TARGETING APAC GEN Z & MILLENNIALS IN BEAUTY INNOVATION
GlobalData at a Glance

4,000 of the world’s largest companies make better and more timely decisions thanks to our unique data, expert analysis and innovative solutions delivered through a single platform.

Our Solutions
GlobalData provides a range of ways that clients can access our data and insights to meet their individual business needs:
- Intelligence Center
- Consulting Services
- Reports

Our Industry Coverage
Our services cover five primary industries:
- Consumer
- Retail
- Technology
- Healthcare
- Financial Services

Our Value Proposition
We empower clients to decode the uncertain future they face by providing:
- Unique data
- Expert analysis
- Innovative solutions
- One platform

Our Expertise
- Market Intelligence
- Product Strategy Management
- Competitive Intelligence
- Strategic Planning
- Marketing
- Channel and Sales Management

Source: GlobalData 2018
Unique data, expert analysis and innovative solutions.

1. Market Performance
   - Analysts in 96 markets

2. Consumer Research
   - 540,000 survey responses a year

3. Innovation
   - 2.1 million products tracked

Source: GlobalData 2018
The APAC C&T industry was the largest region in 2018 with a value of US$ 174.2bn.

Source: GlobalData Market Analyzer
Top Three Beauty Segments in APAC

Market value 2018 ($) and CAGR 2018–23 (%)

- **$69bn** with a CAGR of **+4.8%**
- **$29bn** with a CAGR of **+4.2%**
- **$18bn** with a CAGR of **+6.6%**

Source: GlobalData Market Analyzer
Many trends are driving innovation in beauty industry...

1. Natural Wave
2. Innovation & Differentiation
3. Premiumisation & Indulgence
4. Health & Wellness
5. Hyper Connection
6. Efficient & Effective
Aligning GlobalData’s TrendSights framework to understand Beauty Landscape

A network of eight megatrends and 63 trends shaping the consumer-brand landscape.
Why are Millennials and GenZs so important?

1. Millennials and GenZs’ attitude towards beauty

Time spent during the beauty routine, skill level and willingness to experiment with products is higher for millennials than any other generation. With such high involvement in the beauty market, missing the mark among millennials is no longer an option.

2. Social Media Drive towards emerging beauty industry

When it comes to beauty, social content, influencers and a variety of unique trends are shaping the way millennials and gen Z shop for products and share content. These generations not only are not only educating themselves, but also exhibiting their “best selves”.

3. What are manufacturers thinking?

In response to a evolving consumer trends, brands are rethinking traditional methods of using influencers and taking two approaches such as Relatable influencers and moving beyond their existing product portfolio.

4. Keeping up with these generations

As the definition of beauty continues to evolve, millennials and genZ will lead the charge when it comes to introducing new and innovative trends to the market. Staying on top of what this generation expects and values, will be key for brands aiming to make a difference and earn love in a new market.
Millennials and Gen Zs represent an important age cohort within several major economies globally.

Gen Z-ers will account for **2.47 billion** people of the 7.7 billion population globally, surpassing the **2.43 billion** figure for Millennials for the first time in 2019*

Shopping behavior of Millennials and Gen Z in APAC:

- **35%** of Millennials in APAC shop daily/several times a week/once a week for Beauty and grooming products**
- **31%** of Gen Z in APAC shop daily/several times a week/once a week for Beauty and grooming products**

*Source: *World Economic Forum; **GlobalData 2018 Q4 APAC consumer survey
Millennials & GenZ differences in consumer attitude

**Millenials**
- Savvy, Frugal & Cynical
- First Truly Digital Generation
- Buy more natural beauty products
- Seeking Gender-inclusive beauty

**GenZ**
- Selfie Generation
- Pragmatic and planners
- First Completely Digital Generation

Diversity and inclusivity are shaping the future in beauty industry

Younger generations take beauty as an experiment with new ways of self-expression
What Millennials and Genz want from their beauty products..
Millennials and GenZ want more natural and organic products

**Consumers are moving more towards eco-friendly products**

Share of consumers who are actively looking for products with these claims while shopping for beauty and grooming products

<table>
<thead>
<tr>
<th>Claim</th>
<th>% of Gen Y (Millennials)</th>
<th>% of Gen Z (iGen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microbiome-friendly</td>
<td>23%</td>
<td>38%</td>
</tr>
<tr>
<td>Sulphate-free</td>
<td>38%</td>
<td>45%</td>
</tr>
<tr>
<td>Phosphate-free</td>
<td>34%</td>
<td>43%</td>
</tr>
<tr>
<td>Ammonia-free</td>
<td>34%</td>
<td>51%</td>
</tr>
<tr>
<td>Paraben-free</td>
<td>21%</td>
<td>43%</td>
</tr>
<tr>
<td>Silicone-free</td>
<td>36%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: GlobalData 2019 Q3 APAC Consumer survey
Millennials and GenZ seeking Customized products according to DNA of particular interest..

*Products tailored to consumers’ needs and personality*

Share of consumers who find the concept of “Products tailored to consumers’ needs and personality” always influencing their beauty and grooming product choices

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Share of Consumers (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>38%</td>
</tr>
<tr>
<td>25-34</td>
<td>33%</td>
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<tr>
<td>35-44</td>
<td>31%</td>
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<tr>
<td>45-54</td>
<td>27%</td>
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<tr>
<td>55-64</td>
<td>25%</td>
</tr>
<tr>
<td>65+</td>
<td>21%</td>
</tr>
</tbody>
</table>

This includes: 34% of millennials and 43% of GenZ population

Source: GlobalData 2018 Q4 APAC consumer survey
Health strives to be a major concern for both Millennials and GenZ

**Products tailored to consumers’ health and wellbeing**

Share of consumers who find the concept of “Products impacting on consumers’ health and wellbeing” always influencing their beauty and grooming product choices

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<tr>
<th>Age Group</th>
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<tr>
<td>18-24</td>
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</tr>
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<td>39%</td>
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</table>

This includes:
- 41% of millennials and
- 43% of GenZ population

Source: GlobalData 2018 Q4 APAC consumer survey
Influence of Social Curators on Millennials and GenZ

*How has social media influenced the life of Millennials and Gen Z generations*

54% of APAC consumers believe that social media has a positive impact on the society.

- 54% of Gen Z (iGen)
- 58% of Gen Y (Millenials)
- 55% of Gen X
- 43% of Boomers

Source: GlobalData 2018 Q4 APAC consumer survey
Effective and efficient packaging holds the top priority for them

Share of consumers getting influenced by the following themes when buying beauty & grooming products

- Product preservation/protection: 40% (Gen Y) - 52% (Gen Z)
- Easy to dispose / recycle: 43% (Gen Y) - 48% (Gen Z)
- Ease of holding/handling: 44% (Gen Y) - 47% (Gen Z)
- Easy to close/reseal: 51% (Gen Y) - 53% (Gen Z)
- Durability / strength of packaging: 48% (Gen Y) - 55% (Gen Z)
- Easy to transport/consume on the go: 42% (Gen Y) - 57% (Gen Z)
- Easy to store: 60% (Gen Y) - 60% (Gen Z)
- Easy to understand how to use i.e. simple instructions: 49% (Gen Y) - 62% (Gen Z)
- Easy to open: 57% (Gen Y) - 64% (Gen Z)

Source: GlobalData 2019 Q3 APAC consumer survey
GlobalData has identified four key innovation opportunities to target Millennials and Genz

- Natural Wave
- "Make it smart"
- Healthy lifestyles
- Community influence
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Trend #1: Natural Wave

**Push for cleaner beauty giving oxygen to entrepreneurial and ethical brands**

Rising concern among Millenials and GenZs around green chemistry with desire to adopt wholesome lifestyle has given rise to the concept of natural beauty products.

Products which are claimed as vegan, organic, free-from, non-GMO, 100% natural and cruelty-free in the market are creating viable "natural" product image.

Brands must better define, explain, or quantify how they are different across a range of criteria in order to establish higher trust. Therefore, manufacturers are using more of effective, non-toxic synthetic and natural ingredients in combinations.
Trend #1: Natural Wave

29% of GenZ consumers associate with the term **Cruelty-free** while purchasing beauty/grooming products.

38% of Millennials associate with the term **Cruelty-free** while purchasing beauty/grooming products.

20% of GenZ consumers associate with the term **vegan** while purchasing beauty/grooming products.

28% of Millennials associate with the term **vegan** while purchasing beauty/grooming products.

#GREENCONSUMERISM #GOINGORGANIC

Source: GlobalData 2019 Q3 APAC Consumer survey
Lotus Herbals launches skincare brand IKKAI, India
Premium organic skincare brand that caters to the emerging skincare needs of today’s millennials and contemporary women. It delivers an organic skincare products in single-use packs made of goodness of acai berries, blueberries, papaya enzymes, extracts of orange, lemon, carrot oil, almond meal, walnut shell and lot more.

Skinfood Premium Cucumber & Lettuce Watery Toner, Korea
A cooling watery toner using lettuce and cucumber extracts for an ultra-hydrating skin care line experience to transform dry, lifeless skin into a baby-soft texture without leaving sticky residue
GlobalData has identified four key innovation opportunities to target Millennials and Genz:

- Natural Wave
- "Make it smart"
- Healthy lifestyles
- Community influence
Trend #2: "Make it smart"

Inspired by digitally native Millennials and GenZs, the beauty industry is embracing the internet of things

What?

Millennials and GenZ specifically among the other generations are embracing products with advancing technologies such as AI and blockchain which helps in providing real-time data monitoring and delivering consistent and optimized experiences.

Why?

These generations seek personalized products which can be derived via application of technology. In the wave of cosmetics technology and custom-built products, consumers are also keeping them updated with more advanced products.

How?

Brands can leverage technology in their marketing campaigns driving sales by providing relevant information and enhancing the user experience, helping the brands in staying ahead of the competition.
Trend #2: "Make it smart"

64% of GenZ consumers find it very/somewhat appealing to be able to produce my own beauty/grooming products at home using a 3D printer.

67% of Millennials consumers are influenced by how the product is digitally advanced/"smart" while purchasing beauty/grooming products.

21% of Millennials consumers are influenced by how the product is digitally advanced/"smart" while purchasing beauty/grooming products.

24% of GenZ consumers are influenced by how the product is digitally advanced/"smart" while purchasing beauty/grooming products.

Source: GlobalData 2018 Q4 APAC Consumer survey

#SMARTBEAUTY #CUSTOM-BUILTPRODUCTS
Trend #2: "Make it smart"

**SK-II, China**
It has harnessed state-of-the-art technology by launching the Future X Smart store, a pop-up store, providing consumers with highly-personalized self-shopping experience. It has also employed high-tech toys leveraging facial recognition to intimate, immersive and personalized shopping experience.

**Meitu Magic Mirror, China**
With the help of an Ai algorithm, this connected device will be able to see their desired makeup style applied directly to their face. It will also help in providing personal recommendation based on customers’ facial features. Photos taken by the device can be shared on social media.
GlobalData has identified four key innovation opportunities to target Millennials and Genz.

- Natural Wave
- "Make it smart"
- Healthy lifestyles
- Community influence
Trend #3: Healthy lifestyles

“Healthy lifestyles are infiltrating beauty innovation”

“Innovation implications: make-up that stays put and protects from the elements”

Ethical Wellbeing is related to the rise of usage of skincare products that commit both consumers and brands to a higher level of responsibility regarding a set of values: social causes, environmental sustainability, animal welfare, fair trade, and health awareness.

Quality-focused consumers are embracing products that they consider to be both ethically virtuous and personally pleasurable – signifying improved sustainability with responsibility.

Companies who reveal a code of ethics and best practices are more likely to create an emotional connection with their consumers, which may result in greater customer loyalty. Manufacturers are moving towards healthier materials and relying on natural, familiar formulations.
Trend #3: Healthy lifestyles

31% of GenZ consumers are influenced by how the product impacts their health and wellbeing while purchasing beauty/grooming products.

32% of GenZ consumers find Probiotics as a very appealing ingredient in their beauty/grooming products.

38% of Millennials consumers are influenced by how the product impacts their health and wellbeing while purchasing beauty/grooming products.

42% of Millennials consumers find Probiotics as a very appealing ingredient in their beauty/grooming products.

Source: GlobalData 2019 Q3 APAC Consumer survey; Source: GlobalData 2018 Q4 APAC Consumer survey
Trend #3: Healthy lifestyles

Shiseido, Japan
Launched a new skin care line-up to protect skin against damage from environmental factors to address multiple skin concerns, perfectly complimenting millennials and GenZs’ busy and active lifestyles giving a feeling of wellness.

Inna Organic, Taiwan
The Taiwanese brand is famous for its organic “clean” masks, targets Millennial behavior through its "camera-ready" instant benefit solutions. It is made with non-toxic ingredients and essential oils, also promoting a route to holistic wellness.
GlobalData has identified four key innovation opportunities to target Millennials and Genz:

1. **Natural Wave**
2. "Make it smart"
3. **Healthy lifestyles**
4. **Community influence**
Trend #4: Community influence

“Consumers are influenced by, and value the opinions of, the online community”

What?
These days, Millennials and GenZ are more hooked on social media platforms, trying to educate themselves on how to achieve the most effective and satisfying product. In a way, social media is reshaping the beauty industry, bringing a whole innovative opportunities and challenges with it.

Why?
Consumers are nowadays get more connected to new brands or products that they visualize through advertisements, recommendation from expert bloggers and celebrity endorsements on social media.

How?
It’s obvious influencer marketing on social media has become one of the most effective ways to build brand awareness and help bring beauty products to life. Therefore brands should go for more celebrity endorsements in order to expand its business reach.
Trend #4: Community influence

31% of GenZ consumers agreeing that Social media (e.g. Instagram, Facebook) has made them more self-conscious about their appearance

51% of Millennials consumers find products that are trending on social media (e.g. Instagram, Facebook) as an influential factor while shopping

38% of Millennials consumers agreeing that Social media (e.g. Instagram, Facebook) has made them more self-conscious about their appearance

38% of GenZ consumers find products that are trending on social media (e.g. Instagram, Facebook) as an influential factor while shopping

Source: GlobalData 2019 Q3 APAC Consumer survey

#BLOGGER AFFILIATION #INFLUENCERMARKETING
Trend #4: Community influence

**Beauty Influencer, Korea**
Korean makeup artist who posts videos of how she does model’s make up and also shows off her skills with makeup on people with different skin problems.

**Mongchin, Singapore**
Singapore based beauty influencer posts images and videos related to the updated products, detailing about the special formulation of that particular product. She also hosts her own TV series based on her adventures around Southeast Asia.
Looking ahead: what’s next for Millennials and GenZ

3D printed beauty
Combining customization and emerging 3D technologies for production in the home.

The third gender
Gender identification will become less prominent, driving the development of genderless beauty products.

Experience economy
Heightening the retail environment with interactive experiences and services.
Thank You

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