

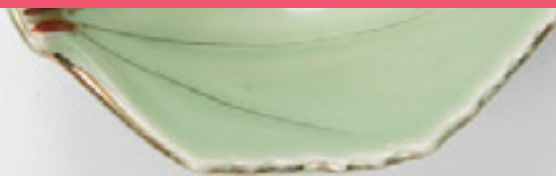


ARTHUR EDWARD
GLOBAL COSMETIC RECRUITMENT



COSMETICS & PERSONAL CARE INDUSTRY

SALARY SURVEY 2018/19



INTRODUCTION

"We are Executive Search and Recruitment consultants working exclusively in the cosmetics, perfumery and beauty industry. With almost 20 years of expertise in supporting companies, clients and candidates, we love what we do!

We are delighted to share our annual Salary Survey, compiled from the responses of over 600 individuals in the industry. We'd like to thank our industry friends and colleagues for taking the time to complete it."

Heidi Bannister, Arthur Edward Founder & Managing Director



INDUSTRY SIZE & LOYALTY

In 2018 the cosmetics and personal care market in the UK alone was valued at €16 Billion and is expected to reach €16.8 Billion by 2020 (source Statista.com).

A source of constant inspiration and continual innovation, the industry generates passion and enthusiasm in everyone we meet who works within it.

Once in the industry, loyalty levels are high. 68% of our respondents have worked in the industry for 6 years or more, and 90% felt their salary expectations could be met within it.

THE 2018/19 WORKING ENVIRONMENT

While demand for skilled, experienced staff continued, we saw reluctance from European candidates to commit to roles requiring relocation to the UK. Ongoing uncertainty around Brexit and employees' rights to remain in the UK has clearly reduced the appeal of UK-based roles, especially for candidates relocating with family.

We also see a lower rate of job creation within companies, who are struggling to make sense of what Brexit will mean for them.

The industry is always evolving. Many new brands launch each year while smaller, independent companies and start-ups continue to be absorbed into large multinationals, with headcounts reduced due to economies of scale.

There are certainly more instances in the 2018/19 Survey of respondents who feel unsettled or at risk of redundancy, while others are being stretched to cover vacant roles that have been left unfilled.

OUR SURVEY RESPONDENTS

INDUSTRY SECTORS

Our 2018/19 results cover four core business sectors; Sales, Marketing, Scientific and Operations. Each sector is broken down into a variety of roles and disciplines.

As the digital revolution continues, the need for digital experts and creatives in this field is growing rapidly. Digital is reported in the Marketing sector here but may be reported separately in future Surveys.

DEMOGRAPHIC HIGHLIGHTS:

Our Respondents were:

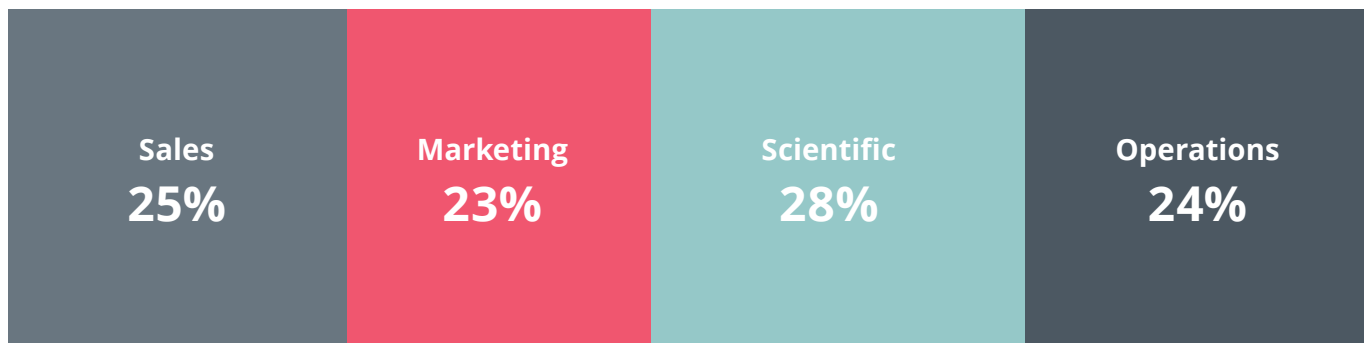
Gender: 67% female, 32% male,
1% preferred not to say

Age: 49% under 35
28% 36-45
23% 46+

Education: 29% have a degree or high-level Diploma, 37% a Masters and 4% a PhD

Location: 56% work in London and the South; 32% are based outside the UK

Respondents by Industry Sector



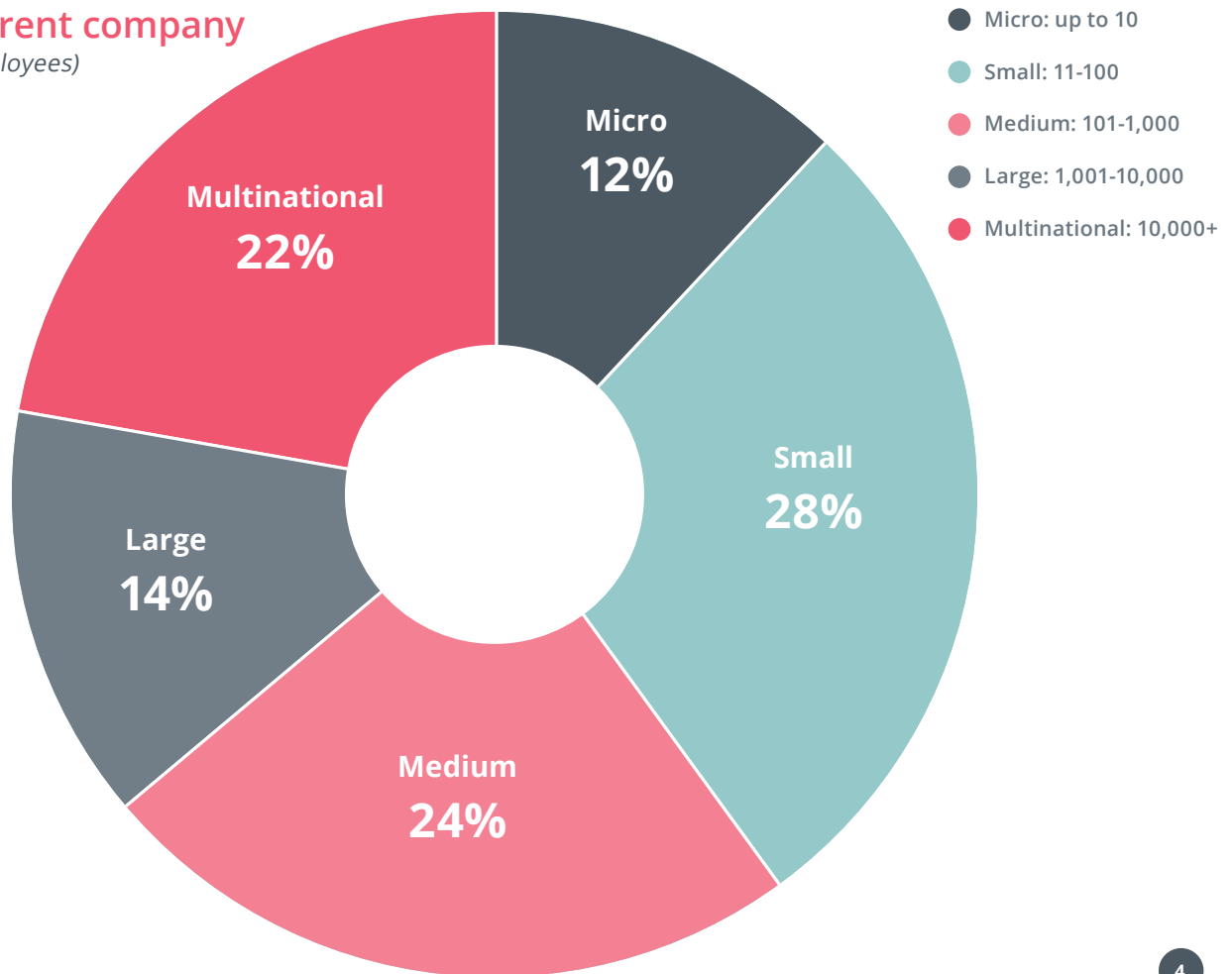
WHERE YOU WORK

The Cosmetics Industry is all encompassing, requiring a mix of skills and personality traits. Our respondents' employers include multinational chemical companies and raw material suppliers, global cosmetics giants, international ecommerce and high street retailers, perfume houses, contract manufactures and brands of all sizes.

Representing over 270 companies worldwide, they mix chemical and finished product manufacturers, brands, creative agencies, marketing, design, regulatory and technical services as well as professional spas and salons.

Size of current company

(number of employees)

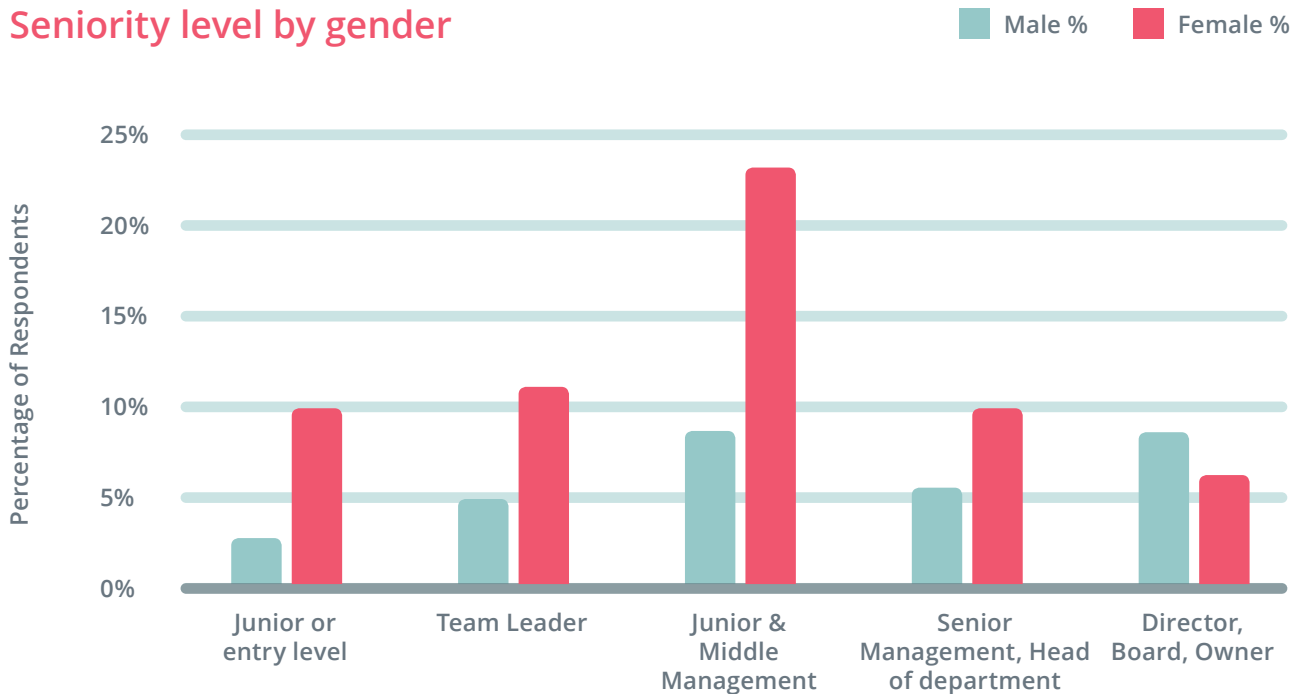


ROLE, SENIORITY AND GENDER

The cosmetics industry is a great place to work. It has a strong sense of inclusion and diversity, and is taking active steps to offer equal opportunities and rewards in all sectors.

Female respondents outnumber male at all levels except the most senior. The ratio of female respondents to male was more than 2:1, only at the highest salary banding do men outnumber women.

Seniority level by gender



UK PAY & BONUS GAP REPORTING

Since 2017 UK companies with more than 250 employees are required to publish data concerning their gender pay gap each year.

For our Salary Survey we reviewed the latest reports from four of our industry's largest employers.

The gender pay gap is the difference between what men and women typically earn in an organisation, irrespective of role or seniority.

Equal pay relates to the individual salaries paid to men and women for carrying out the same job.

L'OREAL UK

L'Oréal's 2018 report revealed that UK-based male employees were paid on average 36.5% more than female, with bonus pay 55.9% higher.

They attribute this to their workforce structure. Of about 4,800 UK employees, 67% were Beauty Advisors (92% female), 19% were London HQ Staff (75% female), 7% Field Based Staff (74% female), 6% Distribution Centre Staff (50% female) and 1% Wales Office Staff (72% female).

Their Beauty Advisors work in stores and boutiques, many in part-time positions. While competitively paid within the retail environment, they are amongst the lowest paid roles across the entire organisation.

The report stated that L'Oréal UK pays men and women equally for the same job, and there is no equal pay issue.

SOURCE: L'ORÉAL UK GENDER PAY GAP REPORT 2018

UK GENDER PAY GAP REPORTING

UNILEVER UK

Across the total Unilever UK workforce, their analysis showed that the average pay for men was 8.8% higher than that of women, and the average bonus for men was 37.2% higher.

Unilever said these figures represent the average across their whole workforce, so are particularly impacted by the highest earners. These are generally senior management roles, more of which are held by men.

Among its key principles, Unilever's Framework for Fair Compensation was created to ensure there is no gender discrimination in pay for men and women in equivalent roles.

SOURCE: UNILEVER GENDER PAY REPORT 2018 (using mean average data)

COTY UK

Coty's UK gender pay gap analysis revealed that the average pay for men was 20.5% higher than that of women, although the difference for new male starters was lower, at 9.2%.

The average bonus for men was 76.1% higher than for women.

Coty say this is influenced by the high number of women working at lower pay levels where bonus or commission is also proportionately lower. There are slightly more women than men at upper pay levels, but men outnumber women at the most senior level, who qualify for the highest bonus awards.

Coty highlighted that, in their two manufacturing legal entities, the gender pay gaps are either very small or in favour of women; and the bonus pay gap measure is fully in favour of women.

SOURCE: COTY UK GENDER PAY GAP REPORT, ISSUED JAN 2019

THE BODY SHOP

The Body Shop's report revealed that their UK-based male employees earned on average 43.4% more than female. The gender bonus gap was 74.4%. They explain that some bonus schemes are calculated as a percentage of salary, exacerbating underlying gender pay gaps.

68% of their UK-based employees work in stores and 32% in head offices. Store-based staff are 94.2% female, many working part-time. In addition, the majority of male employees are based in head offices, working full time and often in managerial roles, eligible for salary-related bonuses.

Looking at store employees, men were paid 3.7% more than women, although women received 4.8% more in bonus pay. For non-store employees, men were paid 9.1% more and received bonus pay 34.1% more than women.

The Body Shop state that they pay equal amounts to women and men who carry out the same jobs, similar work or work of equal value in the same location.

SOURCE: THE BODY SHOP UK GENDER PAY GAP REPORT 2018



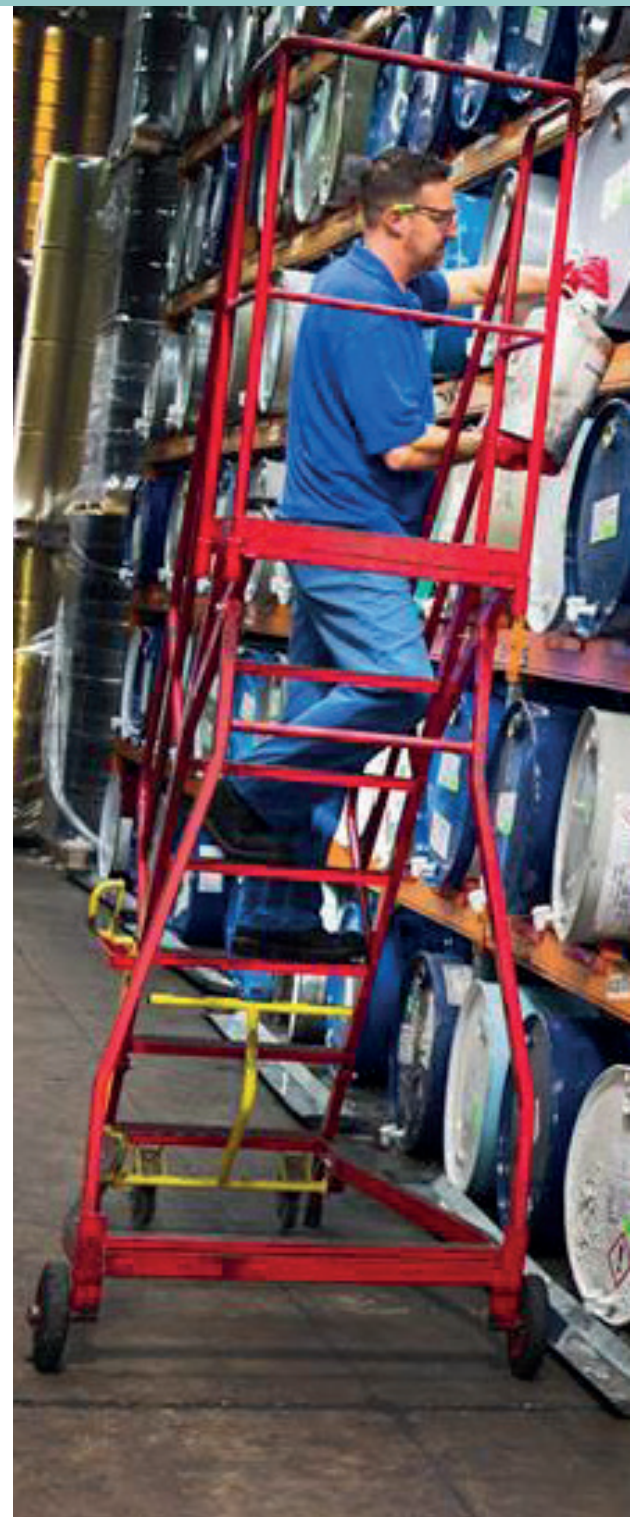
UK SKILLS GAP

There is a well-publicised skills gap in the UK. With the outcome of Brexit still unfolding and the accelerating pace of digital disruption, many employers are lacking the skills they need in order to overcome the challenges and seize the opportunities that arise.

The Open University's annual Business Barometer report investigates the skills landscape of the UK, highlighting the skills gaps faced by organisations and the steps being taken to address them.

The 2019 Business Barometer report shows that employers are spending £4.4 billion a year to recruit workers with the skills they need. This reflects a shift in gear by many employers, with more than half looking to adopt a 'grow-your-own' approach, increasing the amount they invest in education and training instead.

SOURCE: OPEN UNIVERSITY BUSINESS BAROMETER REPORT 2019.



LIFELONG LEARNING

The skills gap is too great to be filled by students entering the workplace.

The need for lifelong learning has been well recognised by educational institutions, industry and government. This will enable people with transferable skills to enter new industry sectors during their career, supported by adult education and training in specific areas as required.

In addition, it is vital that the UK remains open and attractive to international workers in skilled sectors, whatever the future brings.



SOURCES OF LIFELONG LEARNING

If you don't have a science or industry related qualification, there are many opportunities to study while you work to redirect or further your career.

There are many adult learning sources online and in the UK. Here is a selection from our knowledge of the qualifications most valued by employers:

Technical:

The Society of Cosmetic Scientists www.scs.org.uk

Marketing:

The Chartered Institute of Marketing www.cim.co.uk

The Digital Marketing Institute www.digitalmarketinginstitute.com

Sales:

The Institute of Sales Management www.ismprofessional.com

Operations:

The Packaging Society www.iom3.org

Many universities offer post-grad courses designed to improve career options. The relevant industry body can offer guidance and advice in selection.



SALARIES

As to be expected, across the industry salaries vary widely with experience.

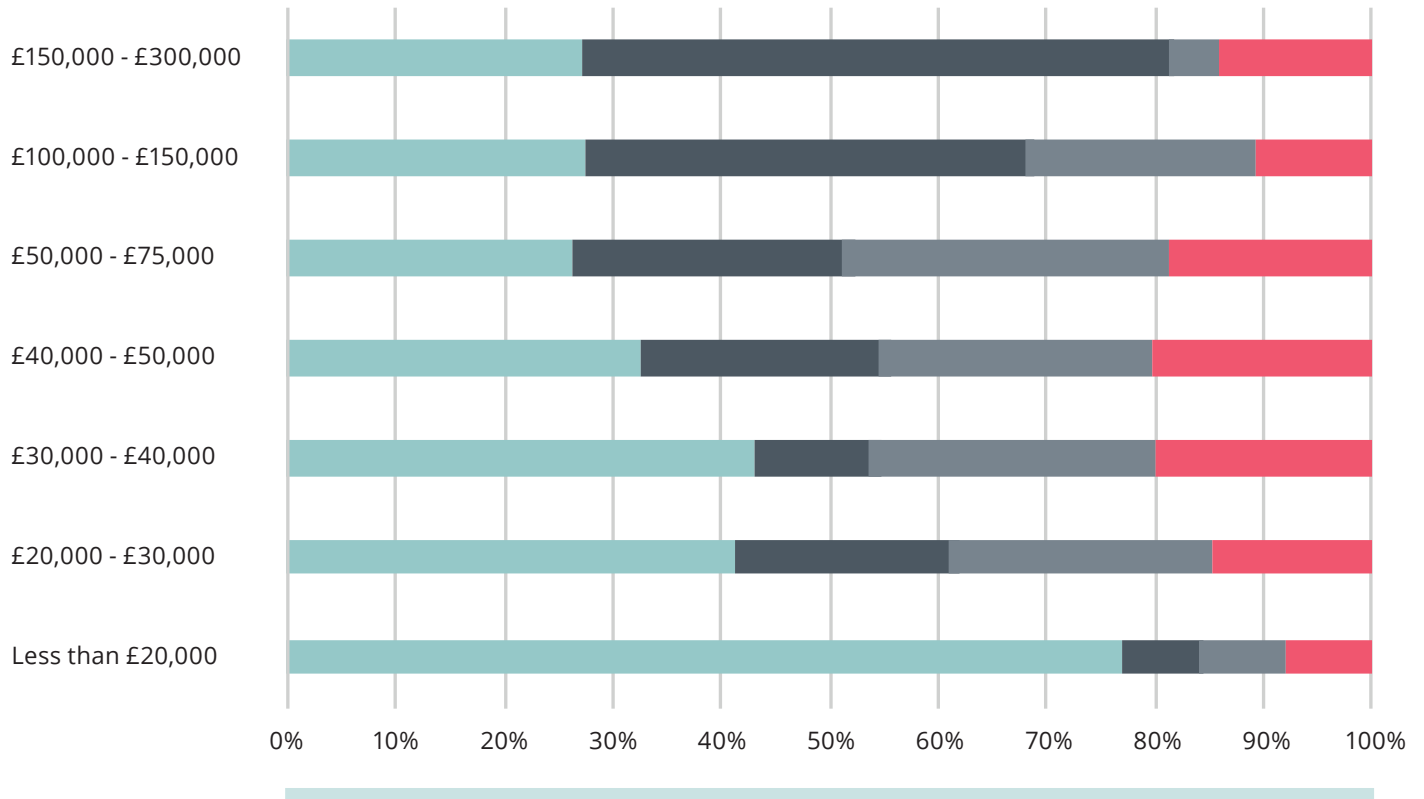
Most salaries fall within the £30,000 to £75,000 range, with the average across all sectors at £61,300. This compares favourably with the average UK salary at £28,677.

The greatest % of high salaries are within Operations, which includes MDs, FDs and company owners. But everyone has to start somewhere, and it is possible to reach high salaries within all sectors.



- Scientific
- Operations
- Sales
- Marketing

Sector and Salary

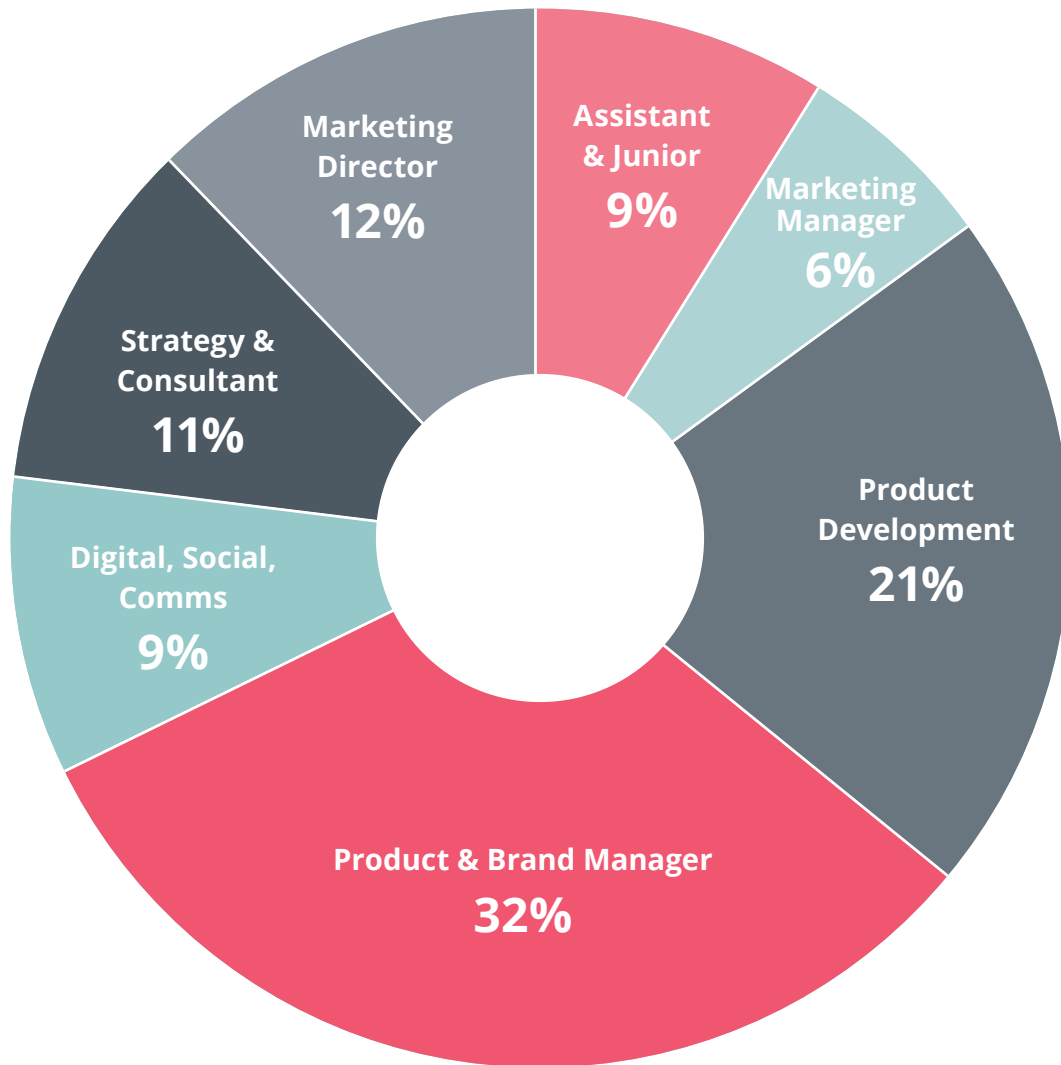




MARKETING & CREATIVE

The Cosmetics Industry is dynamic with consumer led innovation and demand fuelling constant growth. Huge opportunities exist within Brand Management and Product Development, with Digital and Social Media content becoming more and more vital to brands of all sizes and their communities.

Marketing Roles by Type:



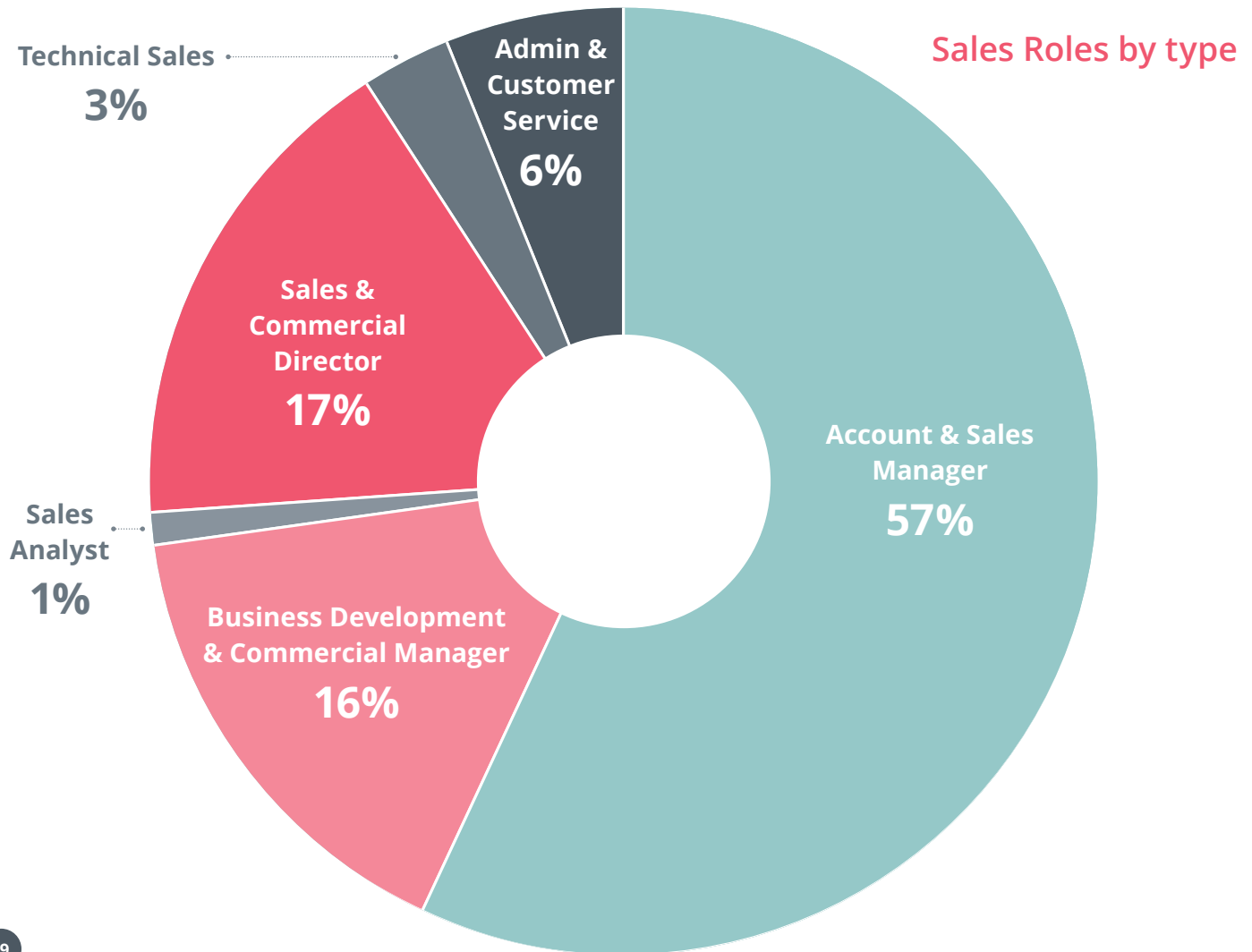
Marketing salaries, including creative roles, ranged from £20,000-£180,000. Salaries by job title are below. The average shown is not a mathematical equation, but an estimate based on Survey feedback and our Industry knowledge and experience.

Job Title	Lowest Salary	Highest Salary	Average Salary
Marketing Assistant	£20,000	£25,000	£22,000
PR Assistant	£20,000	£25,000	£22,000
Social Media Coordinator	£22,000	£28,000	£25,000
Influencer Officer	£20,000	£40,000	£25,000
Marketing Coordinator	£22,000	£28,000	£26,000
PR Coordinator	£25,000	£35,000	£28,000
Product/Brand Manager	£25,000	£65,000	£38,000
Social Media Manager	£30,000	£50,000	£40,000
New Product Development	£20,000	£180,000	£45,000
PR Manager	£30,000	£60,000	£45,000
Marketing Manager	£30,000	£80,000	£45,000
Corporate Communications	£30,000	£80,000	£50,000
PR Director	£45,000	£100,000	£60,000
Marketing Consultant	£45,000	£150,000	£80,000
Marketing Director	£60,000	£180,000	£80,000
Artworker	£20,000	£35,000	£26,000
Motion Graphics Designer	£20,000	£70,000	£30,000
Content	£20,000	£70,000	£30,000
Copywriter	£20,000	£70,000	£30,000
Graphic Designer	£20,000	£80,000	£35,000
Head of Design	£30,000	£100,000	£53,000
Art Director	£40,000	£100,000	£70,000



SALES

Multiple sales roles exist within the industry, from sales direct to consumers, business to business sales of raw materials, packaging and services to manufacturers and brands, and product sales to retail. Of our respondents within Sales, 17% were at Director level with 57% at Account Manager level and 16% in Business Development.



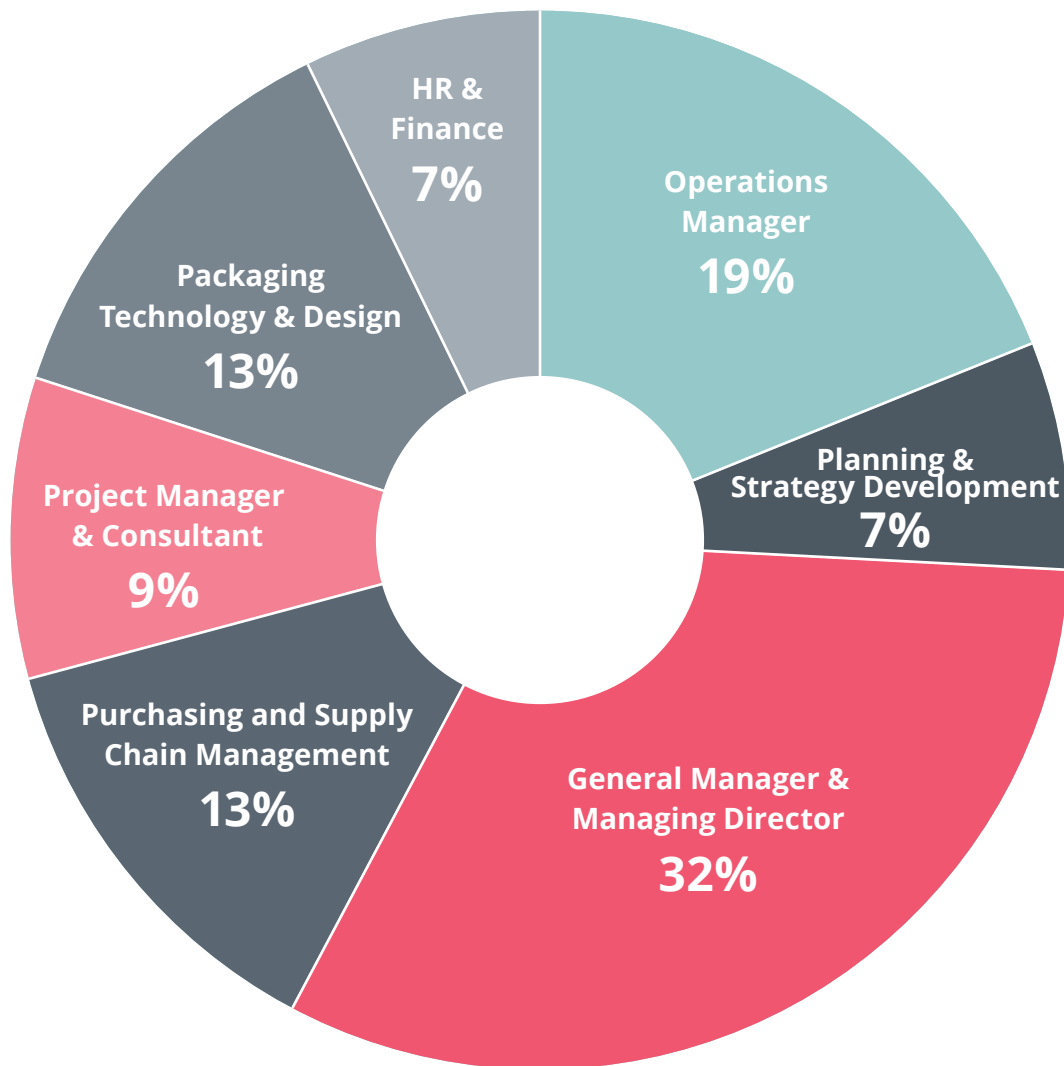
Sales salaries range from £18,000 to £250,000 at Director level. Salaries by job title are below. The average shown is not a mathematical equation, but an estimate based on Survey feedback and our Industry knowledge and experience.

Job Title	Lowest Salary	Highest Salary	Average Salary
Account Executive	£18,000	£25,000	£20,000
Sales Administration	£18,000	£32,000	£22,000
Counter Sales/Retail Account Manager	£19,000	£38,000	£25,000
Internal Sales	£18,000	£40,000	£30,000
Area Manager/Travel Retail Manager	£26,000	£50,000	£32,000
Sales Analyst	£20,000	£55,000	£32,000
Store Manager	£28,000	£42,000	£33,000
Business Manager	£30,000	£50,000	£35,000
Technical Sales	£26,000	£60,000	£40,000
Educator/Training Manager	£25,000	£65,000	£42,000
Account Manager	£30,000	£65,000	£45,000
Sales Manager	£35,000	£75,000	£45,000
Key Account Manager	£35,000	£120,000	£45,000
Business Development Manager	£25,000	£80,000	£45,000
International/National Account Manager	£35,000	£100,000	£47,000
International Sales Manager/Director	£45,000	£80,000	£60,000
International BDM	£50,000	£75,000	£65,000
Head of Sales	£50,000	£120,000	£75,000
Sales/Commercial Director	£40,000	£250,000	£95,000
Country Manager/Director	£45,000	£250,000	£120,000

OPERATIONS

Operations is our largest and broadest sector, incorporating general operations, HR, packaging and supply chain.

Operations, Packaging & Procurement Roles by Type



Operations salaries range from £20,000 to £160,000 excluding the highest levels, Managing Director and General Manager. At MD/GM level salaries are up to £350,000.

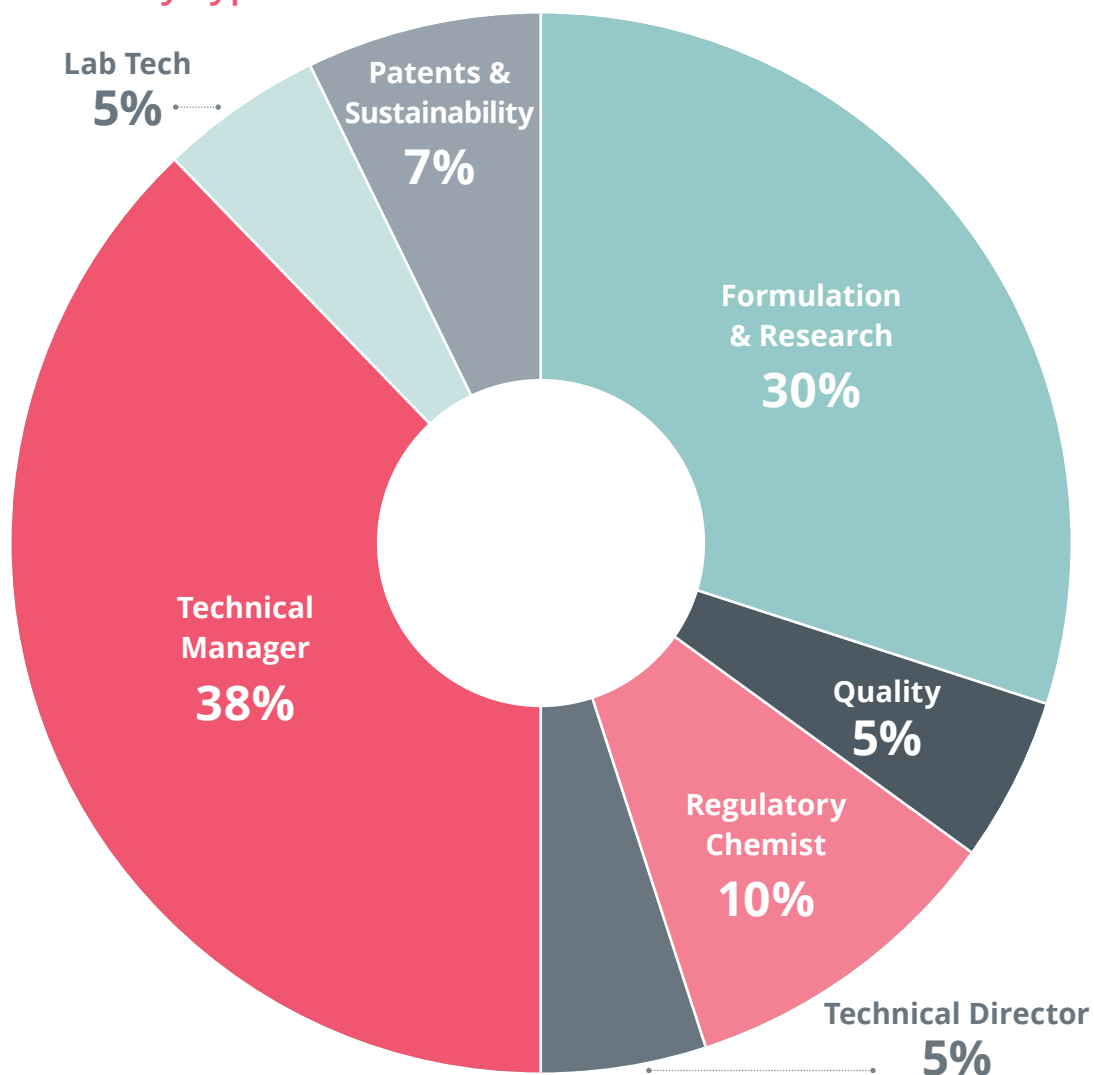
Salaries by job title are below. The average shown is not a mathematical equation, but an estimate based on Survey feedback and our Industry knowledge and experience.

Job Title	Lowest Salary	Highest Salary	Average Salary
Logistics	£20,000	£80,000	£35,000
Demand Planner	£25,000	£60,000	£35,000
Warehouse Manager	£25,000	£60,000	£35,000
Stock Controller	£25,000	£50,000	£35,000
Project Manager	£25,000	£70,000	£45,000
New Product Development	£20,000	£100,000	£45,000
Operations Manager	£30,000	£140,000	£50,000
Packaging Technologist	£25,000	£100,000	£50,000
Buyer / Purchasing	£20,000	£130,000	£50,000
HR	£30,000	£125,000	£60,000
Supply Chain	£20,000	£150,000	£65,000
General Management	£60,000	£350,000	£85,000
Finance Director	£50,000	£160,000	£110,000
Managing Director	£40,000	£350,000	£120,000

SCIENTIFIC/TECHNICAL

There are many specialisms within the Scientific and Technical sector with a variety of different career paths from research and formulation through to testing, quality and regulatory roles.

Scientific Roles by Type



There are plenty of entry level opportunities for junior technicians and chemists which enable them to gain valuable knowledge and experience at the bench. However progression from this level is typically slow; in small promotions and salary increments.

While senior level salaries are competitive with those of other sectors, we frequently see mid-level scientists transfer their skills into related roles such as technical sales or product development, which offer faster career development and salary growth.

To increase retention of mid-level chemists we recommend employers motivate and invest in their staff, creating a clear path for both career and salary development.



SCIENTIFIC/TECHNICAL *continued*

Scientific salaries range from £16,000 to £300,000.

Salaries by job title are below. The average shown is not a mathematical equation, but an estimate based on Survey feedback and our Industry knowledge and experience.

Job Title	Lowest Salary	Highest Salary	Average Salary
Laboratory Technician	£16,000	£30,000	£20,000
Quality Control	£18,000	£30,000	£22,000
Microbiologist	£20,000	£50,000	£30,000
Process/Production Chemist	£18,000	£60,000	£40,000
Toxicologist	£20,000	£80,000	£40,000
Development/Formulation Chemist	£18,000	£60,000	£45,000
Product Technologist	£20,000	£80,000	£45,000
Research Chemist	£20,000	£150,000	£50,000
Quality Assurance	£30,000	£80,000	£50,000
Regulatory Affairs	£20,000	£150,000	£50,000
Patent Engineer	£30,000	£180,000	£60,000
Quality Manager	£40,000	£120,000	£70,000
Technical Manager	£40,000	£160,000	£70,000
Compliance	£20,000	£200,000	£80,000
Technical Director	£60,000	£300,000	£90,000
Qualified Person	£60,000	£300,000	£120,000



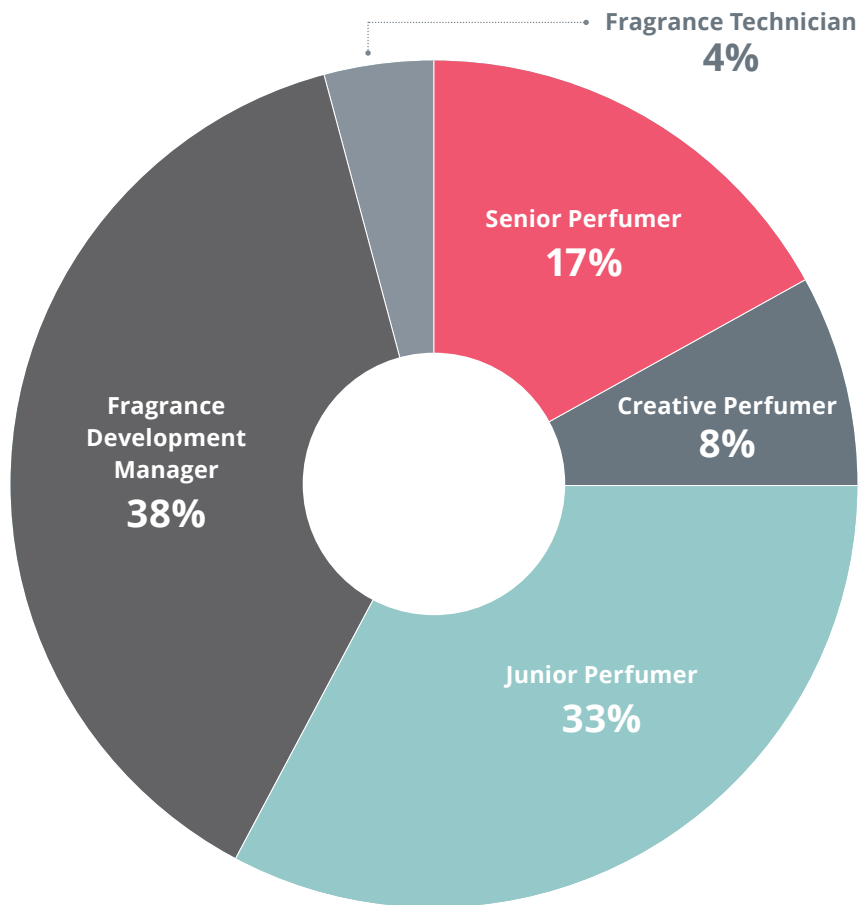
PERFUMERY

Perfumers are an exclusive part of our industry. Successful Noses are revered and can command high salaries. 58% of respondents in this sector were Perfumers with 52% supporting fragrance production.



Perfumery Roles by Type

Perfume salaries range from £18,000 at a junior technician level to £400,000 for a Creative Perfumer or Fragrance Director.



Salaries by job title are below. The average shown is not a mathematical equation, but an estimate based on Survey feedback and our Industry knowledge and experience.

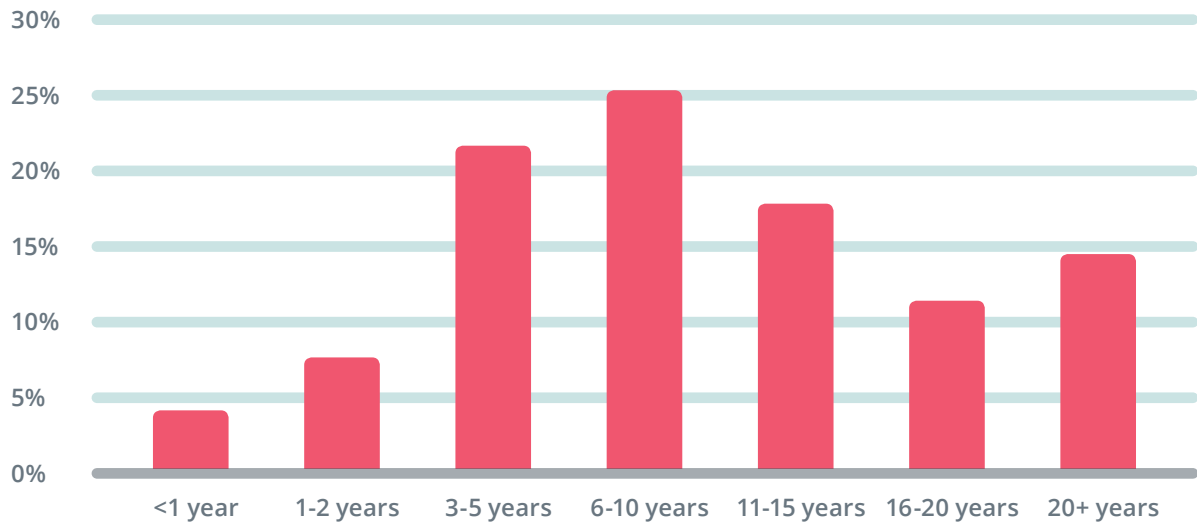
Job Title	Lowest Salary	Highest Salary	Average Salary
Trainee Perfumer	£20,000	£40,000	£28,000
Compounder	£18,000	£50,000	£30,000
GCMS Analyst	£18,000	£60,000	£38,000
Evaluator	£20,000	£80,000	£50,000
Fragrance Development Manager	£40,000	£160,000	£80,000
Perfumer	£35,000	£300,000	£80,000
Creative Perfumer	£60,000	£400,000	£180,000

WORK HISTORY

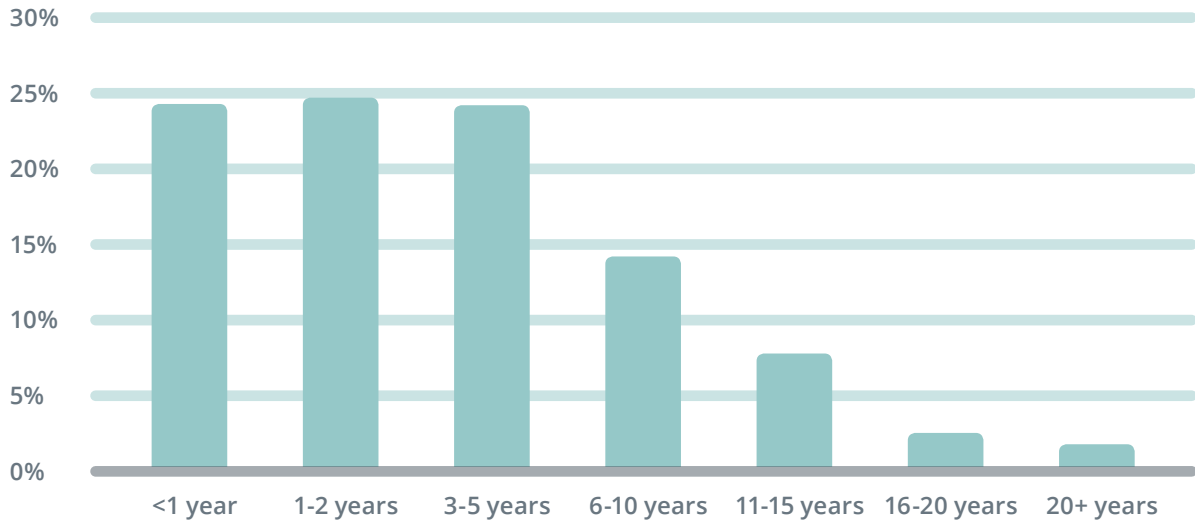
There is a real passion for the industry with 89% of respondents working in it for 3 years or more. 43% have been in the industry for more than 10 years.

People tend to change employer and/or roles after 5 years.

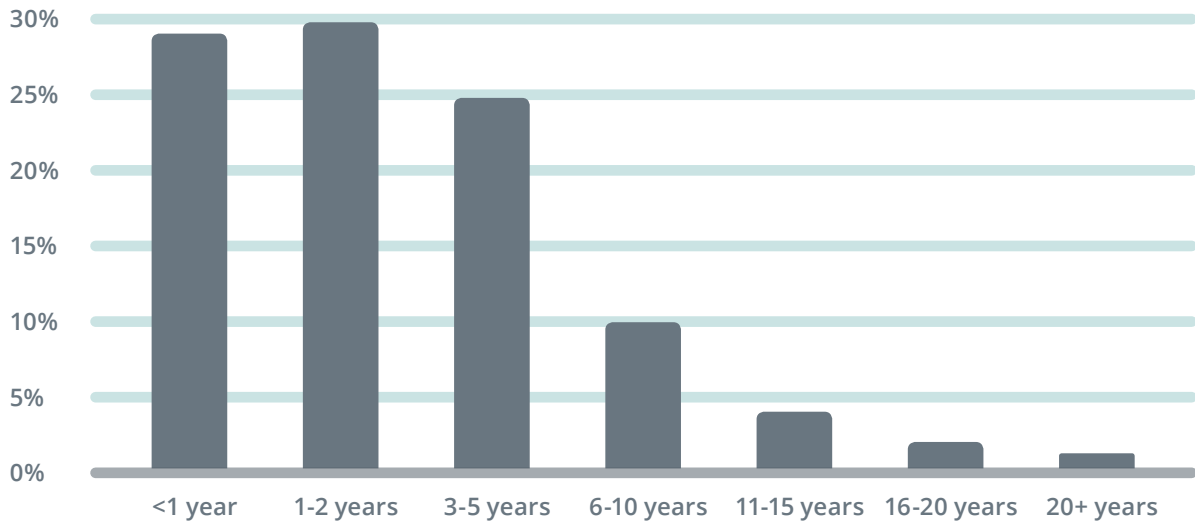
Years worked in the industry



Years worked in current company



Years worked in current role



SALARY REVIEWS

93% of respondents have received salary increases within the last two years. The remaining 7% have not had a pay rise for at least three years.

At your last salary review, 83% of you received a salary increase.

- ▶ 29% received an increase of 2% or less
- ▶ 27% received an increase of 2-5%
- ▶ 18% received a 5-10% increase
- ▶ 9% received 10%+

15% of respondents reported no increase, while 2% reported a decrease.

The main reasons for salary increases are performance-related or in line with a company's salary scale. An Annual Review can also result in a promotion or new role.

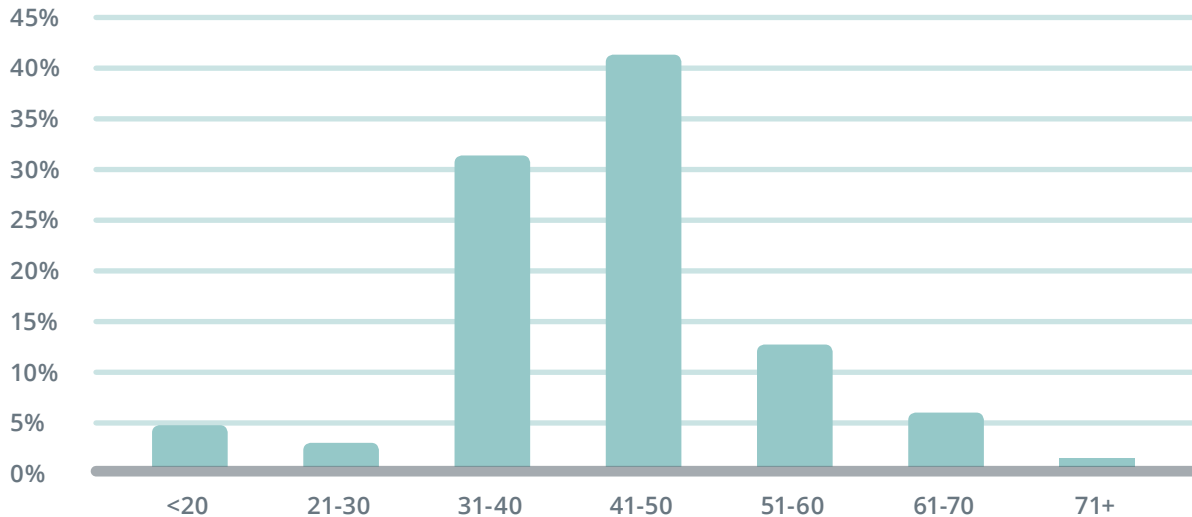
A small number reported a change to their working pattern or an imposed reduction in working hours due to poor company performance, linked to the salary decreases mentioned.

It is anticipated that 2019 will see a 0.8% salary rise in the UK, double that of 2018, however with higher inflation eating into spending power, salaries will remain in line with the European average.

When asked if they expected a pay rise in the next 12 months, 65% of respondents said they did.

YOUR WORKING WEEK

Weekly hours worked (including overtime)



73% of respondents are working between 31 and 50 hours per week, including any overtime. Part time working is less common with only 8% working under 30 hours per week.

PAID ANNUAL LEAVE

12% of respondents reported receiving 20 days paid leave per year (excluding public holidays). 49% say they have 21-25 leave days. Only 8% have less than 20 days, which corresponds to the 8% who work under 30 hours per week.

A surprisingly high 31% of respondents report enjoying 26+ days paid annual leave, excluding public holidays. However, in our experience the vast majority of companies offer 20-25 days leave. We will be looking into this in further detail in our 2019 Salary Survey.

BENEFITS PACKAGE

Remuneration is not all about salary. Respondents provided us with information on the benefits they currently receive and what benefits they would like to see included in their package.

Amongst our respondents, an annual bonus is the most common benefit at 63%, and another 20% would like one.

Autoenrollment pensions mean 67% of respondents had a workplace pension in 2018/19; 58% contributory and 9% non-contributory.

Continuing the move towards a less rigid working environment, 36% of you currently benefit from flexible working and 22% work flexi time. These are clearly highly valued, as they are also the most desired additional benefits.

It is not uncommon for employees to work longer than their contracted hours without overtime pay. 18% of respondents would like it as an additional benefit.



Benefits	Benefits included in current package
Annual bonus	63%
Contributory pension	58%
Medical cover self	40%
Flexible working	36%
Death in service cover	32%
Reduced merchandise/services	32%
Medical cover family	26%
Flexi time	22%
Company car	16%
Car allowance	16%
Health screening	16%
Ad hoc rewards	15%
No benefits	13%
Commission	13%
Mileage allowance	13%
Share options	11%
Final salary pension scheme	10%
Profit share	10%
Non contributory pension	9%
Travel season ticket loan	7%
Paid travel season ticket	6%
Paid overtime	5%

Benefits	Additional benefits desired
Flexible working	23%
Flexi time	23%
Annual bonus	20%
Profit share	20%
Share options	19%
Paid overtime	18%
Medical cover family	18%
Paid travel season ticket	15%
Medical cover self	15%
Health screening	15%
Ad hoc rewards	14%
Car allowance	14%
Company car	13%
Final salary pension scheme	13%
Commission	11%
Mileage allowance	11%
Death in service cover	11%
Contributory pension	9%
Travel season ticket loan	8%
Reduced merchandise/services	7%
No benefits	3%
Non contributory pension	3%

HOW DOES SALARY RELATE TO YOUR HIGHEST QUALIFICATION?

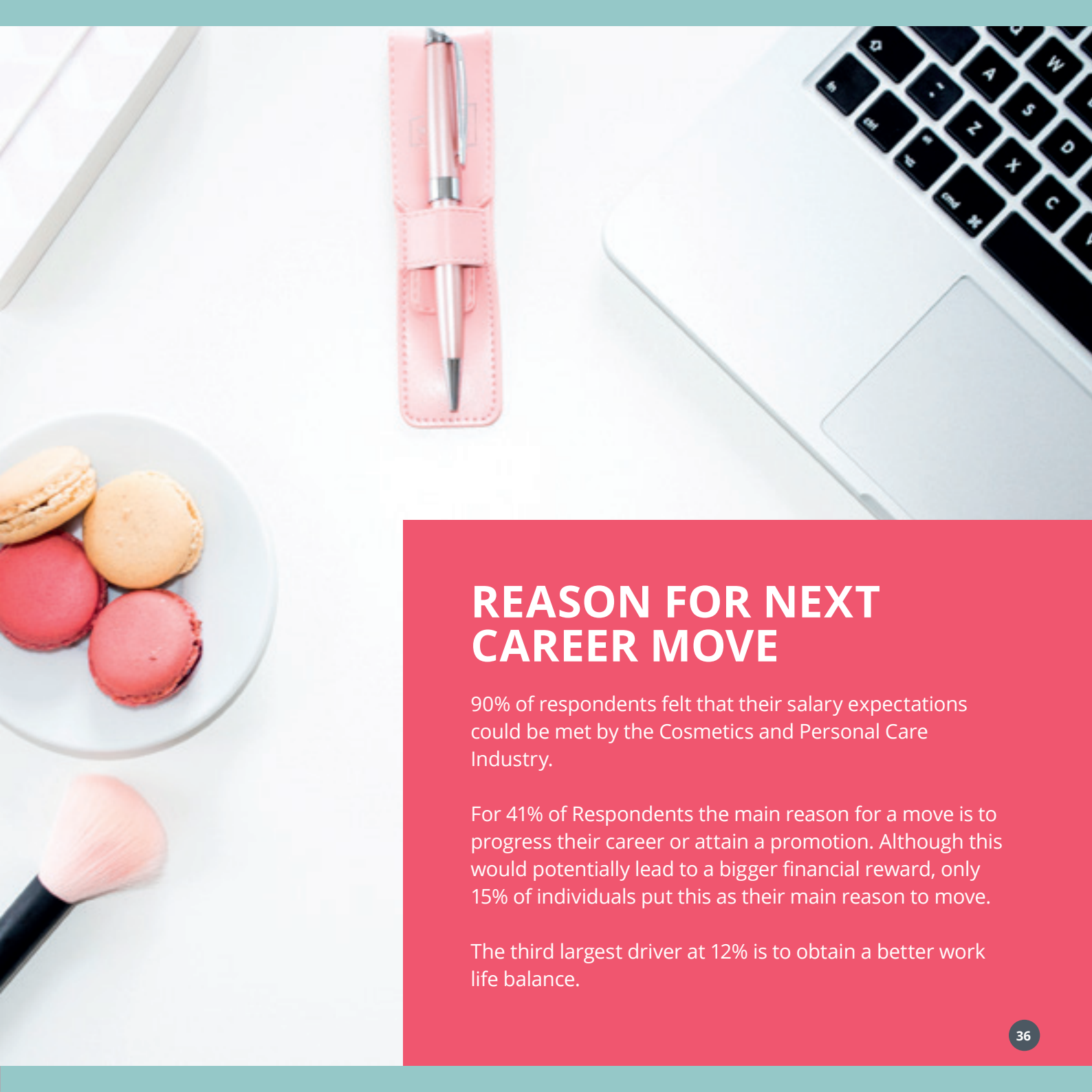
A qualification specific to your role is important when competing for jobs and will influence your salary level.

However, experience is also valued, and it is possible for an individual with Level 1, 2, 3 and 4 qualifications to attain high salaries, although this may take longer to achieve.

Within all salary bandings degrees, MAs, MSc and PhDs are held.

Our Survey appears to show that the average salary for a PhD holder is significantly higher than that of a Masters. However only 4% of respondents reportedly held a PhD, while 37% had a Masters. The PhD salary figures are only indicative as they are based on a small sample.

Highest Qualification	Lowest Salary	Highest Salary	Average Salary
Level 1/2 - GCSE, Diploma or equivalent	£18,000	£100,000	£43,000
Level 3 - A-level, higher diploma or equivalent	£18,000	£300,000	£49,500
Level 4 - SCS Diploma, certificate of higher education or equivalent	£18,000	£150,000	£54,000
Level 5 - Foundation degree, higher national diploma (HND) or equivalent	£18,000	£300,000	£51,000
Level 6 - Undergraduate degree, CIM Diploma or equivalent	£18,000	£400,000	£62,000
Level 7 - Master's degree or equivalent	£18,000	£400,000	£63,000
Level 8 - PhD or equivalent	£20,000	£300,000	£79,000



REASON FOR NEXT CAREER MOVE

90% of respondents felt that their salary expectations could be met by the Cosmetics and Personal Care Industry.

For 41% of Respondents the main reason for a move is to progress their career or attain a promotion. Although this would potentially lead to a bigger financial reward, only 15% of individuals put this as their main reason to move.

The third largest driver at 12% is to obtain a better work life balance.

IN SUMMARY

- ▶ 92% of respondents work full time
- ▶ 70% have a degree or higher qualification
- ▶ 56% work for companies based in London and the South of England, 32% are based outside the UK
- ▶ Average salary is £61,300
- ▶ 89% have worked in the industry for three years or more
- ▶ 93% had a salary increase in the last two years
- ▶ 90% feel their remuneration expectations can be met within the industry
- ▶ Career prospects are good for all genders. Only at the most senior level do men start to outnumber women, but there remain opportunities for all, at all levels throughout the industry



IN CONCLUSION

Whilst salary is the key factor in attracting and retaining staff, once at a comfortable level to cover living standards, other factors come into play.

Possibly the most important of these is workplace culture. No one wants to spend such a large part of their lives in an environment they do not find acceptable. Brand appeal, opportunities for career progression and work life balance are also a big influence on who we choose to work for.

With the average UK salary at £28,677, the Cosmetics and Personal Care industry remains a place where the average financial rewards are more than double the UK average at £61,300.

With Brexit scheduled to take effect on 31st October 2019, our next Salary Survey will be collecting data through the transition period.

Economists are already warning that higher inflation, lower wages and decreasing output are starting to negatively affect the UK economy.

Wages growth has not risen since the referendum, and GDP has fallen. While we do not know what the future will hold post Brexit, fears are that we will see a fall in living standards as a result of higher inflation and wage stagnation.



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