

Agile cosmetics packaging

One way to meet the challenges of today's cosmetics packaging industry is to remain small and flexible, making it easier to respond to market demands and innovate more effectively.

Packaging manufacturers supplying the cosmetics sector must respond to many changes in their market, as outsourcing to cheaper locations and the move towards more sustainable packaging, for instance, come to bear on their business models. Responding rapidly to these changes is key their success.

Cosmopak, a boutique manufacturer developing innovative products for the cosmetics sector, is an example of an agile company that is expanding to meet the rapidly developing trends shaping its market.

Though smaller than some other packaging companies in the cosmetics sector, Cosmopak has developed a business model that allows it to lead the market in the development of certain kinds of product.

Cosmopak is marking its tenth anniversary by expanding its operations to help it meet the demands of the future. It is focusing its efforts on innovation and it has recently opened a UK office to bring it closer to its European markets. At the same time, it has just relaunched its website to further drive business.

FIGHTING ON TWO FRONTS

Cosmopak is taking advantage of the migration of manufacturing to China, though its strategy is not based solely on finding the lowest cost location for packaging production.

Walter Dwyer, president of Cosmopak, says: 'From a manufacturing point of view there is a big move towards China, and this is more widely accepted now. The quality of packaging there is definitely improving. The concern is what this will do to packaging production elsewhere.'

Cosmopak handles stock packaging sales for products such as compacts, lipstick cases, tubes and vials. In this competitive market it sources many products from China.

The company is focusing on innovation and developing the internet as a major sales channel. Factories in Japan or Europe handle much of the manufacturing.

It can afford to manufacture these new designs, which are heavily protected through international patent legislation, in higher cost locations because of the split that is occurring in the cosmetics market.

Dwyer explains: 'Customers with higher priced products will focus more on innovation, which is what China can't do. This means there will be greater difference in quality, with higher priced products using better packaging. At the moment you have the same products at different price points in the market, and the mid-market is very challenging.'

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STRUCTURED FOR FLEXIBILITY

The recent expansion of Cosmopak enables it to benefit from the cost reduction provided by outsourcing and to tap into the higher end of the market where innovation is the key ingredient.

It believes that smaller companies can be more agile and, therefore, meet the needs of their clients far better.

Dwyer says: 'We are essentially a manufacturing company that outsources all of its manufacturing, which gives us great flexibility. That is very important, particularly with the move towards environmentally friendly materials. We innovate in Europe, the US or Japan, and then we can move production to China when a lower cost version of the product is right for the market.'

CONSTANT INNOVATION

Among Cosmopak's recent innovations are a magnetic clip case for lipsticks and a needle packaging solution that has crossed over from the cosmetics market to the pharmaceutical sector and is now being used for Botox pens, for instance.

Dwyer adds: 'Our motto is "We are innovation", but the innovative products we design must drive value for our clients, as they are more expensive to develop. We are a medium-sized company up against the big multinationals, but we have the advantage that we can bring products to market faster.'

As Cosmopak builds its reputation for innovation, it proves that the key to success is not scale, but flexibility. **pci**

Further information

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Website: www.cosmopak.com