japan, and elsewhere, yet there was little doubt that the American market was uniquely important because of its

⁴³ Puig, 'The search', p. 99.

⁴⁴ UAR, report 3508, 'Preparations and perfumery survey, 1950-1', June 1951.

size, level of discretionary incomes, and value systems, which had turned beauty products into a 'necessity' rather than a 'luxury'.

The American market was also perceived as homogeneous. The 'ethnic' cosmetics market, which overwhelmingly sold products specially formulated and marketed to African-Americans, constituted 2.3 per cent of the total US market in 1977.⁴⁵ The dominant discourse of ideal female beauty in interwar and postwar America was Caucasian. Non-whites were prohibited from participation in Miss America beauty contests for three decades after their inception in 1921. There were a handful of ethnically diverse contestants in the late 1940s, and the first and (so far) only Jewish winner won in 1945, but it was only in the late 1960s that African Americans could enter the national contest, and the first win was in 1984. Since 1921, over one-third of contestants have been blonde.⁴⁶ Barbie toy dolls, created in the late 1950s, were blue-eyed and (predominantly) blonde until 1980, although the early prototypes, designed in Japan, had distinctly east-Asian eyes.⁴⁷ These beauty ideals were well represented in Hollywood movies, such as the Marilyn Monroe classic *Gentlemen Prefer Blondes* (1953), which became powerful drivers of fashion standards. The burgeoning cosmetics industry and, from the interwar years onwards, cosmetics companies, used Hollywood starlets to advertise their products.⁴⁸

The large American market stimulated continual marketing and product innovation. Cosmetics companies expanded demand by television advertising and sponsored game shows.⁴⁹ However, the market remained heavily skewed towards women, despite quite strong attempts to expand the male market. A survey on male products in 1962 concluded with 'the blunt fact that the market has been nearly static for 50 years'.⁵⁰ Although branding and marketing was the basis of competitive success in the industry, product and process innovation was important in expanding demand. This ranged from the basic research which enabled advances in therapeutic toothpaste, anti-dandruff shampoos, and hair colouring, to constant experimentation in product formulations in creams and cosmetics, and testing of their effects on animals. Postwar product innovations included aerosols for hair and fragrance products.⁵¹

The size of the American market made evident its potential elsewhere. In 1950, Unilever asked senior executives to investigate the global prospects of the industry. The subsequent investigation, which including a pioneering effort to quantify its size, identified 'a direct relationship between the standard of living and the usage of toilet preparations'. The potential for global growth appeared even greater because the technology appeared basic, fixed capital requirements were limited,

⁴⁵ Frost and Sullivan, *Ethnic cosmetics*, p. 3; Robert, 'White success'. Before the 1970s, African American-owned firms primarily supplied the ethnic market. Johnson Products, the largest, began manufacturing in Africa and Trinidad in the 1980s.

⁴⁶ Banet-Weiser, *Most beautiful girl*; Kinloch, 'Rhetoric'; Perlmutter, 'Miss America'.

⁴⁷ Varaste, *Face*, p. 17; Lord, *Forever Barbie*, p. 162.

⁴⁸ Koehn, *Brand new*, p. 161.

⁴⁹ Peiss, *Hope*, pp. 249–52; Tedlow, *Giants*, pp. 279–98.

⁵⁰ Vautin, P., 'Men's toiletries are undersold', *Drug and Cosmetic Industry* (April 1962), pp. 409, 518.

⁵¹ 'Overview of the over-the-counter cosmetic industry', 13 March 1974, RGII Historical Files, Series 9, Library Resources—Alphabetical Files, Box 127, Avon Archives, Hagley Museum, Delaware (hereafter AVON).

Table 2. *Compound annual growth rates of the US and Japanese personal care markets and GDP per capita, 1950–76*

	US		Japan	
	Personal care	GDP per capita	Personal care	GDP per capita
Current	9.3	5.8	17.5	13.4
Constant	5.8	2.4	10.7	6.9

Note: Constant growth rate based on 1976 \$ and 1976 yen.

Sources: Japanese Cosmetics Industry Association, *Japanese cosmetic industry*; US Department of Commerce, *Industrial outlook* (1950–76).

and the industry was highly fragmented. The industry was, the executives concluded, a ‘Unilever business’.⁵²

The following decades demonstrated the correlation between market growth and increases in discretionary incomes. As incomes rose, consumers moved along a spectrum of product categories, spanning toilet soap, toothpaste, shampoo, mass-market cosmetics, and ultimately prestige cosmetics. In developing countries, western products either created a new market, as when shampoos replaced soap for hair washing, or were substituted for traditional, often handicraft, cosmetics. Like many branded consumer products from automobiles to clothes, there was a strong aspirational driver behind this market growth. However, although cosmetics were famously described as providing ‘hope in a jar’, experimental research suggests that they can enhance attractiveness.⁵³ Given the size of the ‘beauty premium’, there was a strong rationality behind their purchase. An industry estimate in the mid-1960s was that—worldwide—consumer purchases of personal care items tended to increase about 112 per cent for every 100 per cent increase in income.⁵⁴ Table 2, which compares the growth rates of the US and Japanese personal care markets and per caput income between 1950 and 1976, shows that this was a conservative estimate.

The international growth prospects of the industry were enhanced by the globalization of American cinema. During the interwar years, the rise of Hollywood to dominate the emergent world cinema industry intensified the diffusion of American hygiene and beauty ideals, both to other western countries, and to developing countries with much lower income levels and different cultural traditions. For example, Hollywood movies and their media coverage had a great impact on Iranian fashion and cosmetics culture during the 1930s and 1940s.⁵⁵ The war years intensified this impact through explicit linking of cosmetics sales with the American lifestyle and democratic ideals, and interaction between American servicemen abroad and local women.⁵⁶ The postwar growth in international travel further diffused brands and products.⁵⁷

⁵² Wilson, *Unilever*, vol. 3, pp. 160–1, 198–201.

⁵³ Mulhern, Fieldman, Hussey, Léveque, Pineau, ‘Cosmetics’.

⁵⁴ UAR, TR 67002, E and S Department, ‘Markets for skin preparations: an interim report’, 12 Dec. 1967.

⁵⁵ Amin, ‘Importing “beauty culture”’.

⁵⁶ Lake, ‘Female desires’; Peiss, ‘Educating’.

⁵⁷ Moskowitz, ‘Cosmetics move abroad’.

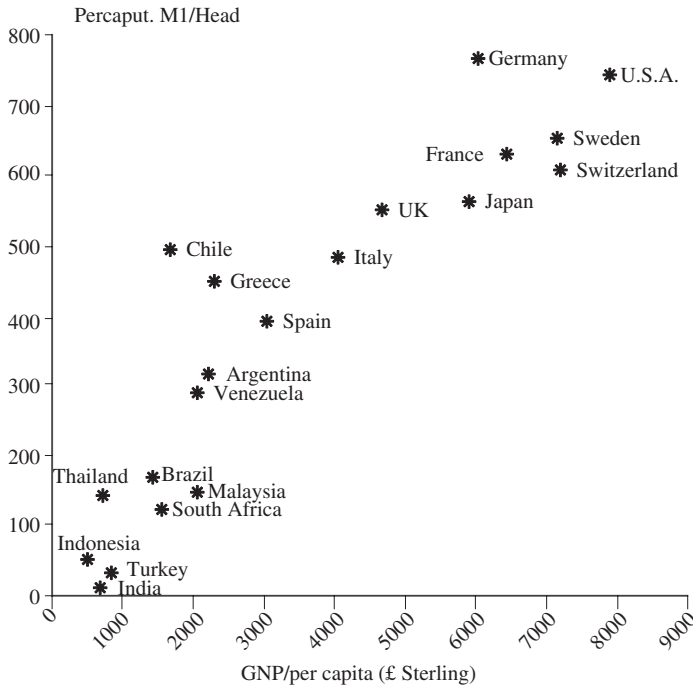


Figure 1. *Consumption of shampoo relative to GDP per capita, c.1982*

Source: UAR, ES 831 11, Economics Department, 'Shampoo overseas', March 1983.

There were further drivers of global growth. There were economies of scale with mass-market products such as toilet soap and toothpaste. In prestige products, there was the lure of high margins. The margins obtainable from selling cosmetics were reported to be around 20 per cent in the American industry during the 1960s and 1970s.⁵⁸ Beauty brands, with their emotional and aspirational characteristics, seemed less vulnerable to commodification. As new markets opened up, firms had strong incentives to capture first mover advantages for their brands.

However, there were at least three major obstacles faced by firms as they sought to build global beauty businesses. The first related to markets. The problem was not merely that most of the world after the Second World War lacked the level of disposable income to purchase most of these products, but also that consumer preferences varied widely across the full spectrum of beauty products, even at similar income levels. For example, while the per caput consumption of toothpaste was broadly similar in the United States, Switzerland, and Venezuela during the 1970s, it was nearly double that seen in France, Italy, and Brazil.⁵⁹ Figure 1, derived from Unilever data, illustrates the same phenomenon in shampoo usage. While the ability to construct such comparative data demonstrated the informational advantage held by firms with multi-country operations, it also demonstrates the complexity of predicting changes in consumer expenditure.

⁵⁸ Standard and Poor's Corporation, *Standard and Poor industry surveys* (New York, 1960s–1970s).

⁵⁹ Frost and Sullivan, *Cosmetics and toiletries*.

Table 3. *Female use of skin preparations in Europe, 1963 (%)*

	<i>Hand and face cream</i>	<i>Lipsticks</i>	<i>Deodorants</i>
France	54	58	25
Germany	75	38	29
Belgium	32	51	14
Italy	20	25	12
Britain	60	73	48

Source: UAR, TR 67002, 'Markets for skin preparations: an interim report', 12 Dec. 1967.

In skin care and cosmetics, there were also great differences in consumer preferences. Japanese women hardly used fragrances, but had a strong preference for clear skin. During the 1960s, 60 per cent of total personal care consumption in Japan was spent on skin preparations. A preference for pale skin also made skin whiteners a major product. In 1980, the Japanese market for face creams was double the size of that of the United States. American women, in contrast, were highly 'made-up'. By the early 1960s, an estimated 86 per cent of American girls aged 14 to 17 already used lipstick, 36 per cent used mascara, and 28 per cent used face powder.⁶⁰

The beauty markets of neighbouring European countries differed widely. Table 3 shows the major variations in propensity to use skin creams, lipsticks, and deodorants in the early 1960s.

Although consistent time series data are elusive, the differences continued to be pronounced two decades later. In the early 1980s, Germans remained high spenders on skin creams. The French remained low users of deodorants (and soap) compared to the British and Germans, but far greater consumers of fragrances. Over a quarter of the entire French beauty market was fragrances, compared to 8 per cent in Germany, while French per caput consumption was twice that of Britain and Germany.⁶¹ Consumer purchasing behaviour in the same category also varied widely between countries. French female fragrance consumers had a strong preference for prestige products, and were loyal to one or two scents. In the United States, there was a far higher consumption of mass-market fragrance brands, and typically consumers used more fragrances.⁶²

There were multiple factors driving cross-national differences in consumption patterns. These included persistent variations in grooming habits. In the 1970s, two-thirds of French, German, and Swedish women showered, but 90 per cent of British women preferred to wash in the bathtub. Americans also overwhelmingly preferred showers.⁶³ There continued to be wide variations in social attitudes

⁶⁰ 'The make-up market', *Drug & Cosmetic Industry* (March 1964), pp. 353–6, 447. UAR, TR 67002, E and S Department, 'Markets for skin preparations: an interim report', 12 Dec. 1967; AVON, Boca Raton Conference, May 1979, Series 1: Administration, Subseries C: Conferences, 1973–8; P & G, 'Olay worldwide overview presentation', 16 Sept. 1980.

⁶¹ AVON, Boca Raton Conference, May 1979, Series 1: Administration, Subseries C: Conferences, 1973–8; Frost and Sullivan, *Cosmetics and toiletries*.

⁶² Daguano, 'Fragrance'; Weber and de Villebonne, 'Differences'.

⁶³ UAR, report 8568, Marketing Division, 'The personal wash market in the main European countries', Nov. 1977; R. Marks, 'Marketing case history: Vitabath', *Product Management*, Oct. 1974, contained in JWT, Health and Beauty Aids, Bath Products, JWT, BOX B16.

towards cosmetic use. 'In Germany', a report conducted by Unilever in 1963 observed, 'the puritanic view of a strong connection between beauty care and condemnable sex enhancing methods is still widespread and hampers the growth of the colour range products'.⁶⁴

A second set of obstacles to globalization related to access to distribution channels and marketing. The advertising strategies used to increase the US beauty market were not readily transferable. There were many restrictions on media advertising outside America. The United States had six commercial television stations by 1945, and a decade later over 400, but commercial television was only launched in Japan in 1953, in Britain in 1955, and even later elsewhere in Europe and other countries. There were often restrictions on product advertising, and few countries permitted sponsored game shows.⁶⁵

Finally, there were obstacles to globalization arising from differences both in human physiology and governmental regulations. Products and brands needed some reformulation because of differences in skin tone, hair texture, diet, and climate. Moreover, as the products of the industry could affect health, there was quite extensive regulation of permitted formulations and preservatives, claim substantiations, and ingredient labelling. These varied widely between the United States, Europe, and Japan.⁶⁶

IV

The task of globalizing beauty products after 1945 appeared to provide fewer challenges for the large consumer products companies which had established international businesses in laundry soap and other consumer products. They had the resources and sometimes the local geographical knowledge to grow businesses in personal care. They had the large advertising budgets and marketing skills needed to create attractive international brands. There were also economies of scale in the manufacture of such products, enabling the creation of entry barriers. As most developing countries had high tariff barriers during the postwar decades, multinational firms which created factories behind them could capture strong market positions with limited competition.

The consumer products companies undertook a rapid globalization of toilet soap, toothpaste, and shaving creams. They both exported and built foreign factories. By the 1970s, Unilever, Gillette, and Colgate-Palmolive manufactured in numerous developed and developing markets. The latter firm had over 30 factories outside the United States, spread over Europe, Latin America, Africa, and Asia, by the early 1970s.⁶⁷ Global brands were developed in these product categories, although firms typically struggled to achieve uniformity in composition or packaging in different countries. Palmolive was sold in numerous countries. Unilever's Lux toilet soap,

⁶⁴ UAR, TR 67002, E and S Department, 'Markets for skin preparations: an interim report', 12 Dec. 1967.

⁶⁵ Tedlow, 'Fourth phase', p. 16; Jones and Miskell, 'European integration', p. 127.

⁶⁶ Langet, M., 'Developing cosmetics for an international market', *Drug & Cosmetic Industry* (May 1962), pp. 38–42.

⁶⁷ UAR, ES 75 235, 'Colgate Palmolive: a competitor study', July 1975.

Table 4. *Market shares in selected dental markets, c.1959 (%)*

Country	Total market size (\$ million)	Colgate-Palmolive	Unilever	P & G	Bristol-Myers	Beecham
United States	167	30	19	20	n.a.	n.a.
UK/Ireland	23	27	32	9	n.a.	19
Germany	19	16	14	n.a.	n.a.	n.a.
France	8	40	31	n.a.	n.a.	n.a.
Denmark	2	42	13	n.a.	n.a.	20
Brazil	9	21	9	n.a.	n.a.	n.a.
Thailand	2	82	n.a.	n.a.	9	n.a.
India	11	17	2	n.a.	n.a.	n.a.
Philippines	4	96	n.a.	4	n.a.	n.a.
Australia	6	56	12	n.a.	17	n.a.
South Africa	3	51	18	n.a.	11	n.a.

Source: UAR, report 3110, 'World toilet preparations survey, 1959-60'.

created in the 1920s, was sold on five continents by 1960.⁶⁸ As firms considered entering developing countries, firms such as the US advertising agency J. Walter Thompson were employed to collect basic information about market size and consumer preferences.⁶⁹ There was also product and marketing adaptation to the conditions in those countries. In Thailand, where Unilever held nearly 50 per cent of the total toilet soap market with Lux in the early 1980s, the local company formulated its toilet soap with no tallow, using locally produced palm oil. In India, Unilever both used local ingredients and introduced special low-cost brands during the 1970s in response to government requests.⁷⁰

The market for toothpaste grew rapidly after 1945, including in developing countries, where previously its use had been minimal. As with toilet soap, a global oligopoly emerged. Toothpaste replaced toilet soap as the driver of Colgate-Palmolive's international growth. Unilever also pursued a global strategy with Pepsodent, an American brand which it had acquired in 1944. By 1959, as table 4 shows, a small group of firms held significant shares of many national markets, even though powerful local incumbents were present in some of them, such as Germany, where Blendax held one-third of the dental market.

By the 1970s, Colgate-Palmolive sold around one-third of world toothpaste outside Japan and the Communist countries, while Unilever and P & G sold a further one-fifth each. This was a product category in which first-mover advantages, including brand reputations, were strong, although not invincible. Colgate-Palmolive's dominance in the United States was overwhelmed by P & G's blockbuster, Crest, launched in 1955, which eventually took and held two-fifths of the market. Beecham also briefly captured 8 per cent of the American market during the 1960s, initially by encouraging sampling of Macleans toothpaste by giving away a tube free with the well-established Brylcream hairdressing product.⁷¹

⁶⁸ Jones, *Renewing*, p. 25; Unilever Archives London (hereafter UAL), report box 2, 39/2, Marketing Division, 'Colgate toilet soaps: a ten year review, 1965-1974', Oct. 1974.

⁶⁹ JWT, 'Mexico: market for dentrifices', June 1947, microfilm reel 713. See also Moreno, 'J. Walter Thompson', pp. 273-7.

⁷⁰ Jones, *Renewing*, pp. 164, 171.

⁷¹ Lazell, *From pills*, chs. 11 and 23; UAR, ES 75 235, 'Colgate Palmolive: a competitor study', July 1975.

Both men's shaving products and the new category of deodorants were rapidly globalized during the postwar decades. In 1950, Gillette held over a quarter of the total world market for the former category of product. This firm expanded rapidly in postwar Latin America, and was strongly represented in Europe, where it competed with Unilever and Colgate-Palmolive. During the 1970s, Gillette held around one-fifth of the French, German, and British shaving markets.⁷² Bristol-Myers, Gillette, and Unilever globalized deodorants as a replacement for soap and colognes. Bristol-Myers' Mum, an underarm deodorant based on the same principle as the newly invented 'ball point' pen, was rapidly internationalized after its launch in 1952. Gillette's Right Guard aerosol deodorant, launched in 1960, and Unilever's underarm deodorant brand Rexona competed in dozens of markets. By 1979, Rexona held 7 per cent of the 'world' deodorant market outside Japan and the Communist countries.⁷³

The surprising omission from the above list, which emphasizes the limits to globalization, was P & G. During the 1950s, this firm, which was twice the size of Colgate-Palmolive, remained heavily focused both on the north American market, and laundry soap and synthetic detergents, where it had secured a worldwide technological lead. There were limited international sales of shampoo in Canada and other developed countries, and of Camay in Latin America and the Philippines, but this never developed as a global brand. From the 1950s onwards, P & G expanded its international business, previously focused on Canada and Britain, into continental Europe, and to a limited extent elsewhere. However, international expansion was driven by detergents and, from the 1960s, Pampers diapers, both highly capital-intensive businesses. While Pampers was sold in more than 70 countries by 1980, Crest toothpaste and Head and Shoulders, the anti-dandruff shampoo launched in 1961 which captured one-quarter of the American market, were sold in half a dozen countries outside the United States.⁷⁴

The globalization of hair and skin care, and colour cosmetics, proved challenging. In these categories, competitive advantage rested less on scale economies and more on brand image. Hair care proved a volatile business. As the product was quite inexpensive to manufacture, there were low entry barriers permitting many new entrants. Consumers were prone to experiment with different brands. The market shifted frequently with changing fashions, and it was subject to technology shifts, such as the use of blow dryers during the 1970s.⁷⁵

Outside the United States, shampoo consumption was not widespread after the Second World War, and initially was confined almost entirely to women. Helene Curtis, a strong US innovator, took the lead in the postwar globalization of hair products. By the 1970s, Helene Curtis brands could be bought in over 100 countries. However, the firm's use of agency agreements to gain rapid access to markets seems to have limited its growth potential. By that decade, three-quarters of its revenues were earned in the United States,⁷⁶ and the large consumer

⁷² McKibben, *Cutting edge*; UAR, report 3110, 'World toilet preparations survey, 1959-1960'; Euromonitor, *Consumer Europe*, p. 109.

⁷³ UAR, ES 81 220C, 'Worldwide review of Rexona deodorant'.

⁷⁴ Dyer, et al., *Rising tide*, pp. 101-6; *Hedley moonbeams*, Christmas 1952, P & G.

⁷⁵ Dyer, et al., *Rising tide*, pp. 111-12, 262-3.

⁷⁶ 'Helene Curtis enters a new era of innovation', *Drug and Cosmetic Industry* (Aug. 1996), pp. 34-7.

Table 5. *Share of world shampoo markets in 1973 by leading firms*

	<i>Colgate-Palmolive</i>	<i>Unilever</i>	<i>P & G</i>	<i>Beecham</i>	<i>L'Oréal</i>
Europe	7	12	2	9	15
North America	4	—	21	—	—
Latin America	9	33	2	2	11
Africa	13	15	—	7	—
Asia (exc. Japan)	17	40	—	1	1
'World'	6	8	12	4	6

Note: The 'world' excludes Communist countries and Japan.

Source: UAR, ES 75 235, 'Colgate Palmolive: a competitor study', July 1975.

products companies and L'Oréal had become the largest international firms in the category (table 5).

The global shampoo market was much less oligopolistic than toothpaste, yet Colgate-Palmolive, Unilever, and Beecham sold widely. L'Oréal manufactured and sold hair care products throughout Europe and parts of Latin America—it held a 16 per cent share of the Argentinean market in 1973. In the 1970s, L'Oréal held over half of the French hair care market, but only 10 per cent of the German, where local firms Wella, Schwarzkopf, and Henkel held over half of the retail hair market. Wella was one of the world's largest global hair care firms, with sales throughout the world. In major continental markets, the shampoo market was distorted by regulation on distribution channels, designed to protect pharmacies. In France, only pharmacies could sell treatment or medicated shampoos—around one-quarter of the market.⁷⁷ Unilever's Sunsilk, launched in Britain in 1954 and manufactured in 27 countries by the early 1970s, was the closest thing to a global hair care brand. The market positioning varied with income levels. In urban Brazil, Argentina, and South Africa, where liquid shampoo use spread after 1945, it was sold using a 'natural beauty' image, as in Europe, but in lower income markets, where shampoos remained unusual even in the 1970s, it was targeted at the rich elites, who had begun to use hairdressers, and socially-aspirant women who had enough disposable income to use a specialist hair product occasionally.⁷⁸ Neither Unilever nor other firms reformulated for hair types in this period. One consequence was that Chesebrough's Vaseline found an unexpectedly large market in postwar Africa for hairdressing and conditioning, as shampoos formulated for Caucasian hair worked poorly with African hair.⁷⁹

The American hair care market, with strong local incumbents and a complicated distribution system, had almost no foreign brands. During the 1970s, Unilever tried but failed to sell shampoo in the United States. Neither Wella nor L'Oréal was able to build significant businesses. In 1953, the latter formed licensee Cosmair Inc. to distribute hair products to beauty salons, which were very important for hair care sales in that country, but made limited progress in a situation where local middlemen rather than national distributors delivered to beauty shops. The French

⁷⁷ Frost and Sullivan, *Cosmetics and toiletries*; Wells, 'Shampoos'.

⁷⁸ UAR, report 3266, 'Toilet preparations co-ordination brand strategy, "Sunsilk"', Sept. 1973.

⁷⁹ Jones, *Renewing*, p. 167.

company had few relationships with such middlemen, while hair salons and their clientele were unfamiliar with the L'Oréal brand.⁸⁰

As skin care and cosmetics firms crossed borders, they also built factories and created distribution companies. In the early 1960s, L'Oréal had sales in 60 countries and manufactured in about 30, although two-thirds of its revenues continued to be generated in France.⁸¹ Beiersdorf, like Wella, built an extensive global business. By 1975, the German firm had 18 foreign subsidiaries, as well as 22 licensing agreements to produce its products in local markets, and by the end of that decade, 74 per cent of Nivea sales were made outside Germany.⁸² A number of American firms were very international. By the mid-1950s, Pond's was using two manufacturing plants in the US and four abroad to sell in nearly 120 countries.⁸³ By 1958, Max Factor manufactured in 13 countries and sold in 106; by 1971, it sold in 143 countries, and international sales constituted 54 per cent of the firm's total.⁸⁴ In 1954, Avon, whose only international operation had been in Canada, opened in Puerto Rico and Venezuela, followed soon afterwards by Cuba, Mexico, and Brazil. By the early 1970s, it manufactured in 16 countries. By the 1960s, Helena Rubenstein sold colour cosmetics in over 70 countries—with seven plants in Latin America, five in Europe, and one in each of Australia, Canada, Israel, Japan, New Zealand, and South Africa. Revlon opened a Mexican factory in 1948, and entered Germany with a licensing agreement with Henkel, the leading German laundry soap company. By 1971, the firm manufactured in 12 countries and sold its products in 84.⁸⁵

However, many US cosmetics companies were far less active internationally. Before 1956, Noxzema's international sales of skin cream were confined to Canada and limited exports, directed by a single manager in Baltimore. Despite the great domestic success of the Cover Girl make-up brand, launched in 1961, there was only cautious international growth. A sales branch was opened in Britain in 1964, and this began to manufacture in 1978. Elsewhere, markets were supplied by exports or licensing agreements.⁸⁶

The cosmetics and skin care companies faced multiple challenges as they globalized. In developed markets, there was usually a high degree of fragmentation and competition. It was expensive to build and sustain brands; on average, cosmetics companies spent 12 per cent of their sales on advertising. As demand was highly influenced by seasonal and fashion trends, with colours falling in and out of favour, products, advertising, and promotional campaigns in each country needed to be constantly reviewed. In developing markets especially, it was necessary to invest in explaining to consumers how to use and apply them. As Avon expanded its direct sales business internationally, it devoted considerable resources to educating consumers in the use of their products, especially in developing countries.

⁸⁰ UAR, report TR74014, 'L'Oréal: competitor study'; Jones et al., 'L'Oréal'.

⁸¹ UAR, AHK 1748, C. T. C. Heyning, 'Lolo', 2 Feb. 1965.

⁸² Wella, *History*; Beiersdorf, *100 Jahre*; Schröter, 'Marketing', p. 640.

⁸³ 'The Pond's Extract Company: A Case History', 13 Feb. 1959, Howard Henderson Papers—Special Projects, Case History Project, Clients: Chesebrough-Pond's 1959, JWT; UAR, report ES 82267, 'Toiletry/cosmetics competitor profitability', Dec. 1982.

⁸⁴ P & G, Max Factor, annual reports, 1958 and 1971.

⁸⁵ AVON, Frost and Sullivan, 'The cosmetics and toiletries industry market', Aug. 1972, RGII Historical Files, Series 7, Conferences, Box 124; Hilger, *Amerikanisierung*, pp. 158–9.

⁸⁶ P & G, Noxell Corporation, annual reports, 1962 and 1979.

After entering Mexico in 1958, it faced a major educative role. As an Avon executive recalled five years later, ‘many women do not know how to use or even buy various cosmetics. In some cases they have seen them advertised or heard of them, but would not buy or use them for fear of showing their lack of knowledge’.⁸⁷ Max Factor similarly invested in organizing demonstrations in stores and pharmacies as it spread abroad.⁸⁸

Cosmetics brands typically drew strongly on the beauty ideals of their country of origin. Postwar US firms were strongly inclined to regard American beauty ideals as universal. The global popularity of Hollywood and the prestige of the United States gave American brands powerful resonances of success and fashion. In Mexico, US cosmetics companies used endorsements by white American celebrities to sell products, although from the early 1940s, they sometimes featured local celebrities and occasionally appealed to Mexican beauty ideals.⁸⁹ POND’s was especially reluctant to admit local images into its international marketing, and was strongly committed to advertising cosmetics as universal products that appealed to international rather than local aspirations. POND’s and its agency J. Walter Thompson strove to maintain the core marketing strategy—such as endorsements by high society women—despite local pressures for alternative approaches in postwar Europe and elsewhere.⁹⁰ POND’s launched Angel Face, a face powder, in 1946, began selling it in Latin America three years later, and by 1961 it was sold in 30 countries, using an almost identical advertising and brand image. ‘We like Chesebrough-POND’s to have a uniform image’, an executive observed in 1961, ‘to look the same everywhere’.⁹¹

However, there were significant differences between firms as to the degree of local adaptation needed in marketing and other matters. By 1949, Max Factor was using the young Mexican-born Hollywood actor Ricardo Montalban to promote sales of men’s products in Spanish-speaking countries.⁹² In postwar Mexico, Palmolive was marketed with a distinct Mexican identity.⁹³ Local regulatory requirements and market differences encouraged some firms to engage in substantive local adaptive research. By the early 1980s, L’Oréal and Chanel had major laboratories in two countries, Max Factor in four, and Chesebrough-POND’s in eight, but Avon, Revlon, Estée Lauder, and Shiseido relied on central laboratories in their home countries.⁹⁴ By the 1970s, it would seem that cosmetics firms were more inclined to use local models and make other local adaptations than three decades previously, but practice differed widely between firms, markets, and price ranges. Typically, firms sought consistent brand images and formulations for prestige brands, whose consumers were often internationally mobile.

American brands probably carried the most compelling country of origin appeal. While France had a powerful image of style and elegance, L’Oréal found that the prestige of French perfume in the United States did not translate into its

⁸⁷ AVON, Clark, H., ‘Avon around the world’, International Division, 17–21 June 1963.

⁸⁸ Peiss, ‘Educating’.

⁸⁹ Moreno, *Yankee*, pp. 137–9.

⁹⁰ JWT, Memorandum by Howard Henderson to all offices, 17 Dec. 1952, Howard Henderson papers—Special Projects, Case History Project, Clients: Chesebrough-POND’s.

⁹¹ ‘Defying a popular success theory’, *Printers’ Ink*, 8 Dec. 1961, pp. 36–7.

⁹² ‘Max Factor Hollywood sales bulletin’, 8 June 1949, P & G.

⁹³ Moreno, *Yankee*, pp. 139–40, 142–4.

⁹⁴ ‘Developing cosmetics for an international market’, *Drug & Cosmetic Industry*, May 1982, pp. 38–41, 108.

hair colouring products during the postwar decades.⁹⁵ Yardley was able to build a modest international business with an English image for its flower-scented soaps and traditional perfumes, but it opened a Paris office in the 1920s, and sometimes put 'London and Paris' on labels.⁹⁶ Shiseido benefited from a growing Japanese image for quality in Asian markets, but in the west only earned a transient advantage from being 'exotic'. During the 1960s, the firm began selling in the United States, but after a rapid expansion built on novelty, this business went into serious decline.⁹⁷ One option for foreign firms was to borrow American imagery. Unilever's Lux toilet soap was traditionally promoted by famous Hollywood film stars.

When cosmetics companies entered new markets, they were faced in some categories by strong loyalties to pre-existing brands, and in others by a fashion-driven demand where brand franchises were vulnerable. Typically, consumers of foundation were loyal to existing brands, as the product was expensive and needed to be a good match with skin tone. In contrast, eye and lip cosmetics, which were 'fun' products, were fashion-driven and required constant innovation in positioning, packaging, and formulation.

In skin care, the importance of long-established brands such as Nivea and Pond's did not prevent new entrants. In 1969, Henkel introduced a new skin cream which almost immediately captured 7 per cent of the German market, causing a temporary crisis (followed by a corporate and marketing strategy restructuring) for Beiersdorf's Nivea brand.⁹⁸ While the Henkel brand was eventually withdrawn, a more sustained new entry was Oil of Olay. In 1970, Richardson-Merrell (formerly Vick Chemical), purchased Adams Company, an entrepreneurial South African company which had developed the brand in the early 1950s, and had launched it in seven other countries by the end of the 1960s. The new owners rapidly grew the brand in the United States, positioning it in the medium-price mass market, and manufacturing in Puerto Rico to secure tax breaks. During the 1970s, global Olay sales rose from \$7 million to \$117 million, and US sales from \$3 million to \$60 million, representing one-third of the US skin care market. The brand was also launched and grew rapidly in south-east Asia, Mexico, and Brazil.⁹⁹

Firms faced major challenges in accessing distribution channels. As Avon expanded abroad, it encountered the problem that the distinctive American practice of door-to-door selling was neither known nor welcomed in many countries. In Britain, Avon initially struggled, because, as an executive noted in 1963, 'there was a feeling that Direct Selling was akin to "hawking" or being a "fish monger" and done only by the very low classes'.¹⁰⁰ Both prestige and mass cosmetics brands struggled to persuade distribution channels to provide space on their shelves or floors. In prestige, this meant persuading exclusive department stores to provide

⁹⁵ Dalle, *L'aventure*, pp. 230–4; interview with B. Dautresme in 'Mass, class and the "politique" of L'Oréal', *Adweek*, Feb. 1985, pp. 27–8.

⁹⁶ Wynne-Thomas, *House*, pp. 66–7.

⁹⁷ Allen, *Selling*, pp. 120–2.

⁹⁸ Schröter, 'Erfolgsfaktor', pp. 1106–12.

⁹⁹ P & G, Richardson Merrill, annual report 1971; P & G, 'Olay worldwide overview presentation', 16 Sept. 1980; 'Oil of Olay's secret: price and positioning', *New York Times*, 1 Sept. 1980, p. D1; Standard and Poor's Corporation, *Standard and Poor industry survey*, 1980, 'Cosmetics and personal care products', H26–9.

¹⁰⁰ AVON, Clark, H., 'Avon around the world', International Division, 17–21 June 1963, RGII Historical Files, Series 7, Conferences, Box 124.

floor space in a good location, which usually meant displacing incumbents. Estée Lauder, who in the late 1940s had fought hard to get the products of her new business into prestigious American department stores, had to repeat the effort in foreign countries.¹⁰¹ In the United States, it was only during the early 1980s and after years of effort that L'Oréal was able to convince Macy's to give the expensive Lancôme brand the same amount of space as Estée Lauder, a move which in a single year boosted the US sales of Lancôme by 25 per cent.¹⁰²

As a result of these difficulties, the level of globalization in cosmetics and fragrances remained muted. In a famous 1983 article, the Harvard Business School marketing guru Theodore Levitt identified Revlon as one of the symbols of the globalization of the cosmetics (and other) markets.¹⁰³ Yet during the 1970s, Revlon diversified domestically into health care and other unrelated products, and remained heavily dependent on domestic sales of cosmetics. This was true of most other US cosmetics companies, except Avon, as well as L'Oréal and Shiseido (see appendix table 2).

In terms of market share, foreign firms had limited presence in the United States, Japan, and France. During the 1960s in the United States, Revlon and Avon held 50 per cent of the lipstick market between them; Revlon, Avon, Chesebrough-Pond's, and Helena Rubinstein dominated the face cream market. Maybelline accounted for one-third of the eye cosmetics market.¹⁰⁴ As Revlon, Max Factor, Coty, and Estée Lauder diversified into perfume, they eroded the French pre-eminence in that market, even taking large shares of the prestige sector during the 1960s.¹⁰⁵ In Japan, Shiseido, Kanebo, and Pola held more than 50 per cent of the cosmetics market in 1978. Avon and Revlon, the largest foreign companies, held a mere 1 to 2 per cent.¹⁰⁶ In France, L'Oréal brands were pre-eminent in all cosmetics categories. Avon, the largest foreign firm, held 5 per cent of the French cosmetics and toiletries sector.¹⁰⁷

It was in countries lacking powerful incumbents that foreign firms established a stronger position. In Britain, US firms were pre-eminent in colour cosmetics. Max Factor and Avon together held nearly two-fifths of the make-up market in the early 1980s. Revlon and Estée Lauder held smaller shares. In Italy, L'Oréal, Revlon, Elizabeth Arden, and Avon dominated the make-up market. In Germany, while local skin care brands led by Nivea dominated the sector, Avon and Revlon held around two-fifths of the eye, lip, and nail cosmetics markets.¹⁰⁸

In most developing countries, average income levels restricted cosmetics sales to urban elites, who, however, were willing consumers of aspirational brands. By 1960, Avon held strong market positions in many Latin American countries,

¹⁰¹ Koehn, *Brand new*, pp. 174–6, 197–8.

¹⁰² Jones et al., 'L'Oréal'.

¹⁰³ Levitt, 'Globalization'.

¹⁰⁴ 'Mascara and Maybelline', *Drug & Cosmetic Industry*, Jan. 1978, pp. 26–9.

¹⁰⁵ Caldwell, 'Development', chs. 5 and 6.

¹⁰⁶ JWT, 'Fragrance around the world', *Household and Personal Products Industry*, Dec. 1978, vertical files, Series B, Advertising and Marketing, Health and Beauty: Fragrances.

¹⁰⁷ Frost and Sullivan, *Cosmetics and toiletries*.

¹⁰⁸ *Ibid.*; AVON, Avon-Boca Raton Conference, May 1979, Europe in the 1980s: Series 1; Administration. Subseries C: Conferences 1973–87.

including Venezuela, where it held 50 per cent of the cosmetics market.¹⁰⁹ By 1972, Revlon and Shiseido held 50 per cent of the Thai cosmetics market, while Elizabeth Arden was affiliated with a local manufacturer which operated retail stores. Avon began operations in Thailand six years later.¹¹⁰ In Africa, affluent white South Africans were the most significant market for global cosmetics firms, but there was some international presence elsewhere. In west Africa, from the interwar years onwards, Unilever sold 'traditional' cosmetics products, including pomades and oil-based perfumes, and in 1961, a factory was opened in Nigeria to make such products. By then, Unilever, along with Max Factor and Pond's, was experimenting with colour cosmetics, including specially formulated make-up for the west African market.¹¹¹

By 1980, therefore, the beauty industry was more globalized than in 1945, but the extent of globalization remained patchy. As incomes had risen in Europe, Japan, and developing countries, there had been a considerable diffusion of products such as toilet soap, toothpaste, shampoos, and deodorants, and a rather weaker globalization in cosmetics. However, consumer preferences remained far from homogenized. The marketing of beauty brands using aspirational images, including Hollywood stars and 'blonde and blue-eyed' models, can be seen as contributing to the diffusion of western, or American, beauty ideals at the expense of local discourses. Yet the meaning of this diffusion is complex. American beauty culture was aspirational for many women, especially in developing countries. It has been argued persuasively that both the ideal and business methods such as direct selling carried powerful images of modernity and opportunity for women in regions and countries as diverse as Brazil and Thailand.¹¹² Moreover, a region such as Latin America had its own discourses about skin colour which were unrelated to the globalization of cosmetics using Caucasian models.¹¹³

If international beauty pageants are used as a proxy, then—not surprisingly—a stereotyped blonde and blue-eyed American beauty ideal did not sweep the postwar world. Americans won one of the (UK-based) Miss World contests between 1951 and 1979, and four of the (US-based) Miss Universe contests between 1952 and 1979. However, a strong Caucasian bias was evident. Blonde Scandinavians were the first winners of both contests. There were 20 Caucasians and 6 pale-skinned Latin Americans among the winners of Miss World. Apart from a pale-skinned Miss Egypt in 1954, Miss India in 1966 was the first 'darker skinned' winner and Miss Grenada (1970) the first of visible African descent. The Miss Universe winners included 14 Caucasians and 7 pale-skinned Latin Americans. There was a Japanese winner in 1959, a Thai in 1965, and a Trinidadian of African descent in 1977. A 'Miss Universe standard of beauty' involving face, figure, proportions, and posture was diffused into national beauty contests, as has been shown in the case of Thailand.¹¹⁴ The sponsorship of US cosmetics companies co-opted women of every nationality into their international marketing. Max

¹⁰⁹ AVON, Clark, H., 'Avon around the world', International Division, 17–21 June 1963, RGII Historical Files, Series 7, Conferences, Box 124.

¹¹⁰ Carsch, 'Cosmetics in Thailand'.

¹¹¹ Fieldhouse, *Merchant capital*, pp. 537–9; UAR, report 3110, 'World toilet preparations survey, 1959–1960'.

¹¹² Peiss, 'Educating'; Wilson, *Intimate economies*, ch. 5; Woodard, 'Marketing modernity', p. 276.

¹¹³ Wade, *Race*.

¹¹⁴ Esterik, 'Politics', p. 215.

Factor sponsored Miss Peru, the winner of the 1957 Miss Universe contest, on a tour of Latin America, in what the company called a 'sensationally successful publicity promotion'. The same pattern was followed subsequently, with the company sponsoring Miss Japan to tour Japan on its behalf two years later.¹¹⁵

The trends in male beauty ideals had a less direct impact on the beauty industry, although this was not always the case. During the late-nineteenth century, the sharp fall in the wearing of beards by men, a trend in which British and American men were initially prominent, represented the globalization of a 'clean shaven' look which formed a component of emerging concepts of 'masculinity', and drove the rapid growth of US shaving cream manufacturers such as J. B. Williams and Burma-Vita.¹¹⁶ However, it was body shape which became most important for male beauty ideals. During the nineteenth century, 'the muscular man of height and physical prowess' grew as the American male ideal.¹¹⁷ When the Mr America (launched in 1940) and Mr Universe (launched in 1948) contests started, they were, and remained, bodybuilding contests in which muscles and body shape were judged. There was much evidence that male height brought both career and (together with body shape) sexual success, even though on average women place less emphasis on the physical attractiveness of their partners than men do. This emphasis on height, body shape, and size did not generate substantial market opportunities for the beauty industry. In contrast, cosmetics could make a plausible case that they could enhance the feminine and youthful features, such as large eyes, high cheek-bones, and plump lips, which appeared to attract men to women.¹¹⁸ This may have begun to change, at least in the United States, during the 1970s, in part with rising divorce rates, but even then it was hair restoration services and health clubs which experienced growing demand.¹¹⁹

V

The challenges of globalizing cosmetics provided an incentive to consolidate the cosmetics industry. As the original founders of entrepreneurial firms retired or died, a trend which intensified during the 1960s, firms became available for acquisition. The result was a strong concentration process (see table 6). This might have been expected to have facilitated globalization, but much of the process turned out to be unsustainable.

Among the cosmetics firms, a number of strategies were evident. In France and the United States, there was domestic consolidation. L'Oréal purchased small, and often poorly managed, family-owned cosmetics firms in the fragmented French industry, including Lancôme, which sold prestige cosmetics and perfumes, and Garnier, a hair care company, in 1964.¹²⁰ In the United States, Chesebrough-Pond's, created by merger in 1955, acquired a series of smaller firms. However, many larger firms, including Avon, Revlon, and Shiseido, as well as the fast-growing and still family-owned Estée Lauder, opted for organic growth. Revlon

¹¹⁵ *Max Factor Reporter*, IV, 5, Oct./Nov. 1957 and V, 10, Aug./Sept. 1959, P & G.

¹¹⁶ Robinson, 'Fashions'; Tosh, *Manliness*.

¹¹⁷ Banner, *American beauty*, p. 229.

¹¹⁸ Etcoff, *Survival*, pp. 60–3, 150–5, 172–8.

¹¹⁹ Luciano, *Looking good*, pp. 101–32.

¹²⁰ Dalle, *L'aventure*, pp. 107–10, 129–35.

Table 6. *Mergers and acquisitions of cosmetics firms, 1947–80*

<i>Date</i>	<i>Acquirer</i>	<i>Acquired^a</i>	<i>Divested</i>
<i>Cosmetics</i>			
1955	Chesebrough	Pond's	1986 acq. ^b
1958	Chesebrough-Pond's	Prince Matchabelli	1986 acq. ^b
1960	Chesebrough-Pond's	Cutex	1986 acq. ^b
1960	Helene Curtis	Studio Girl	1996 acq. ^c
1961–4	L'Oréal	Various (France)	
<i>Consumer products</i>			
1947	Unilever	Harriet Hubbard Ayer	1954
1949	Gillette	Toni Company	2005 acq. ^d
1973	Gillette	Jafra Cosmetics	1998
1974	Colgate-Palmolive	Helena Rubenstein	1980
<i>Pharmaceutical</i>			
1959	Bristol-Myers	Clairol	2000
1963	Pfizer	Coty	1992
1963	American Cyanamid	Breck	1990
1966	Sterling Drug	Lehn & Fink	1988 acq. ^e
1967	Plough	Maybelline	1989
1967	Beecham	Lancaster (Monaco)	1990
1970	American Cyanamid	Shulton	1990
1970	Eli Lilly	Elizabeth Arden	1987
1970	Richardson-Merrill	Adams (South Africa)	1985 acq. ^f
1971	Squibb	Charles of the Ritz	1986
1971	Smith & Nephew	Gala (UK)	1980
1978	Schering-Plough	Rimmel (UK)	1989
1979	Beecham	Jovan	1990
<i>Conglomerate</i>			
1961	Kanebo	Kanegafuchi (Japan)	2005 acq. ^g
1967	BAT	Yardley (UK)	1984
1970	American Brands	Andrew Jergens	1988
1971	ITT	Rimmel (UK)	1978
1973	Norton Simon	Max Factor	1983 acq. ^h

Notes:

a All acquisitions of US firms except when specified.

b Chesebrough-Pond's was acquired by Unilever in 1986.

c Helene Curtis was acquired by Unilever in 1996.

d Sterling Drug was acquired by Eastman Kodak in 1988.

e Gillette was acquired by P & G in 2005.

f Richardson-Vicks was acquired by P & G in 1985.

g Kanebo was acquired by Kao in 2005.

h Norton Simon was acquired by Esmark in 1983.

and later Avon made unrelated acquisitions. In 1979, Avon acquired Tiffany's, the prestigious New York jewellery store, and began a decade of ill-fated unrelated diversification which was ultimately divested.¹²¹

It was the consumer products, pharmaceutical, and conglomerate companies which made extensive acquisitions in cosmetics. The process appeared logical. They had financial resources to invest in the advertising-intensive category, and research facilities to engage in innovation. In many cases, they had international distribution and production facilities. The profitability of the cosmetics, and the potential for globalization, provided major attractions. However, the outcomes turned out to be unsuccessful and transient.

¹²¹ Allen, *Selling*, pp. 115–6; Klepacki, *Avon*, pp. 28–33.

Unilever was a first mover in seeking to diversify into cosmetics. It acquired Harriet Hubbard Ayer—America's oldest cosmetics firm—in 1947. However, it was sold in 1954 after heavy losses.¹²² Thereafter, Unilever made little progress in cosmetics. While attempts to create a sizeable business organically failed, it missed acquisition opportunities. In 1947, a proposal by Unilever's American management to buy the Toni Company, a US company which made kits to enable women to wave their own hair at home, was rejected by the head office as too costly and risky.¹²³ During the 1960s, an agreement with the majority owner of L'Oréal, the daughter of the founder, by Unilever's French management for the acquisition of a minority shareholding was again blocked by senior management. Nestlé acquired a shareholding in 1974. The only significant acquisition before 1980 was a medium-sized Swedish cosmetics firm in 1975.¹²⁴ A senior female manager in Unilever later provided a gendered explanation for the lack of progress. 'The whole idea of being linked with up-market beauty products and fragrances', she later observed, 'rather embarrassed the tough business executives who operated in Unilever House'.¹²⁵ Firms with large businesses in detergents or diapers faced an uphill struggle to persuade managers to work in personal care, or to persuade local affiliates that they should divert resources away from high-volume and profitable businesses to market such products.

There was evidence from other companies that cosmetics posed cultural and organizational challenges for consumer products firms, whose mass-marketing and manufacturing capabilities proved hard to transfer to a product category where creativity and fashion were at a premium. In 1973, Gillette, which had eventually acquired Toni, acquired Jafra Cosmetics, a Californian direct-sales cosmetics company, which employed thousands of saleswomen to sell skin care products, and had locations in dozens of countries, with a strong presence in Mexico. However, a move of head office to Gillette's home in Boston resulted in a major loss of momentum.¹²⁶ In 1974, Colgate-Palmolive acquired Helena Rubenstein for \$142 million. However, an unsuccessful attempt to take the brand mass market, accompanied by a traumatic move of the head office from the creative centre of New York, caused a meltdown of the north American business. In 1980, after trying but failing to dispose of the business to both L'Oréal and Kao, a leading Japanese laundry soap company, it was sold to a private buyer for \$20 million.¹²⁷ Meanwhile, P & G, alarmed by an encounter with anti-trust following an acquisition in the late 1950s, did not make acquisitions in any sector, including cosmetics.¹²⁸

Pharmaceutical companies made major acquisitions in cosmetics and hair care. The trend began with Bristol-Myers's purchase of Clairol, whose improved hair colour products had transformed American women's hair dyeing during the 1950s, and permitted millions to 'be blonde beautifully'.¹²⁹ Thereafter, a succession of prominent cosmetics firms were acquired, spurred by a belief that the research

¹²² Wilson, *Unilever*, vol. 3, p. 199.

¹²³ McKibben, *Cutting edge*, p. 45.

¹²⁴ Jones, *Renewing*, p. 63.

¹²⁵ Macdonald, *Autobiography*, p. 122.

¹²⁶ McKibben, *Cutting edge*, pp. 45, 70.

¹²⁷ UAR, ES 82267, 'Toiletry/cosmetics competitor profitability, 1976–81', Dec. 1982; Allen, *Selling*, pp. 87–97.

¹²⁸ Dyer et al., *Rising tide*, p. 107.

¹²⁹ '50 colorful years: the Clairol story' (1982), P & G.

capabilities of pharmaceutical companies would lead to new product innovations in cosmetics. There were also predictions that government regulation over cosmetics would grow, and that as a result their expertise would be valuable.¹³⁰ However, many once-prominent brands withered under their new ownership. American Cyanamid reformulated and repositioned the once-famous Breck shampoo as a budget brand, and then spent little to market it. By the 1970s, it was left behind by herbal-based competitors, and provoked feminist disdain for the traditional Breck 'girls' used in its advertisements. Within two decades, it was only being sold in Mexico and as a 99-cent shampoo cast away on US supermarket shelves.¹³¹

A key problem for the pharmaceutical companies was that product innovation needed to be embedded in creative marketing and branding strategies. This was hard to achieve, given the gap in the culture, marketing, and branding capabilities required to succeed in pharmaceuticals and cosmetics.¹³² From the mid-1970s, US pharmaceutical companies made only relatively small acquisitions, although as late as 1979, British-based Beecham acquired a successful Chicago fragrance start-up.¹³³ Subsequently, there was a complete divestiture of pharmaceuticals from the beauty sector. An early mover in this trend was Smith & Nephew, the British pharmaceutical and medical products company, which had acquired the rights to Nivea in the British market as a result of the Second World War. In 1971, they had acquired Gala, a medium-sized British cosmetics company, but divested nine years later after making heavy losses, especially in the United States.¹³⁴

There were also major investments by conglomerates in cosmetics. Japan's Kanebo, which had originated as a textile manufacturer, led this trend when it purchased the cosmetics division of an affiliated Japanese chemicals company in 1961. By 1977, Kanebo had captured 17 per cent of its domestic market, and built an international business, primarily in Asia.¹³⁵ In contrast, the cosmetics acquisitions of British and American conglomerates proved transient. ITT, the classic conglomerate of the era, acquired one of the larger British-owned cosmetics companies in 1971, only to sell it nine years later, as it began to divest its highly diversified portfolio. Max Factor experienced major management problems under its new owner, as did Andrew Jergens before its sale to Kao in 1988.¹³⁶

The most interesting experiment was by BAT, which, like American Brands, was a large tobacco company seeking high-margin diversification opportunities. During the 1960s, the British company spent \$120 million acquiring small and medium-sized European cosmetics and fragrance businesses. In 1970, these were merged into a wholly-owned subsidiary, British American Cosmetics (BAC), which manufactured in 37 countries and sold in 143 by the early 1980s.¹³⁷

¹³⁰ AVON, Frost and Sullivan, 'The cosmetics and toiletries industry market', Aug. 1972, RGII, Historical Files, Series 9, Library Resources—Alphabetical Files, Box 127.

¹³¹ 'Reviving Breck: new bottles. No "girls"', *Wall Street Journal*, 1 June 1993, p. B1.

¹³² UAR, ES 78201, 'Toiletry/cosmetics competitors profitability', Oct. 1978; Chandler, *Shaping*, pp. 202–7; Peyer, *Roche*, p. 226.

¹³³ 'Jovan maneuver catapults Beecham onto the world scene', *Advertising Age*, 3 Sept. 1979, p. 52.

¹³⁴ Foreman-Peck, *Smith & Nephew*, pp. 129–38.

¹³⁵ Tradi, 'Kanebo'.

¹³⁶ Allen, *Selling*, pp. 104–8; 'Schering-Plough buys British unit of ITT', *Wall Street Journal*, 3 Jan. 1980, p. 6.

¹³⁷ 'All About BAT', Sept. 1984, BAT archives, London.

BAC's largest component was the long-established toiletries company, Yardley. This company had diversified into colour cosmetics in the American market under its previous family owners, resulting in large losses which were only stemmed when the US business was sold, and Yardley could concentrate on its profitable businesses elsewhere, including Britain, South Africa, and Columbia. By the early 1980s, BAC, which was managed fairly autonomously from its parent, had become a cohesive and quite profitable cosmetics company.¹³⁸ However, cosmetics never exceeded 2 per cent of overall BAT revenues and 1 per cent of the profits, and there was little interest in growing further through major acquisitions. In 1984, BAC was sold to Beecham, creating a quite substantial British-based cosmetics company, whose sales reached £360 million by the end of the decade. The combination of the toiletries and cosmetics interests of the two firms had the apparent potential to create a significant British-based beauty company, but Beecham divested from cosmetics following its merger with a US pharmaceuticals company in 1989, and little remained of the group within a decade.

By the late 1970s, the global beauty industry had changed considerably compared to 1950, though the presence of so many pharmaceutical and conglomerate companies was to prove a temporary affair (see appendix table 2). Cosmetics companies had grown in importance in the rankings of the largest firms. A number of firms which were small or non-existent in 1950, such as Estée Lauder, had grown considerably. Beauty remained an industry with a strong American corporate presence. However, the postwar recovery and subsequent rapid growth of the Japanese and European markets had provided a basis for their firms to greatly increase their presence among the largest firms.

VI

This article has shown how manufacturing and marketing strategies were used to diffuse beauty products globally, despite long-standing cross-national differences in cultural and social values concerning such products, as well as the heterogeneity of the physiology of human beings. Not surprisingly, marketing and investment was concentrated in richer markets, yet western toiletries and hygienic practices were also widely diffused in developing countries by the 1970s.

The internationalization of the beauty industry was paralleled in other consumer products, including those such as food and beverages in which cultural preferences shaped demand. Yet this article has emphasized the challenges of globalization, certainly within the beauty industry. There proved to be surprisingly strong barriers even between the US and European markets. Local incumbents remained dominant in the giant Japanese market, and in the United States, with the partial exception of toilet soap, toothpaste, and fragrances. Large corporations struggled to succeed in the fashion-conscious hair care and cosmetics markets. A number of the largest firms were extremely cautious in global markets. As a result, the globalization of beauty was partial by 1980, and much more extensive in toiletries than cosmetics.

¹³⁸ Budget Submission, Cosmetics Operating Group, 7 July 1984, BAT Industries files, Tobacco Control Archives, University of California, San Francisco.

There was a distinct lack of path dependency. During the 1960s, it seemed that the cosmetics and pharmaceutical industries were converging, but this proved a wrong turning. Cosmetics companies made unrelated acquisitions and became components of highly diversified firms—neither trend survived the 1980s. By the early-twenty-first century, industry leadership was shared between firms which had originated in cosmetics and hair care—L'Oréal, Avon, and Estée Lauder—and consumer products companies, especially P & G and Unilever, which belatedly developed the capacity to acquire and integrate businesses in skin and hair care and cosmetics.

This article points to the significant, but nuanced, impact of globalization on consumers. Just as the soap industry had played its part in 'Westernization' in the late-nineteenth century, globalization after 1945 represented a further diffusion of western, especially American, hygiene and beauty ideals and practices. Corporate strategies were important drivers of this diffusion. Yet strong cross-national differences in consumer preferences persisted. By 1980, globalization had not resulted in a pervading Americanization of global beauty. The American influence in the industry remained strong, as a leading source of innovation, and a setter of fashion. US-based firms had powerful global reach. Yet in international markets, initial postwar strategies towards selling universal products and brand images became more nuanced over time, as firms sought to combine global brands and local identities. Firms based in countries with other powerful beauty ideals and competences, notably France, Germany, and Japan, grew substantially. Moreover, by the 1970s, the postwar American beauty ideal had begun to fragment partially, in recognition of the diversity of ethnic types in the United States.

Globalization did not produce homogeneity in beauty. After 1980, intensified globalization was accompanied by increasing segmentation by ethnicity, gender, age, income, and other characteristics. Nevertheless, certain ideals, especially for women, had become widely diffused worldwide, including a lack of body odour, white natural teeth, slim figures, paler skins, and rounder eyes. Beauty companies, along with and in association with beauty pageants, fashion magazines, and Hollywood, shaped this process. From a historical perspective, corporate strategies contributed to a reduction in the range of global variation in beauty ideals, while simultaneously developing products which enabled more and more consumers to aspire to capturing the beauty premium.

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Appendix table 1. *World's largest personal care companies, 1950 (\$ million)*

	Ownership	Personal care revenues	Total corporate revenues	International revenues (%)	Main product categories
Colgate-Palmolive	US	58	312	32	Dental, shaving, soap
Unilever	UK/NL	48	2,240	80	Hair care, soap, dental
Avon	US	31	31	6	Cosmetics, toiletries
Gillette	US	25	99	33	Shaving cream, men's toiletries
Shulton	US	23	25		Men's toiletries
Pond's ^a	US	22	22	40	Skin care
Revlon	US	19	19	10	Cosmetics
Coty	US	18	18		Fragrances
Andrew Jergens ^b	US	17	17		Cosmetics, toiletries
Johnson & Johnson	US	16 ^c	162		Baby care products
Max Factor ^d	US	15	15	25	Cosmetics
Bristol-Myers	US	13	52	10	Dental, hair care
Helena Rubenstein	US	13	13		Cosmetics, skin care
P & G	US ^e	13	633	15	Soap, hair, dental
Lehn & Fink	US	12	16	8	Cosmetics, dental
Elizabeth Arden	US	12	12		Cosmetics
L'Oréal	France	11	11	10	Cosmetics
Chesebrough	US	11	11		Cosmetics
Beecham	UK	11 ^f	47	42	Dental, hair care
Helene Curtis	US	9	10		Hair care
Warner-Hudnut	US	9 ^g	47	43	Cosmetics
J. B. Williams	US	8 ^h	8	25	Shaving cream, toiletries
Burma-Vita	US	6	6	0	Shaving cream
Charles of the Ritz	US	6	6		Fragrances
Noxzema Chemical	US	6	6		Skin care
Lambert	US	6 ⁱ	25	9	Dental, toiletries
Yardley	UK ^j	5	5		Fragrances, toiletries
Nestle-LeMur	US ^k	4	4		Hair care, cosmetics
Vick Chemical	US	3	43	10	Cosmetics, toiletries
Wella	Germany	3	3	2	Hair care, cosmetics
Shiseido	Japan	3	3	0	Cosmetics, toiletries
Beiersdorf ^e	Germany	3	7	3	Skin care, dental, toiletries
Clairol	US	1	1		Hair care
Estée Lauder	US	1	1	0	Cosmetics

Notes:

^a 1948.

^b Estimated. Revenues were \$29.5 million in 1956, and a 10% p.a. growth rate is assumed.

^c Personal care sales are estimated share of baby care products in Johnson & Johnson's revenues.

^d 1949.

^e Personal care sales estimated. The international share of earnings is used as a proxy for international sales.

^f Personal care sales are understated because this is for Britain only.

^g Personal care revenues estimated. The share of international revenues is for 1951.

^h 1953.

ⁱ Estimated.

^j Estimated. In 1950, Yardley net profits were £231,713.

^k 1953 figure.

Sources: Annual reports and other published information, except when specified.

Appendix table 2. *World's largest personal care companies, 1977 (\$ million)*

	<i>Ownership</i>	<i>Personal care revenues</i>	<i>Total corporate revenues</i>	<i>Total % revenues outside home^a</i>	<i>Product categories</i>
Colgate-Palmolive (Helena Rubenstein)	US	2,526	3,568	55	Dental, toiletries, cosmetics
Avon	US	1,356	1,648	41	Cosmetics, toiletries
Shiseido	Japan	916	916	5	Cosmetics, toiletries
Revlon	US	810	1,143	28(11)	Fragrance, cosmetics, skin care
L'Oréal	France	803	923	53	Hair care, cosmetics, toiletries
Bristol-Myers	US	749	2,233	31	Dental, hair care
Unilever	UK/NL	665	16,007	71(83)	Hair care, dental, toiletries
P & G	US	630	7,284	27(8)	Hair care, dental, toiletries
Chesebrough-Pond's	US	492	808	28	Skin care, fragrances
Wella	Germany	432	543	78	Hair care
Johnson & Johnson	US	416 ^b	2,914	41	Toiletries, baby care
Gillette	US	413	1,587	55	Shaving cream, toiletries
Schwarzkopf	Germany	379	379	36	Hair care
Norton Simon (Max Factor)	US	352	1,808	17	Fragrance, cosmetics
American Cynamid (Breck, Shulton)	US	321	2,413	33	Fragrance, hair care
Kanebo	Japan	255	1,345	15	Cosmetics, toiletries
Beecham	UK	231 ^c	1,261	68	Toiletries, cosmetics
Beiersdorf	Germany	230	571	50	Skin care
Fabergé	US	228	233	24	Fragrances, cosmetics, hair care
Pfizer (Coty)	US	227 ^d	2,032	63	Cosmetics
Estée Lauder	US	200	200		Cosmetics
BAT (Yardley)	UK	184	10,871	86	Cosmetics, toiletries
Henkel	Germany	163	1,301	51	Toiletries and cosmetics
Eli Lilly (Elizabeth Arden)	US	152	1,550	28	Cosmetics, fragrances
Squibb (Charles of the Ritz)	US	147	1,342	33	Cosmetics
Schering-Plough (Maybelline)	US	130 ^e	941	56	Cosmetics
Noxell	US	124	138	18	Cosmetics
Alberto Culver	US	110	172	21	Hair care
Helene Curtis	US	106	124	20	Cosmetics
Richardson-Merrill	US	89	836	46	Skin care
American Brands (Jergens)	US	79	4,616	(11)	Cosmetics
Mary Kay	US	49	49	5	Cosmetics

a Figures in brackets are the share of personal care revenues earned outside home country.

b Estimated. Johnson & Johnson consumer segment had sales of \$1,268 million, including baby care products, feminine hygiene, toiletries, first aid products, and drugs.

c Estimated. Consumer products sales were \$772 million. UAR, ES 82267, 'Toiletry/cosmetics competitor profitability, 1976-1981', Dec. 1982, estimated that 30% of these sales were personal care.

d Estimated. Personal Care Division sales of \$227 million included dietary foods and plant care.

e Estimated. The consumer products division, which included Maybelline, sun care, and over-the-counter drugs, was \$254 million.