



ASIA BEAUTY & PERSONAL CARE TRENDS

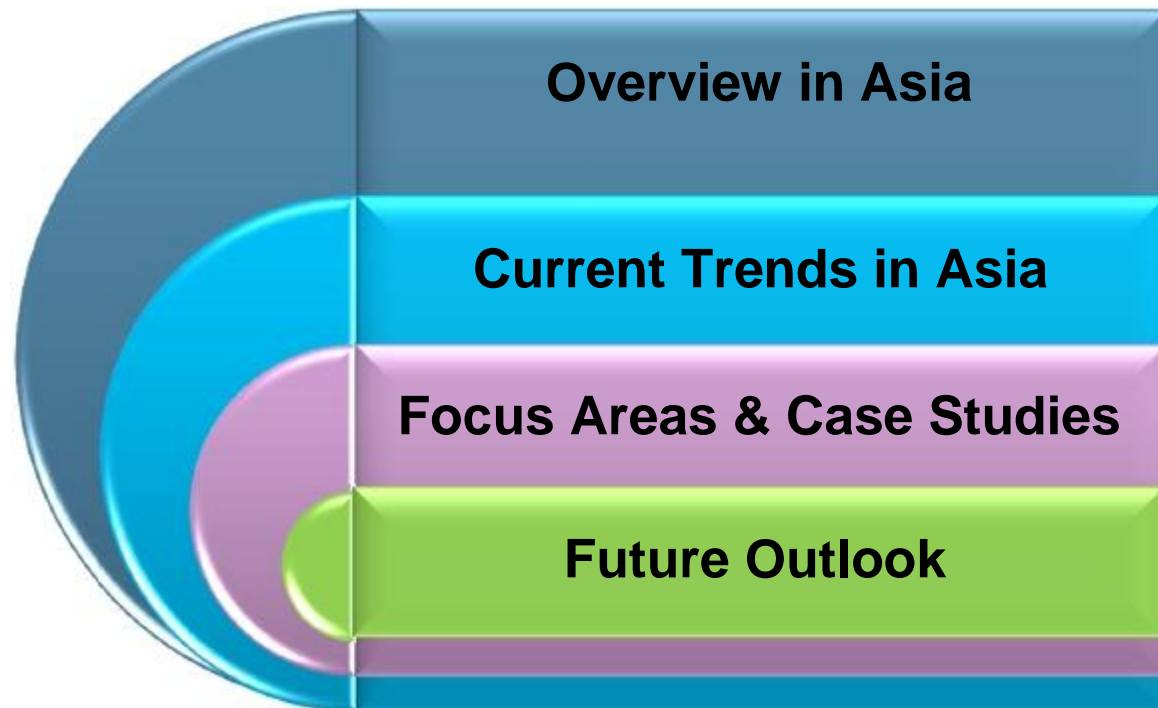
— 2012 & BEYOND

Nicole Teng

9th Sustainable Personal Care Technology Summit 2012, 25-26 June, Shanghai

AGENDA

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A TRUSTED BUSINESS INTELLIGENCE SOURCE

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GLOBAL PRESENCE, LOCAL COVERAGE

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EUROMONITOR INTERNATIONAL – BEAUTY AND PERSONAL CARE

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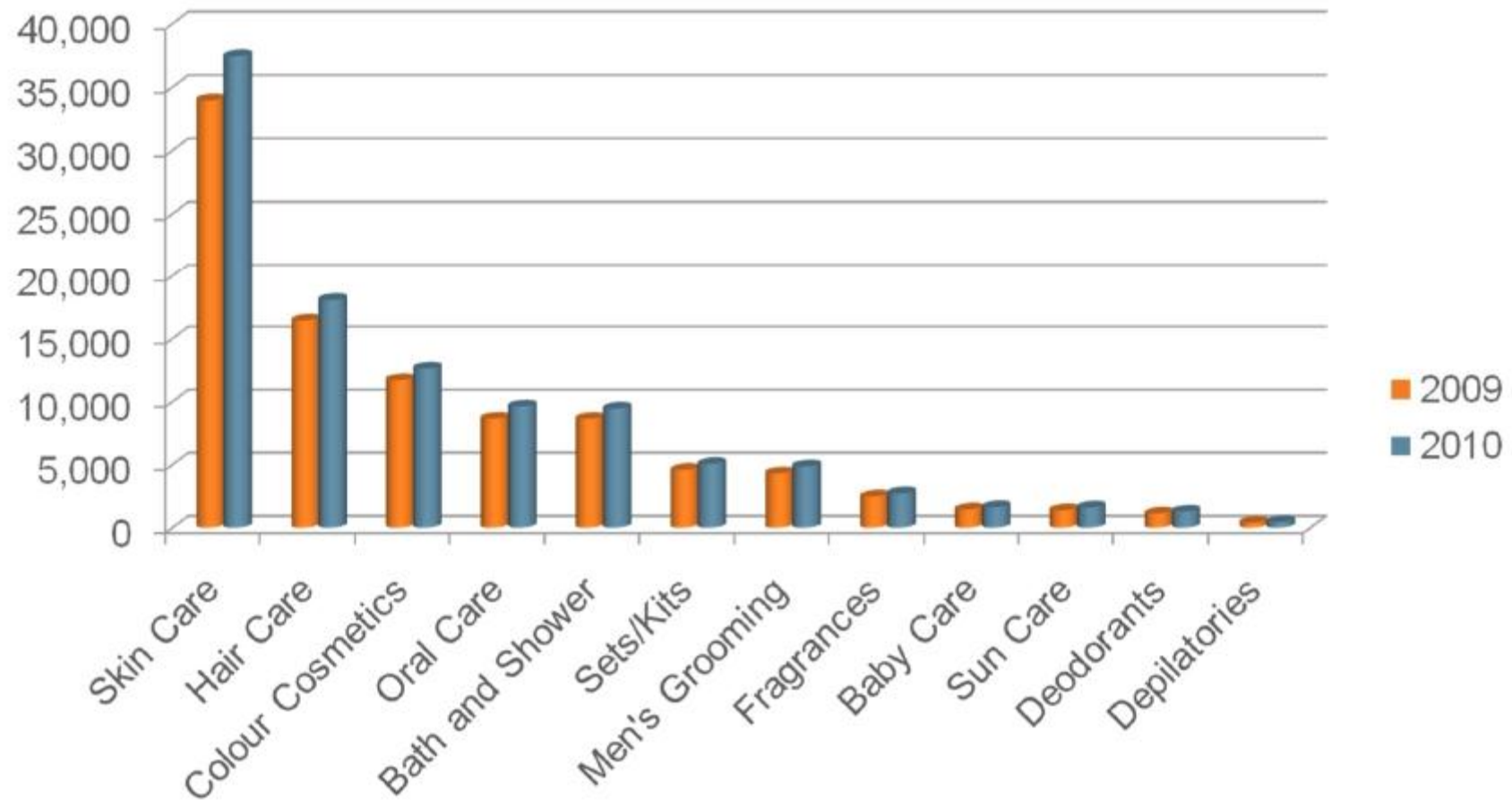


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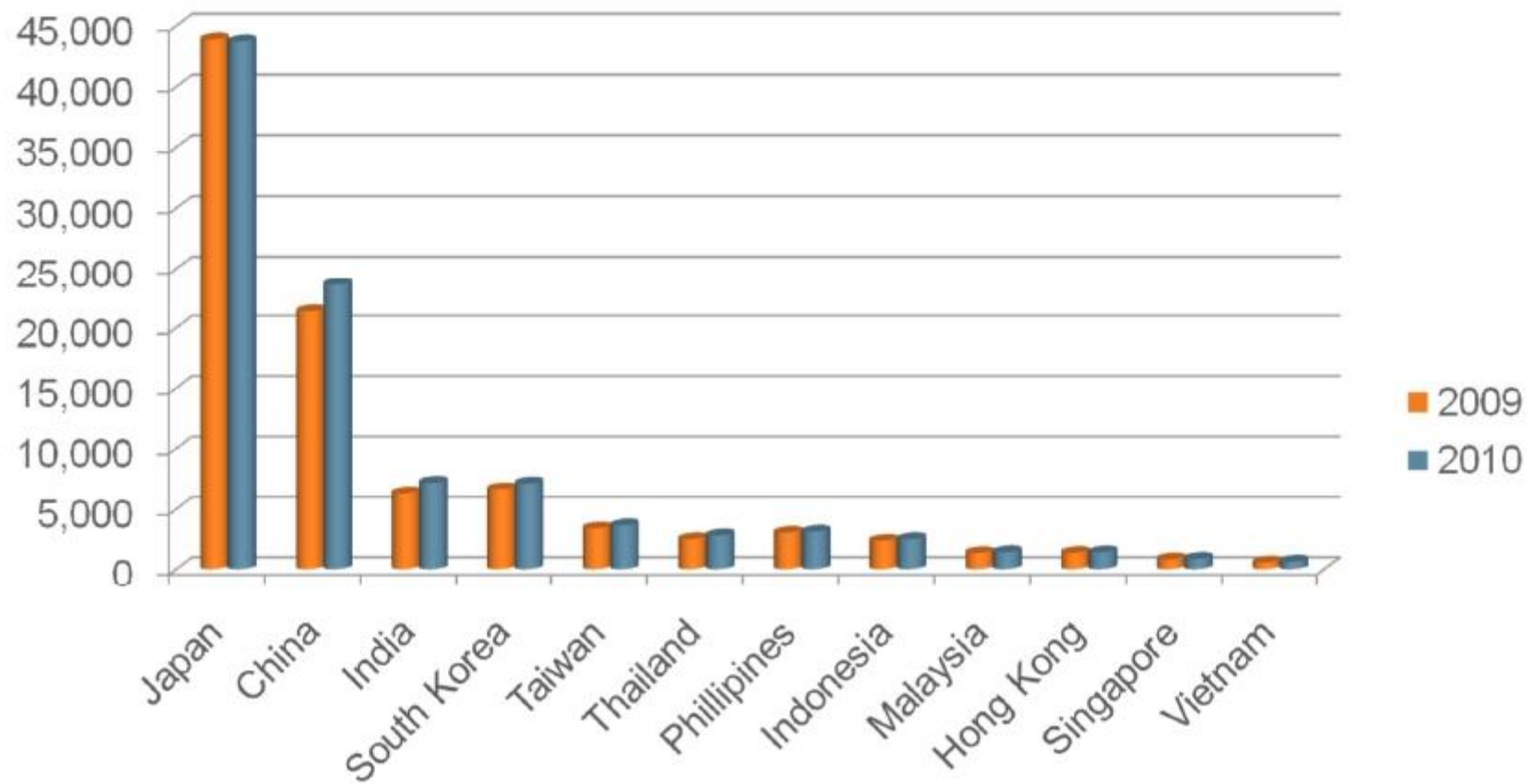
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BEAUTY AND PERSONAL CARE BY CATEGORIES – VALUE (US\$ MILLION)



BEAUTY AND PERSONAL CARE BY COUNTRIES – VALUE (US\$ MILLION)



BEAUTY AND PERSONAL CARE - JAPAN

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Japan's value growth stagnated in 2011

Stagnant economy halted demand

Effect of natural disasters persists in 2011

Polarity of consumer purchasing pattern

Successful launch of low cost skin care products

Steady growth of anti-agers and premium skin care



BEAUTY AND PERSONAL CARE - CHINA

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China recorded a 12% value growth in 2011

- Rapid economic development
- Growing middle class consumers
- Trading-up trends

Leading multinationals push for more growth

- Launch of skin care brands across different price platforms
- Distribution expansion to second and third tier cities



BEAUTY AND PERSONAL CARE - INDIA

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India showed a 20% value growth in 2011

Growing economy accelerate sales

Increased demand for value added products

Leading multinationals push for more growth

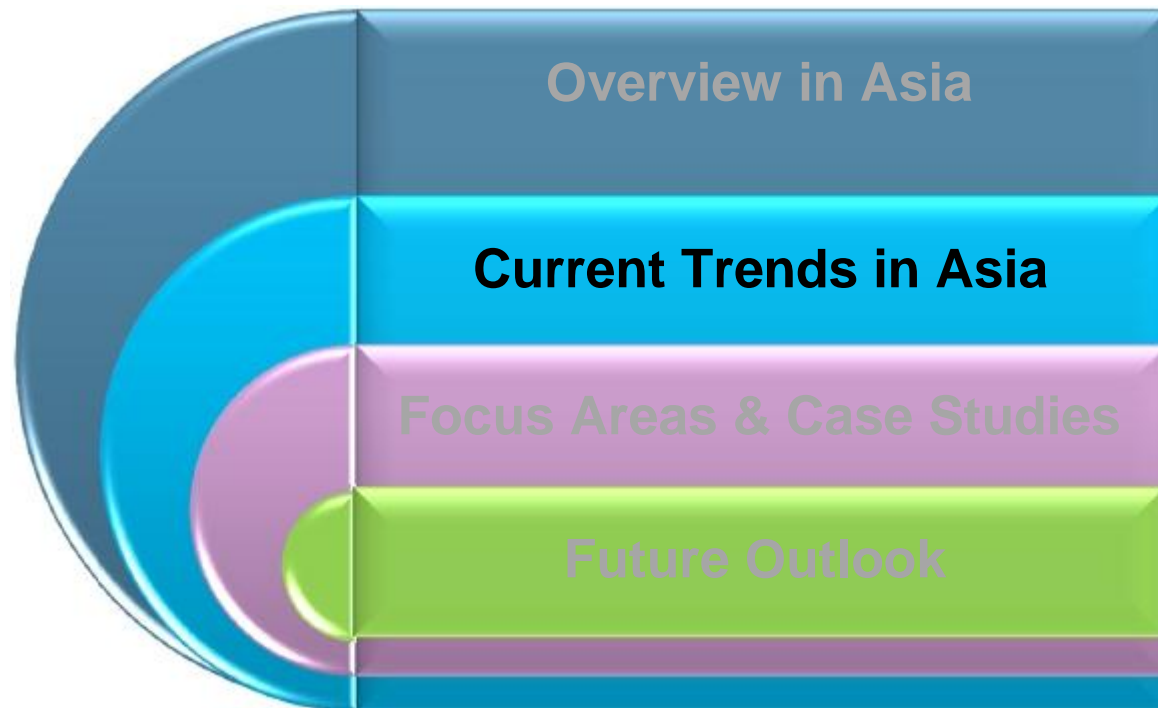
Increased penetration of modern formats

Increased presence of imported brands



AGENDA

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ANTI- AGING

Anti – aging propositions continue to captivate women across the region

From Premium to Mass offerings

From Facial care to Sun care



www.lancome-usa.com



www.taobao.com



www.esteelauder.com

WHITENING

More demand for whitening responded by more advanced launches

New formats: High strength spots correctors and Under eye whitening



www.skii.com.sg



Akinaistore.com

NATURAL AND MINERAL

Increased popularity of mineral cosmetics and skin care - Back to Nature

Awareness of safer and natural ingredients



gosee.us

© Euromonitor International



www.beautyisokindeep.blogspot.com

HERBAL TRADITIONAL

The rise of Chinese Herbal/ Traditional skin care

Increased confidence in Asian brands



© Euromonitor International

Sephora.cn



Jingdaily.com

MEN-SPECIFIC

Men's grooming range taking a full bloom in 2011 and continue to flourish

Leading companies established their brand presence in retail scenes



www.gurugupta.wordpress.com



Forum.hardwarezone.com.sg



Celebay.com



Silomskic.com.co.uk

Gatsby.jp

BLEMISH BALM (BB) CREAM

BB Cream craze not losing steam – more launches across different brands and formats

Western brands adopt BB concept



Makeupforlife.net



Moodiereport.com



Makeupstash.com

INNOVATIVE AND TIME-SAVING FORMATS



Rougedeluxe.blogspot.com

Mousse Foundation

Compact BB Creams

Foam Hair Colourants

Mist Hair Wax

BEYOND COSMETICS AND TOILETRIES

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Beauty Drinks

Collagen based

Originated from Japan and Korea



Koreanherald.com



Confirmtrading.com

Beauty Appliances

Clarisonic

Portable Ionic Steamers



Makemeheal.com

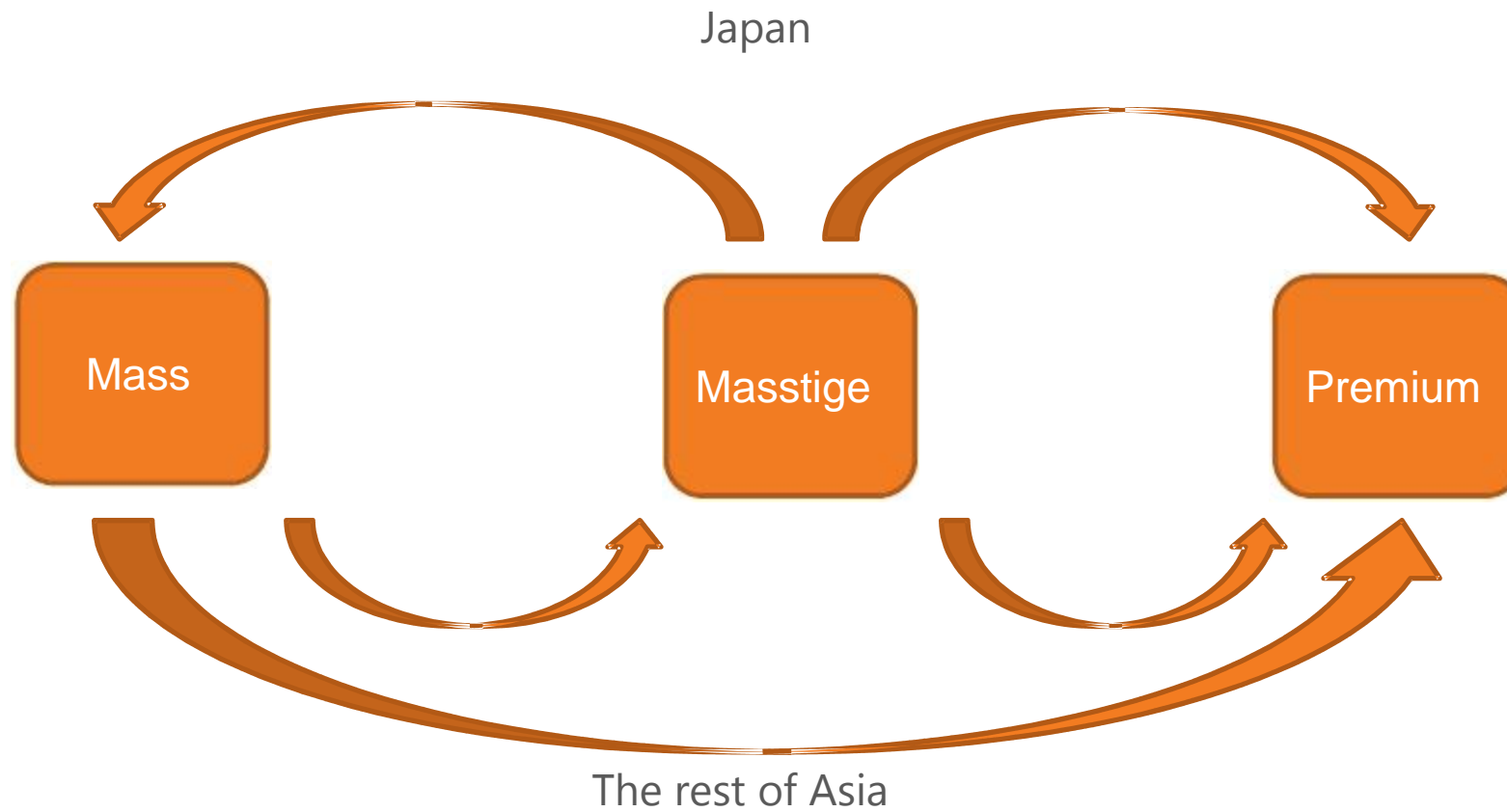


Blog.japantimes.co.jp

POLARITY OF SPENDING PATTERN

Consumer lifestyle

Economic factors



THE RISE OF CHAINED SPECIALISTS AND INTERNET RETAILING



Sephora has grown from its launch in 2005 to over 115 stores in China by mid-2012

Tmall.com by taobao has major leading players listed their own shops by 2011

SOCIAL MEDIA

Increased influence of social media continues

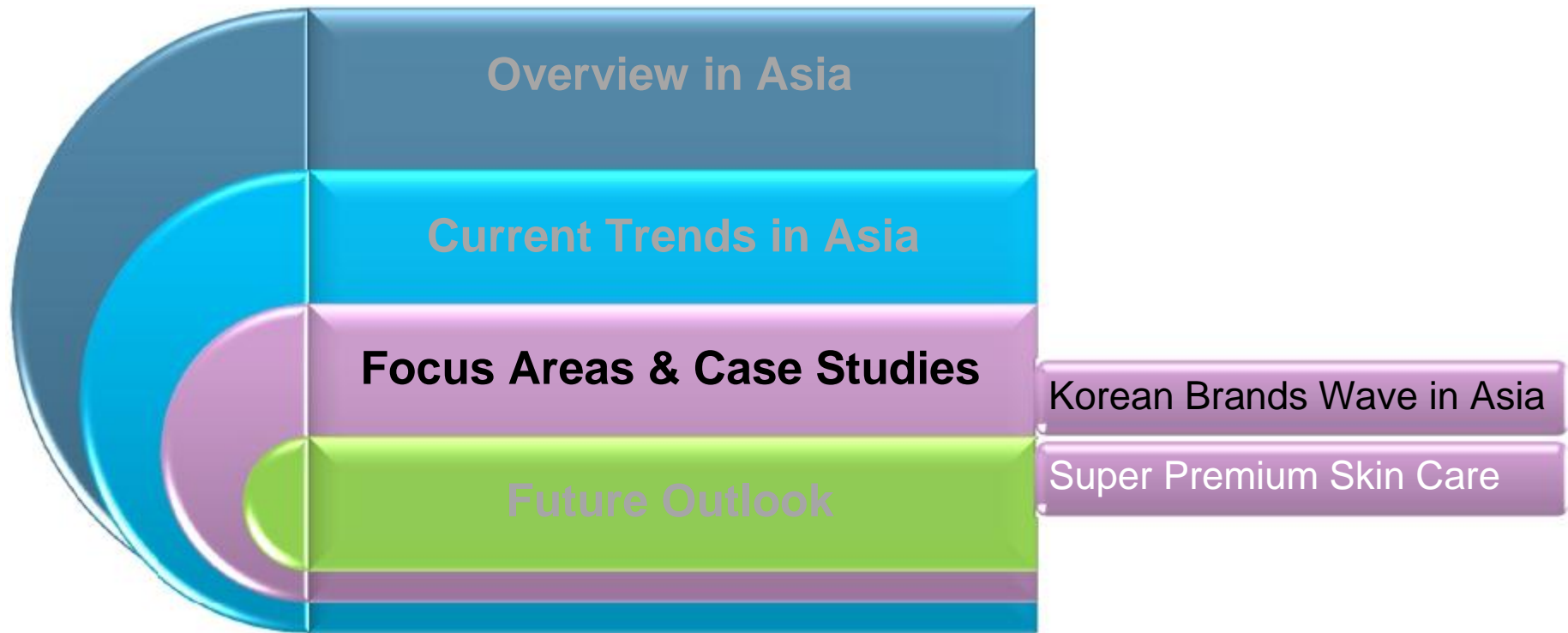
Reviews among consumers create Word of Mouth for the brands

Brands to reach and talk to their followers



AGENDA

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KOREAN BRAND WAVES IN ASIA

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Driving factors

K-Drama and K-Pop influence in Asian countries

The porcelain smooth complexion of many Korean women

Started as pioneer of the BB Cream



www.snsocosmeticskincare.com



www.yxlady.com

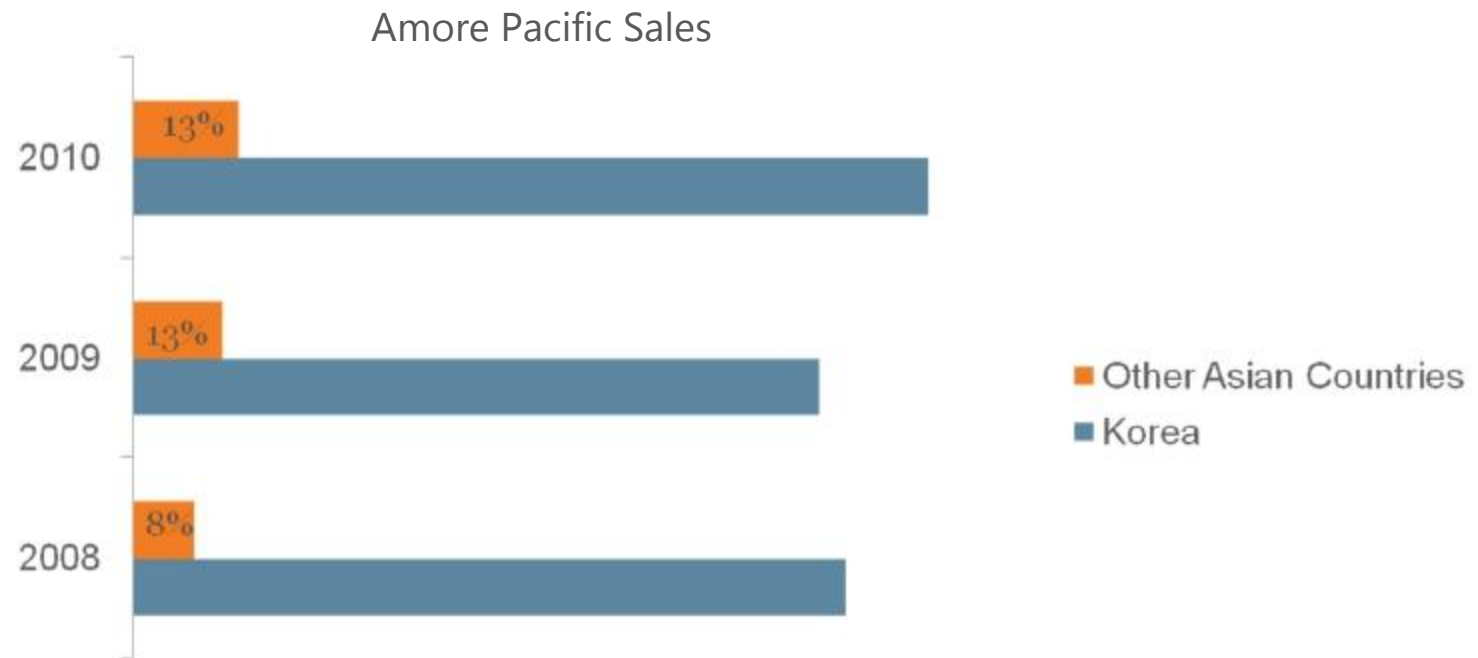
KOREAN BRAND WAVES IN ASIA

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The Success

Korean companies' overseas business show strong YOY growth

Other Asian countries contribute more to the companies' performance



KOREAN BRAND WAVES IN ASIA

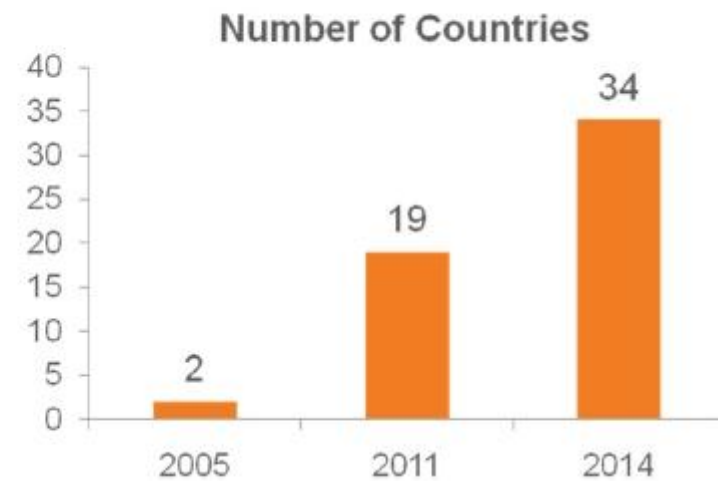
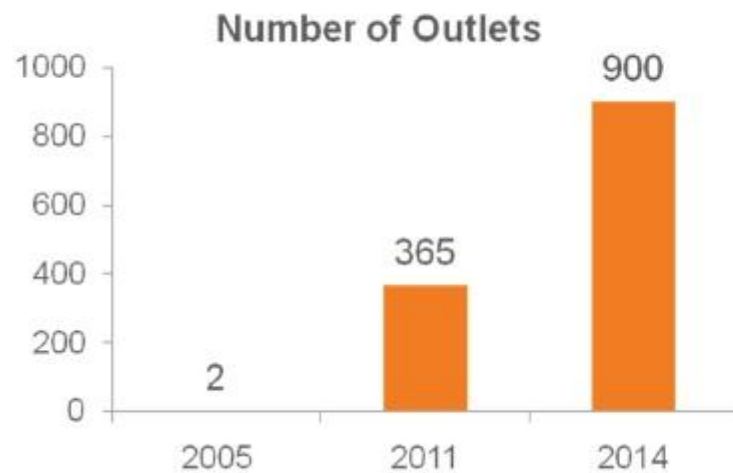
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What's ahead?

Bullish expansion to continue on in the next five years

Riding on vast retail development in developing markets

The Face Shop (overseas)



Source: The Nation, Aug 26, 2011; company website

KOREAN BRANDS WAVE IN ASIA

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Competitive advantages

Celebrities endorsements

Creative product formats

Natural based ingredients

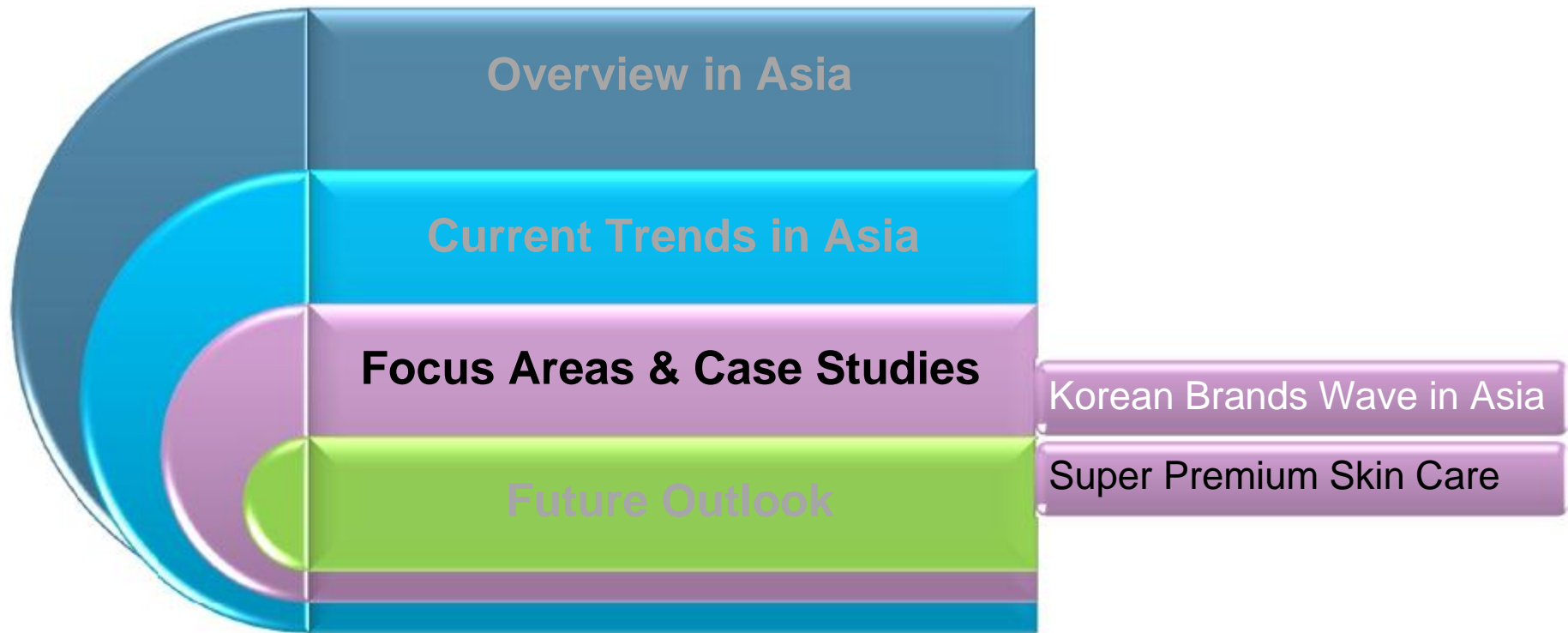
Affordable price points

Attractive packaging



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SUPER PREMIUM ANTI-AGERS

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“The non-surgical way” to achieve youth

How much is one willing to pay for beauty?



La Mer lifting face serum

US\$ 330

(30 ml)



La Prairie Cellular
Radiance Concentrate

US\$ 830

(30 ml)



Clé dePeau Beauté
Crème Intensive

US\$ 1000

(40 ml)

SUPER PREMIUM ANTI-AGERS

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Sales Performance

Luxury brands thriving from Asia market

Estee Lauder: "Asia and Pacific Q4 2011 sales rose 16%, boosted by strong sales in skin care products including pricier ranges such as La Mer and Jo Malone" – Reuters

Beiersdorf: "La Prairie group makes 22% of its annual sales in Asia" – Reuters

Shiseido: "Sales of the top regular users purchasing Clé dePeau Beauté products in department stores maintained nearly double-digit growth in 2010" – Shiseido

Premium anti-agers' resilience during economic downturn

Anti-agers is the only category keeping growing positively in Japan's Premium Cosmetics industry from 2009 to 2011 – Euromonitor International

SUPER PREMIUM ANTI-AGERS

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Driving factors

Strong economy in Asia

Increase number of the ultra-affluent segment

Higher awareness on looking youthful

Perceived importance compared to other categories

Healthy skin as canvas to beauty

Less costly and painful compared to
surgical alternatives

Strong brand positioning

Mystery and science origination

Loyal followers



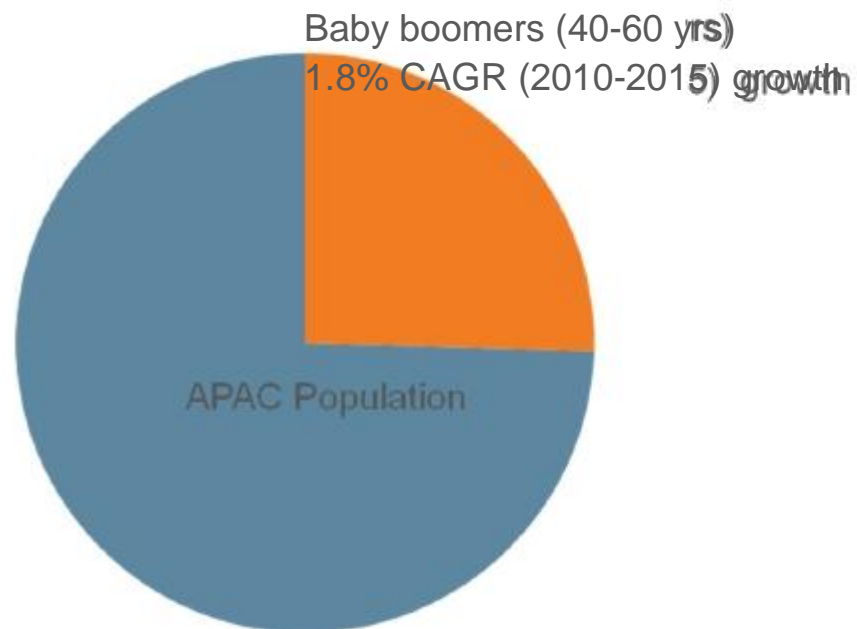
SUPER PREMIUM SKIN CARE

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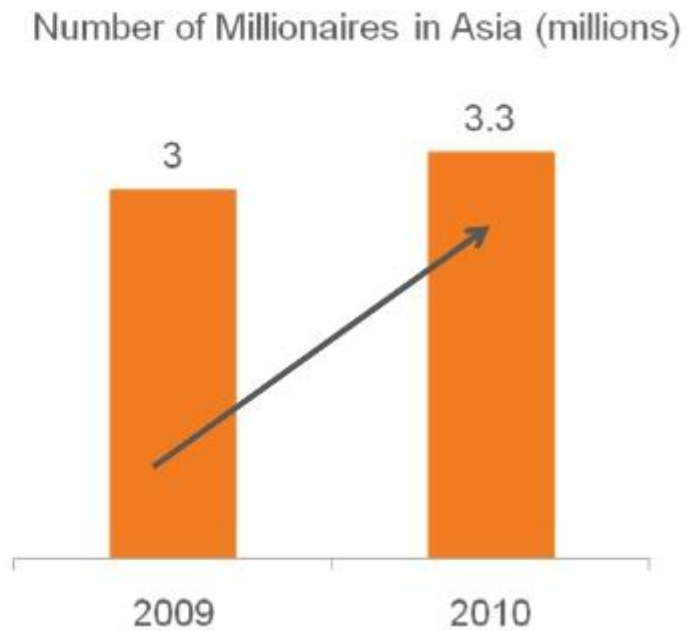
Future potential

Aging Population in Asia

Growing number of high-net worth individuals



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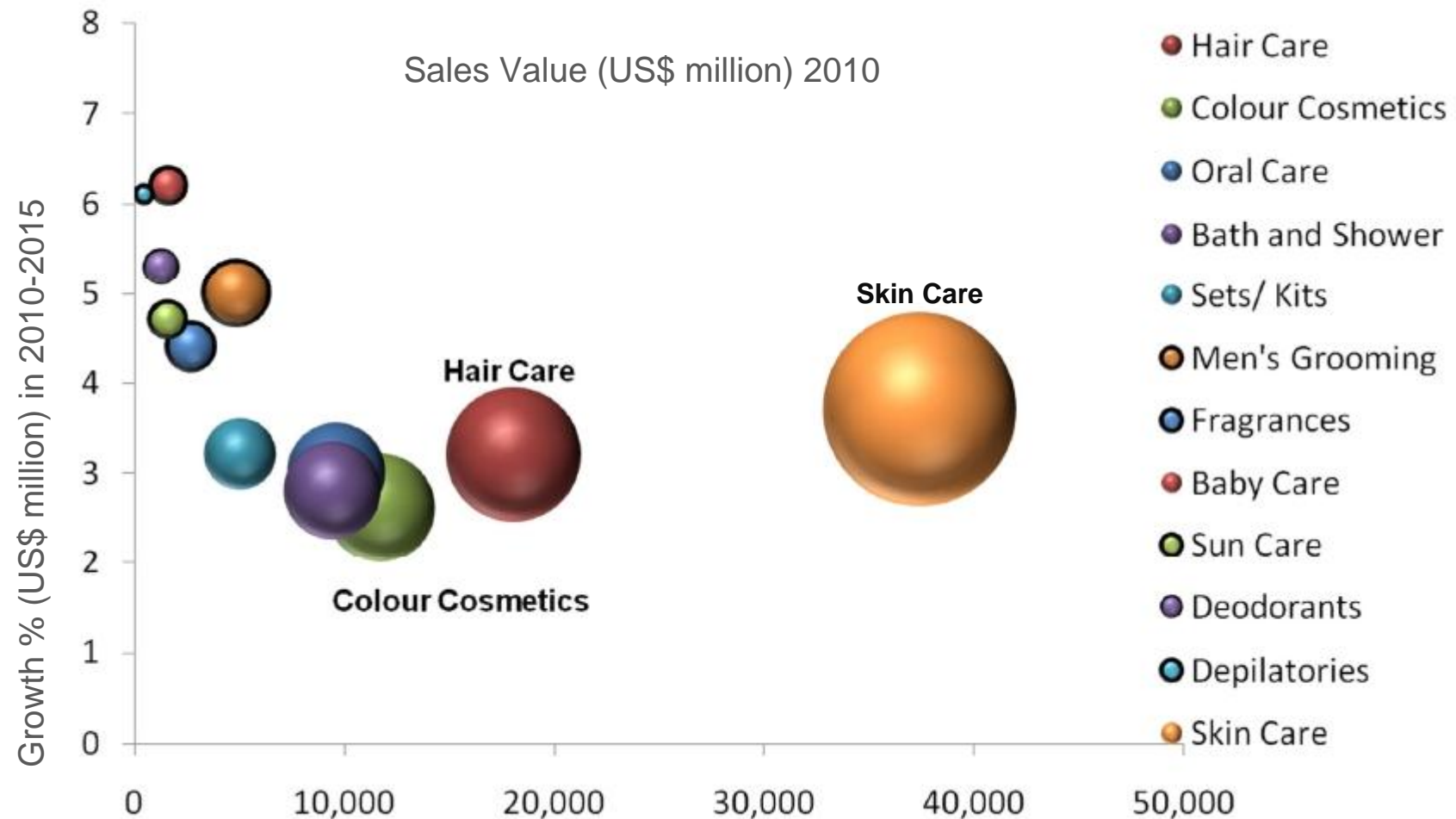
Source: Merrill Lynch Cap Gemini World Wealth Report.

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CATEGORY DRIVERS: SKIN CARE, HAIR CARE, AND COLOUR COSMETICS



FUTURE OUTLOOK

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YOUTH and FAIRNESS

The pursuit of latest magic potion will continue

More combination products



FUTURE OUTLOOK

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Back to NATURAL

Mineral and organic based

Herbal and fruit ingredients



Health.ezbi.biz

Beautyalmanac.com

Shop.nordstrom.com

FUTURE OUTLOOK

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More MEN'S GROOMING

Body Care

Cosmetics

Others



© Euromonitor International

Net-pumpkin.com



Menshealth.com.sg



Hisstylelady.com

EXPANSION OF BEAUTY SPECIALISTS AND INTERNET RETAILERS

Beauty Specialist retailers to continue expansion

Vast retail development in emerging markets

More stand-alone shops by manufacturers

Men's Specific Beauty Corners and Stores

Internet retailing to gain significance

Improved infrastructures in developing markets

More introductions of B2C E-commerce sites



Timeoutsingapore.com



THANK YOU FOR LISTENING

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