About Euromonitor International

12 OFFICE LOCATIONS
London, Chicago, Singapore, Shanghai, Vilnius, Santiago, Dubai, Cape Town, Tokyo, Sydney, Bangalore, and São Paulo

80 COUNTRIES
in-depth analysis on consumer goods and service industries

+ 210 COUNTRIES
demographic, macro- and socio-economic data on consumers and economies

© Euromonitor International
A trusted business intelligence source
GLOBAL INDUSTRY HIGHLIGHTS

INDUSTRY TRENDS

“ASIANIFICATION”

TECHNOLOGY

CROSS CATEGORY INSPIRATION

OPPORTUNITY AND CONCLUSION
Beauty industry growth sustained

**Total vs Premium vs Mass Growth**

**Performance: 2008-2014**

- **US$465 bn** of total beauty and personal care retail sales globally in 2014
- **5%** value growth generated in 2014
- **29%** represented by Asia Pacific in 2014

© Euromonitor International
Skin care remains the highest spend category in beauty

Global per Capita Spending on Beauty and Personal Care 2014 and Growth 2014-2019 by Category

US$64 per person globally

A quarter of total spending comes from Skin care

Note: * Baby and child-specific products
Asia Pacific domination unrivalled in skin care

Nearly 50% of Global Skin Care Sales from Asia Pacific

**Retail value sales 2014**
- > US$50 billion
- US$10-25 billion
- US$3-5 billion
- US$1-3 billion

**% growth rate**

<table>
<thead>
<tr>
<th>Region</th>
<th>% Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>2.8</td>
</tr>
<tr>
<td>Latin America</td>
<td>11.6</td>
</tr>
<tr>
<td>Western Europe</td>
<td>1.4</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>2.5</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>6.5</td>
</tr>
<tr>
<td>Africa/Middle East</td>
<td>10.2</td>
</tr>
<tr>
<td>Australasia</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Note: Growth rates for period 2013-2014 based on US$ 2014 constant prices
GLOBAL INDUSTRY HIGHLIGHTS

INDUSTRY TRENDS

“ASIANIFICATION”

TECHNOLOGY

CROSS CATEGORY INSPIRATION

OPPORTUNITY AND CONCLUSION
Asianification stimulates innovation in skin care

- Asian brands
- Multi-step approach
- Ingredients
- Benefits and claim
- New concepts

Asia
Asian concepts expanding internationally

Source: company website
**Korean wave makes a slow but steady move westwards**

Top Global Skin Care Players by Absolute Value Growth 2009/2014 Ranking and CAGR 2009-2014

<table>
<thead>
<tr>
<th>Company</th>
<th>Rank 2009</th>
<th>Rank 2014</th>
<th>% CAGR 2009-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>L’Oréal Groupe</td>
<td>1</td>
<td>1</td>
<td>6.1</td>
</tr>
<tr>
<td>Beiersdorf AG</td>
<td>2</td>
<td>2</td>
<td>4.2</td>
</tr>
<tr>
<td>Unilever Group</td>
<td>5</td>
<td>3</td>
<td>10.8</td>
</tr>
<tr>
<td>Procter &amp; Gamble Co, The</td>
<td>4</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td>Estée Lauder Cos Inc</td>
<td>6</td>
<td>5</td>
<td>6.5</td>
</tr>
<tr>
<td>Shiseido Co Ltd</td>
<td>3</td>
<td>6</td>
<td>1.8</td>
</tr>
<tr>
<td>Johnson &amp; Johnson Inc</td>
<td>8</td>
<td>7</td>
<td>3.6</td>
</tr>
<tr>
<td>Mary Kay Inc</td>
<td>12</td>
<td>10</td>
<td>11.0</td>
</tr>
<tr>
<td>AmorePacific Corp</td>
<td>17</td>
<td>11</td>
<td>16.0</td>
</tr>
<tr>
<td>LG Household &amp; Health Care Ltd</td>
<td>22</td>
<td>13</td>
<td>14.9</td>
</tr>
</tbody>
</table>
GLOBAL INDUSTRY HIGHLIGHTS

INDUSTRY TRENDS

“ASIANIFICATION”

TECHNOLOGY

CROSS CATEGORY INSPIRATION

OPPORTUNITY AND CONCLUSION
Consumers are looking for high efficacy and novelty in skin care

Reasons For Purchasing Skin Care 2014

- Skin care is an important priority for me
- Need to replace
- To try something new
- Looking for a better version
- Found a great deal/sale
- To gift
- Impulse purchase

Source: Euromonitor International’s Online Survey on Personal Appearances 2014
INDUSTRY TRENDS

Beauty Devices as part of brand expansion

Source: company website

Source: http://www.tuneage.co.kr

Source: http://www.makeonbeauty.co.kr

Source: http://www.clarisonic.com
Technology for consumer experience

Panasonic Magic Mirror
Source: http://www.gettyimages.com/

Sephora Colour IQ
Source: http://www.sephora.com/

L’Oreal Makeup Genius
Source: http://www.lorealparisusa.com/
Internet retailing still a small channel in Beauty and Personal Care
Digital market space in beauty expands most in Asia

Beauty and Personal Care Internet Retailing Channel by Region 2009/2014

% ratio of internet retailing

Asia Pacific | North America | Western Europe | Australasia | Eastern Europe | Latin America | Middle East and Africa

2009 | 2014
GLOBAL INDUSTRY HIGHLIGHTS

INDUSTRY TRENDS

“ASIANIFICATION”

TECHNOLOGY

CROSS CATEGORY INSPIRATION

OPPORTUNITY AND CONCLUSION
Market maturity and slowdown lead to value-added innovations

- Hydration
- Anti-ageing
- Pigmentation
- Sun protection
- Additional benefit solutions
INDUSTRY TRENDS

Drawing inspiration from common features in other categories

- **Skin** - body washes, skin - fragrances, skin - sun protection, skin - anti-agers

- **Hair** - anti-agers, hair - sun protection, hair - fragrances, hair - make-up

- **Nail** - anti-agers, nail - skin care, nail - fragrances

- **Face** - anti-agers and sun protection, lipstick - lip care

Source: http://www.etonymoly.com
Source: http://pantene.com/en-us
Source: http://enchanteur.com.my
Ageing demography and higher earnings drive anti-ageing claims

**Female Population: Mean Age 2013 and Annual Disposable Income per Capita 2014/2019**

- **Mean Age Female Population**
- **Annual Disposable Income per Capita Female 2014**
- **Annual Disposable Income per Capita Female 2019**

© Euromonitor International
Anti-ageing is most widely used claim in beauty

Beauty vs Anti-Agers: Absolute Value Growth 2014-2019

Absolute value growth (US$ mn)

- Rest of Beauty and Personal Care
- Other skin Care
- Premium Anti-Agers
- Mass Anti-Agers

Absolute Growth 2014-2019
GLOBAL INDUSTRY HIGHLIGHTS

INDUSTRY TRENDS

“ASIANIFICATION”

TECHNOLOGY

CROSS CATEGORY INSPIRATION

OPPORTUNITY AND CONCLUSION
CONCLUSION

Further potential Asian waves heading to international stage

TCM -based products

Anti-pollution
Source: http://www.clarins.com.sg

Carbonated skin care
Source: http://www.laneige.co.kr/

Halal beauty
Technology for customized solution

Age  Gender  Format  Texture  Function  Customized solution
More scope for cross-category and cross-industry inspiration
Key Trends to define the industry in 2015 and beyond

**'Asianification'**
- Asian Inspired Products
- Korean wave
- Expansion to International

**Technology**
- Beauty Devices
- Customer Services and Interactions
- Digital Strategy

**Cross category**
- Inspiration to other categories
- Multiple Benefits claim
- Anti-agers
THANK YOU FOR LISTENING
Minji Kim
Senior Research Analyst
Minji.kim@euromonitor.com.sg

CONNECT WITH US!
http://blog.euromonitor.com/
@Euromonitor
www.facebook.com/euromonitorinternational
Euromonitor International Market Research Group