GLOBAL TRENDS IN BEAUTY AND PERSONAL CARE: OPPORTUNITIES FOR FUTURE

IN-COSMETICS ASIA 2014

PEI YING LOH – RESEARCH ANALYST
INTRODUCTION

About Euromonitor International

- Strategic research for over 20 industries
- Extensive network of analysts in 80 countries
- Global presence, local coverage

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GLOBAL OVERVIEW
CHARACTERISTICS OF CONSUMERS
KEY THEMES IN 2014
ASIA PACIFIC TRENDS
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GLOBAL OVERVIEW

US$454 billion of total beauty and personal care retail sales globally in 2013

2% value growth generated in 2013

29% represented by Asia Pacific in 2013

Source Euromonitor International
Most categories see better performance in 2013

Source Euromonitor International
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Market driven by brand loyalty vs experimentation

Brand Loyalty
- Product effectiveness
- Brand image
- Habit

Experimentation
- Desire for more effective products
- New claims and innovative ingredients
- Unique product benefits
- In-store availability and price

Source: Euromonitor International consumer survey, Personal Appearance Survey 2014
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Key themes to define the industry in 2014

- Multi-benefits products
- At-home beauty experience and pampering
- Dominance of ‘Selfie’ trend
- Fashion Beauty
Products with multiple claims feature strongly

Convenience  Novelty  Cost-saving
Haircare & colour cosmetics stand out

Caviar Anti-Aging Replenishing Moisture Conditioner
Maintains moisture, and also protects hair from daily stress, colour fade and future damage

Striplac Peel-off UV/LED Nail Polish
Peel off technology for easy removal, protects and strengthens the natural nail. Finished in 60 seconds under LED.

Lancôme Teint Visionnaire
Two-in-one product used as a foundation with high coverage corrector, enriched with LR 2412, the active ingredient integrated in Visionnaire skincare. Also claims to reduce imperfections.

Source: Analyst’s own photos
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Key themes to define the industry in 2014

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Consumers increasingly going for self-pampering in the home

Cost-saving + Time constraints to achieve instant results = Growth of “self-service” trend
Multiple sectors benefit from at-home beauty experiences

**Masks**

- The Face Shop 3D Ampoule Mask Sheet Red Ginseng and Ceramide
  - Two steps facial care using both ampoule and mask sheet. Used to achieve whitening, hydrating and firming of skin.

**Hair Treatments**

- Shiseido Tsubaki Damage Care Hair Mask
  - Integrated with Camelia Oil, most suitable for dry, permed, sun-damaged, colour-treated and coarse hair.

**Consumer Appliances**

- Clarisonic Mia 2
  - Claims to offer a gentle and effective cleanse at home, than traditional manual cleansing.

Source: Analyst’s own photos

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Strong appeal for “Selfie” Beauty

- Unique Colours
- Tailored innovations with specific solution-based products
- Skin Perfections
### KEY THEMES IN 2014 – DOMINANCE OF “SELFIE” TREND

**Social media and “Selfies”, the connection with consumers**

| **Lancôme’s Dreamtone** | • Lancôme USA has launched a social media campaign #bareselfie  
|                        | • Encouraged users to use the product and take bare-look/ no make up |
| **Sephora Singapore**  | • Launched “#NoFilterSephoraSg”.  
|                        | • collaboration with CLEO Magazine  
|                        | • Offering tips on different types of selfie |
| **Sunsilk Dream Starter** | • Launched a social media campaign, #SunsilkDreamStarter, in Philippines |
| **Benefit**            | • Launched the #realsies campaign  
|                        | • Fans can post selfies with lashes applied with “They’re Real!” mascara to win long supply |

Source: Analyst’s own photos

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Fashion apparel brands make a stronger mark within beauty

KEY THEMES IN 2014 – FASHION BEAUTY

Fashion Brands

Consumers

Brand consciousness

Rising Affluence

expansion in fashion brands beauty range
Growing appeal for “safe” cosmetics in Asia Pacific

Non-preservatives beauty and personal care

Himalaya Herbals
Purifying Neem Face Wash

Source: Analyst’s own photos
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Derma-cosmetics

First Aid Beauty Ultra Repair Cream Intense Hydration for Dry Parched Skin

Natural and organic beauty and personal care

APIVITA Suncare

Source: Analyst’s own photos
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Internet retailing shows fast growth

Asia Pacific Beauty Sales by Key Distribution Channel – 2008-2013

Growing presence of internet retailing

Source: Euromonitor International
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Bloggers are a big influence on young consumer trends

Xiaxue
Top Blogger in Singapore
Source: http://xiaxue.blogspot.sg/

Jane Chuck
Top Blogger in Malaysia
Source: http://chuckei.com/

Bryan Tan
Top Blogger in Thailand
Source: http://bryantanmakeupartist.blogspot.sg/
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Global market: other facial make-up to be the driving force

Fastest Growing Beauty and Personal Care Categories 2013-2018 Constant Value CAGR (%)

- Other Facial Make-Up: 11%
- Men’s Skin Care: 8%
- Baby and Child-Specific Skin Care: 6%
- Face Masks: 6%
- Anti-Agers: 5%

Source: Euromonitor International © Euromonitor International
Asia Pacific: Other Facial Make-Up to have the strongest growth

Other Facial Make-Up constant value CAGR 2013-2018 by countries (%)

- South Korea: 13%
- China: close to 18%
- Philippines: 12%
- Indonesia: 11%
- Hong Kong, China: 8%
- Malaysia: 6%
- Singapore: 5%
- India: 4%
- Thailand: 3%
- Japan: 2%
- Taiwan: 1%

Source: Euromonitor International

South Korea

fastest constant value CAGR of close to 18%
expected from 2013 to 2018
Global market: “Selfie” creates opportunities

Look good factor
- Personality
- Individuality

Skin perfection
- Even tone
- Spot correction
- Smooth texture

Tailored innovation
- Solution-based
- Hyperpigmentation
- Scalp health

Consumers
Retailers
Manufacturers
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Ideas to take away

The continuous success: Multi-benefits and at-home beauty products

Technology will be a main focus for manufacturers and consumers

Other Facial Make-Up to be a main focus of major manufacturers
THANK YOU FOR LISTENING

Pei Ying Loh
Research Analyst
Peiying.loh@euromonitor.com.sg