



SWISS SCC – 29th Winter Seminar

in Champfèr the 30th of January
to 4th of February 2011

Part I

The theme of the Winter Seminar 2011 was People – Cosmetic – Science with the subtitle »Differentiation as success factor«. It took place from 30th January to 4th February 2011. This year a new crew organized the seminar, *Beata Hurst* and *Dr. Fred Züllli* (Mibelle Biochemistry) and *Maria Lüder* (Qenax AG). While *Dr. Fred Züllli* and *Maria Lüder* lead through the seminar, all background organization was done by *Beata Hurst*. *Birgit Haemel* (S&D Chesham GmbH) was taking care of the technical facilities like beamer and computer as she already did in previous years.

The seminar started as usual with a welcome evening on Sunday. During the aperitive *Dr. Fred Züllli* shortly presented the new concept of the seminar. The title People - Cosmetic – Science reflects the most important theme elements of our seminar. All three subjects are closely linked to each other and form the basis for yearly changing subtitles that can be chosen according to developing interrogations of the industry.

On Monday morning the seminar began with the subject **Natural cosmetics – Growth engine of the cosmetic market by *Elfriede Dambacher* of Natural Cosmetic Concepts.**

Although the long term flight of fancy slowed down, natural cosmetics are still the growth segment of the European cosmetic market.

Natural cosmetic is still a niche market, however, with growing importance. In Switzerland the present turnover with natural cosmetics makes about 3% of the overall spending. Germany is recognized as the most mature market within Europe and has a market share of 5.6%. France, absolutely »the cosmetic country«, is on the way to actively reshape the natural cosmetic market. Much new activities and numerous brands can be expected. Despite the differences all natural cosmetic markets in Europe have one thing in common: While traditional cosmetic does not grow much and can barely gain new consumers, natural cosmetics can catch up. The desire for high quality prod-

ucts demonstrates a changed consumer attitude and lets the cosmetic market become greener.

A comprehensive value change in society sets new requirements to the consumer's world in general and the cosmetics in particular which influence the whole cosmetic industry. Natural cosmetic enjoys big trust at consumers with respect to skin care. In short, everything that remains on skin, natural cosmetic scores. This is following an increasing scepticism against cosmetic ingredients. Additionally the definition of luxury is newly formed in the era of LOHAS. Prestige luxury is changed into luxury with ethical added value. Therefore natural cosmetic and luxury are no longer a contradiction. A breeze of luxury together with ingredients of biological cultivation or fair trade projects gain substantially.

The market moves between the premium segment and the low cost entrance market.

Trade structures influence the market. Germany and Switzerland strongly



Dr. Fred Züllli



Maria Lüder



Elfriede Dambacher

differ in their retail trade. In Germany drug stores drive the entrance market with strong private labels forward. In Switzerland the specialized trade must bear up against wholesalers. In France natural cosmetics establishes more and more beside the traditional cosmetic trade.

Natural cosmetic is often not clearly recognizable for the consumer, the worldwide label diversity confuses. The development leads to the fact that the importance of many labels and control signs cannot be differentiated by the consumer. Nevertheless the labels contribute to a certain orientation. Consumers are looking for orientation. The worldwide market is estimated to 17.5 Billion \$. However, the part of certified natural cosmetics is small and resides at approx. 25% market share. Initiatives of the trade will remove this fuzziness and claim transparency. Moreover it can be observed that established brands are testing the acceptance of certified natural cosmetic in the market by line extensions.

The study »Natural Cosmetic in view of the consumer«, carried out by Natural Cosmetic Concepts, underpins the requirement to a clear and reliable positioning which is much more important than a label. Natural haptic and a reliable label are a must. Although: too much gloss and glamour for natural cosmetic is not reliable. Natural Cosmetic remains on course for growth. Ingredients from nature are in demand. Active ingredient

complexes from natural bases are more popular than ever. Ingredient trend is exotic plant raw materials from the whole world, regional plants of biological cultivation or stem cells from apples. But also the subject sustainability must prove itself and may not abandon as catchphrase. This is the only way how transparency can be assured that consumers need to prefer natural care. Like this natural raw materials, biodiversity, assurance of raw materials and research of new actives from nature remain central innovation themes in future.

Differentiation as success factor. Or rather a flop factor? Martin Amann, driving force of the Institute for Limbic Communication and founder of the agency Amann & Partner.

Is different soever better?

This question seems mostly not to be asked. It attracts attention that marketing people, agencies and many other participants of a project automatically believe that differentiation to competition – the otherness – is a patent remedy. If this would be the case, 90% of all market launches would enter the annals as flop. Why otherness does not automatically lead to success is answered by a question of brain research. Not all humans react equally, that's clear. However, why humans – on the basis of exactly the same information – decide differently, that is what marketing people highly interest. It must have a reason that

one person judges facts positively and another person perceives the same facts as very negative. Something that sounds too strange and odd to one person appears normal or even boring to another one.

Let us consider first our self-perception. We are – named by our latin name - »homo sapiens sapiens«. Not only (knowing), no, even more than knowing - »sapiens sapiens« – describes the science of the modern human being. This suggests that we answer all questions with the help of our mind and knowledge logically and rationally. Do you also see yourself as a rational human being, who gauges his decisions logically and judges situations or people only after a sound and critical review? Do you assume that you have a free will and your actions are based on it? If the answer is yes, neuroscience keeps a surprise available for you.

Prof. Dr. Dr. Gerhard Roth (Neurobiologist, University of Bremen) says: The thought that you want something only emerges when the limbic system has long time decided what should be done. The quintessence is that this system has the last decision about whether we do something or not. (Source: Magazine for Science and Culture, 01/1999)

When it is the limbic instructions that are responsible for our decisions and not our mind, it is worthwhile to perfuse.

The 3 Limbic Instructions

The limbic system which consists of different parts is an old part of our brain. The main structures can be retraced to the reptiles, which means, that it is many hundred million years old. The scarce size of a fist part of the brain is the center of all our instincts and emotions. Our self-perception of the always logical and rational acting human – also named *Homo Oeconomicus* – is wrong.

Dr. Hans-Georg Häusel (Psychologist, Munic) found, that humans are directed by three limbic instructions. The instructions are **Balance** – it stands for stability, continuity and safety, etc. **Dominance** – it stands for



Martin Amann



August Hämmerli

power, assertiveness, performance, luxury etc. and **Stimulant** – it stands for curiosity, passion for risk, new stimuli and variety, etc. – that influence our decisions and our attitude. Each human being has all three instructions inside, however sometimes in different manifestation. Normally at least one instruction is strongly pronounced, sometimes it is two and almost never it is all three, because it would lead to enormous contradictions and inner conflicts. Because the limbic instructions are directed by hormones they change during lifetime. All humans move into the direction of balance with increasing age because the hormones testosterone (dominance) and dopamine (stimulant) decrease with increasing age. Therefore the importance of other hormones increases.

Why does one person react positively and another person negatively to the same message?

Let us assume the new CEO tells you: I am a big defender of job rotation. Beginning next week everyone in this company works at another workplace.

Does this message reach people in the same way? No – and the answer is obvious. The question is why people react differently to the announcement of the boss. It is because not all humans have the same limbic profile. The balance type gets afraid with the announcement of the job rotation. Change and uncertainty what can be expected at the new place is exactly what he or she does not want at all.

The stimulant type on the other hand reacts interested and likes the idea. He or she is motivated to start the new position and feels enrichment by the chance to do something else.

And what does the dominance type? He or she will consider how to make advantage of the new situation. He thinks that he might be promoted or gets more money if he manages the new task very well and efficient. People with a strong dominance character mostly see a chance to come forward by the announcement of the

boss and they can be well motivated by these kinds of aspects.

It is the same for advertising. Depending on the limbic type the customer or potential customer searches for very different aspects in an advert or a TV-spot and all other forms of communication. It is therefore not – as often assumed – good or bad communication. Overall it is limbic correct or limbic false communication.

Differentiation as Success Factor

Differentiation is without any doubt an important success factor. Depending on the limbic type we would like to reach, the differentiation argument must be different. Whether success factor or flop factor it is decided by the limbic correct definition of the target group (segmentation), by the limbic ideally aligned positioning for the target group and of course by the limbic correct assembly in all parts of the marketing mix.

In the afternoon all participants met again after a sunny lunch break for an interactive discussion and an interesting lecture.

Panel discussion about the Pros and Cons of Natural Cosmetic

Moderation: Elfriede Dambacher (Naturkosmetik Konzepte)

Participants: Dr. Andrea Weber (Dr. Babor GmbH&Co.KG) and Michèle Lindner (GFN-SELCO GmbH).

Natural cosmetic is a subject to many controversy discussions. Pros- and Cons can be discussed in the wide range of appropriate raw materials, legal aspects, missing definitions, dangers versus advantages in the light of the consumer perception. The »label-forest« which is irritating on the one hand and giving a feel of safety on the other hand has been a subject. Pure synthetic raw materials, well defined with good a safety profile have been discussed versus natural, often quite complex materials where the safe history of use is given, but not the same safety profile as for synthetic ingredients. Limitations regarding manufacturing and perfuming of natural ingredi-

ents and the borderline of ingredients and consumer formulations that still might be named natural were also discussed lively. Certain cosmetic ingredients cannot simply be exchanged against natural materials without creating problems or a major change of performance or feel. One segment was sun care products and the necessity of synthetic sunscreens. The haptic properties of formulations can sometimes be limited when just natural materials may be used. At the end the consumer acceptance decides upon the purchase of a product or not. *Dr. Andrea Weber* gave us the view of a cosmetic manufacturer and *Michèle Lindner* provided the view of a raw materials manufacturer and distributor. Both had sympathy for traditional and natural cosmetics and both agreed that the trend of green cosmetics will continue.

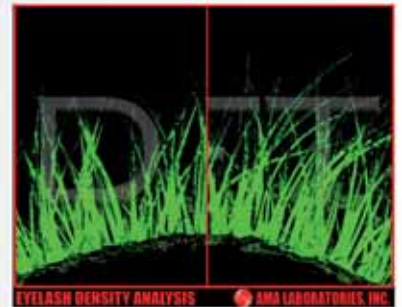
»Immune check« Scent to Love, August Hämmerli – Basisnote

What makes perfume preferences personal? The reason may be a biological one. In an experiment with common perfume ingredients [1] showed, that individual preference for scents for a personal perfume (a perfume for »myself«) was significantly correlated with the immune genes of the major histocompatibility complex (MHC). These genes have also been shown to influence the preference for body odor in human populations (see for

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- [1] *Milinski, M. and C. Wedekind*, Evidence for MHC-correlated perfume preferences in humans. *Behavioral Ecology*, 2001. 12(2): p. 140 - 149.
 - [2] *Wedekind, C., et al.*, MHC-dependent mate preferences in humans. *Proc. R. Soc. Lond. B*, 1995. 260: p. 245 - 249.
 - [3] *Chaix, R., C. Cao, and P. Donnelly*, Is mate choice in humans MHC-dependent? *PLoS Genetics*, 2008. 4(9).
 - [4] *Havlicek, J. and S.C. Roberts*, MHC-correlated mate choice in humans: A review. *Psychoneuroendocrinology*, 2009. 34: p. 497 - 512.
 - [5] *Gilbert, A.*, *What the nose knows*. 2008, New York: Crown Publishers.

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example [2] and [3]) and in populations of other vertebrates such as mice and fish (see review in [4]). Through olfactory cues, the MHC is facilitating sexual communication about the compatibility of the immune system between two potential mating partners to raise the immunocompetence of offspring. And perfumes, as [1] conclude, might support sexual communication by enhancing in some way the immunogenetic signal, the olfactory cue for immunological compatibility. In other words, sexual communication sets the stage for evolutionary processes involved in perfume preferences, potentially shaping the art of perfume preparation, the choice or production of perfume ingredients and the individual use of perfumes. The use of perfumes has been a documented part of human culture for over 5000 years. Many of the traditional perfume ingredients are still used in present day perfumes. And before the rise of the modern perfume industry some 150 years ago, perfumes were to a large extent »tried on for fit«, with the help of a perfumer creating that individual perfume – a perfume for »myself« [5].

Together with the ETH in Zurich, the project www.scentoflove.com is translating some of these findings into products and services for the dating and the perfume using community.

The Tuesday started with a formation that took the time of the whole morning session.



Dr. Claudio Weiss

Sp(i)rit for performance: Recognition and Use of motivators, Dr. Claudio Weiss (Awareness Management).

Under the following headers motivation was exhibited and their benefit was explained by practical examples.

The employee in a company as bringer of performance

Did you ever meet a person who did his job with lifeblood, and passion who blossoms in his professional role? Someone stands behind what he professionally does? Such a person will be a performance bringer.

However, often you can find the opposite like no identification with the own task and function, work with chronic reluctance and the desire for leisure time, freedom and in any case for something totally different.

The strongest engine for good performance

What determines human performance? Performance depends on what a person knows, wants and may do. Knowledge, preferences and freedom are important. »Talents« develop depending of joy, love and passion with which they are developed. »The brain becomes just as it is used with enthusiasm, therefore with emotional involvement«, according the most important new finding of brain researchers (*Prof. Gerald Hüther*, Brain researcher and evolution biologist).

Building blocks of job satisfaction

Employees ask themselves: Am I treated well? Am I used well? Humans would like to be treated well and want to be needed. A person who feel needed but feels treated badly doesn't have the feel to be needed but misused. The working environment and the work as such must fit. Humane working conditions equal working »Hygiene« and satisfying work equals »Motivation«.

View into the Motivators-Mirror: visualize individual patterns and draw conclusions

»Motivation« means: To be activated from the inside with the wish to do the best because the work matches the

own preferences and values. »To motivate« is a fordoomed to fail trial to get the best out of people with rewards and punishments (with a carrot and a stick). *F. Herzbergs* »Kick in the ass method« says: »If you kick somebody in his ass, he will certainly move, but he is not motivated«.

Use of individual motivator-patterns for the own, personal and team development

To visualize the professional temper is asking questions of personal motivators and the personal temper of an employee. It could be a pike, a trout or a carp. Do let people do things, fill functions and keep a professional role that correspond to their personal temper, one should have a look into the inner mirror that could make the temper visible.

Conclusions of the temper analysis should be drawn and could be used well for

- Development of (e.g. Management-) teams
- To draw different single results into an overall picture to form a professional mission statement
- Navigation by answering specific carrier questions in the sense of (better) yes or (better) no.
- Compass for professional orientation, assignment and satisfaction
- Help in the choice of applicants and the carrier planning of employees

Dr. Claudio Weiss has developed such a tool that allows the visualization of a person's own temper.

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