



ASEAN Beauty Industry

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Beauty Industry - Trade Values

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Key Player by Brand & Key Markets

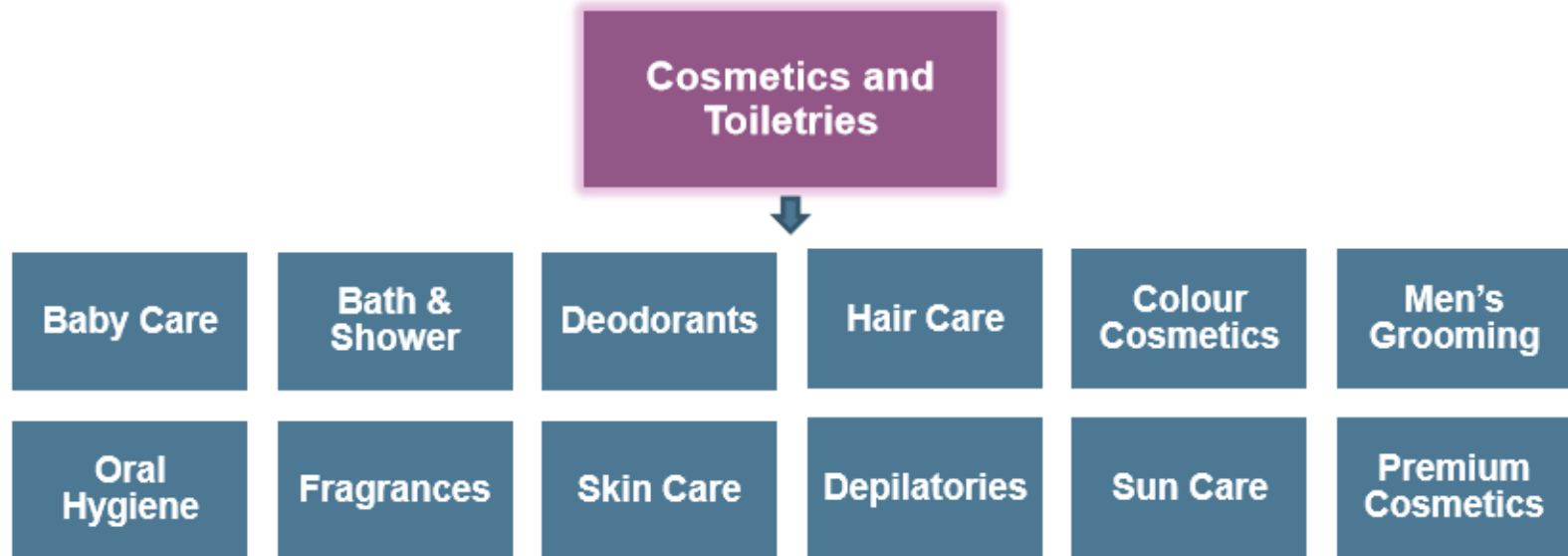
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Consumer Perceptions

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Trends of Beauty Industry

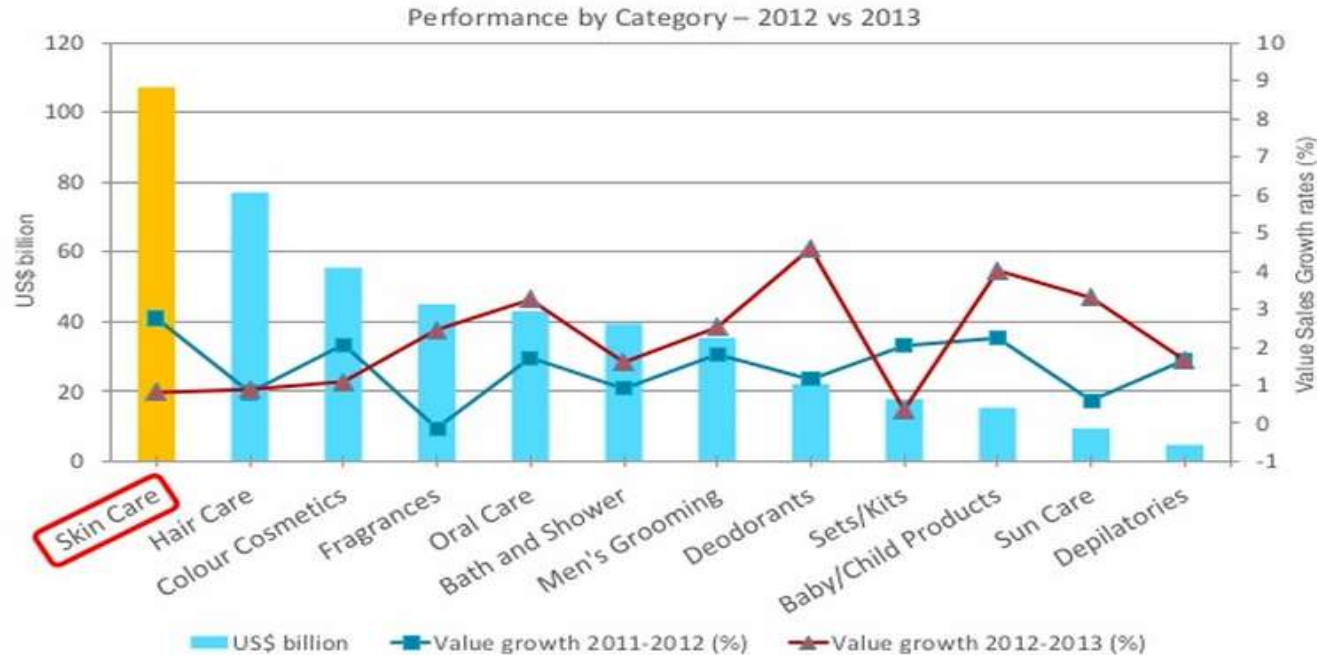
Global Beauty Market: Business Segments



Beauty Industry



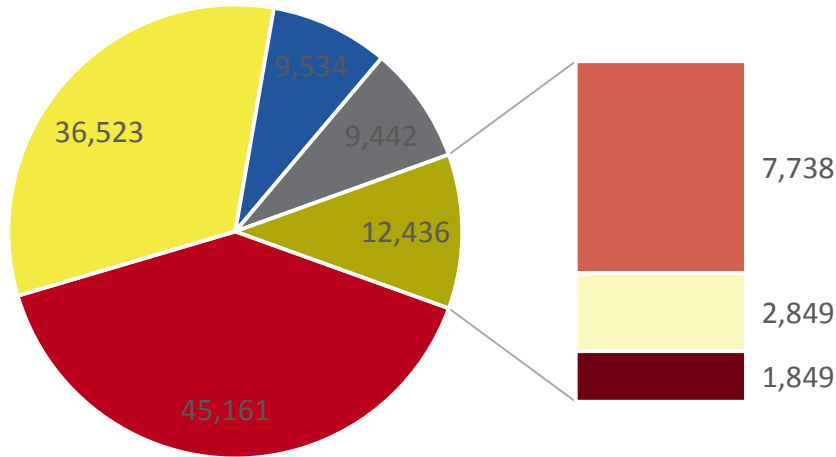
- The global skin care products market was valued at USD 105.24 billion in 2013
- In the last 20 years, global beauty market has grown by 4.5% a year on average, with annual growth rates ranging from around 3% to 5.5%.
- Rising consumer incomes and changing lifestyles are driving the global beauty care products industry, which is forecasted to reach around 265 billion USD by 2017.



Key global players by countries



Value of Top 50 Brands by country (US\$ million)



■ United States ■ France ■ UK ■ Germany ■ Japan ■ Luxembourg ■ Brazil

Developed markets:
US, UK, France, Japan

Emerging markets:
Brazil, Russia, India,
China (BRIC)

NEXT: ASEAN Markets

Premium



Mass



Emerging

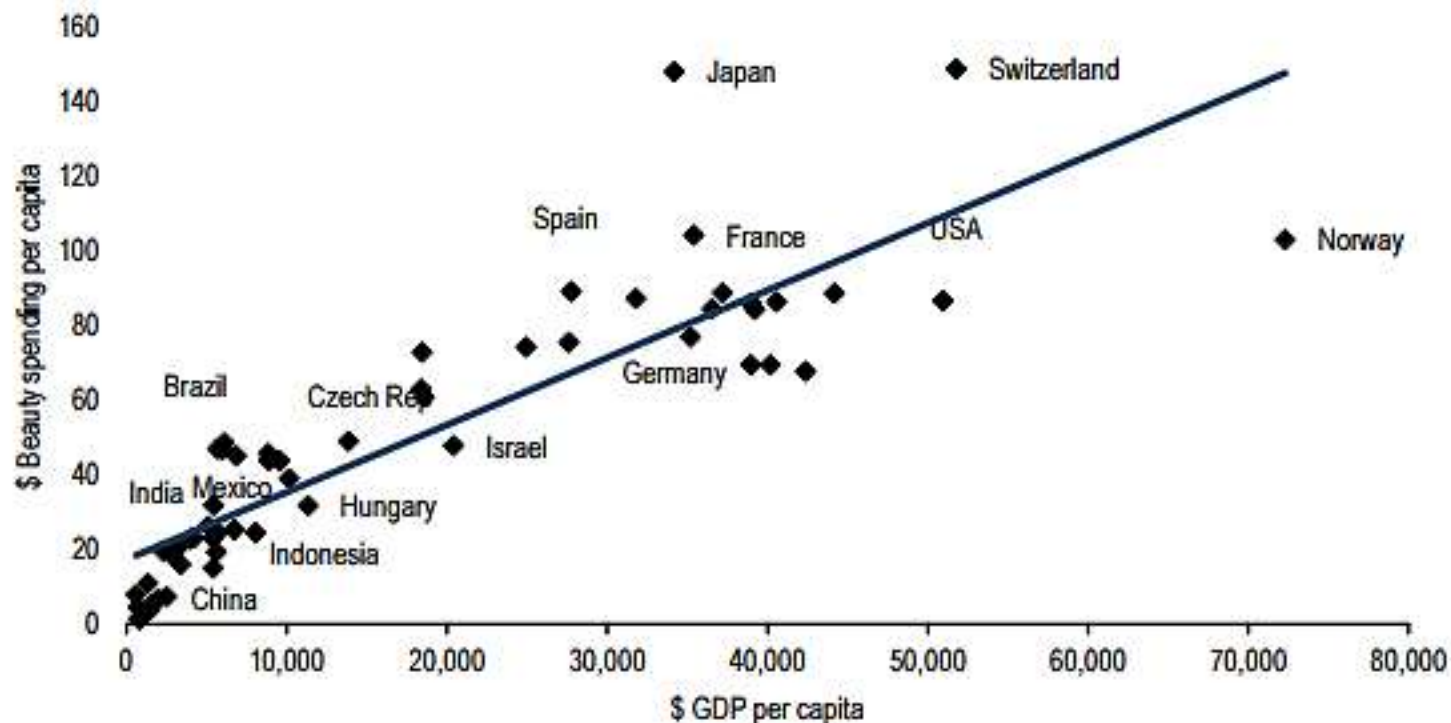
Trade Values – Main Importers



- The three largest importers of make-up cosmetics in 2012 were Hong Kong, the United States of America, and the United Kingdom.
- The main importers in Asia are China, Singapore, Japan and Korea. Japan is ranked 7th in the list of the main importers of make-up cosmetic products.

Trade Values

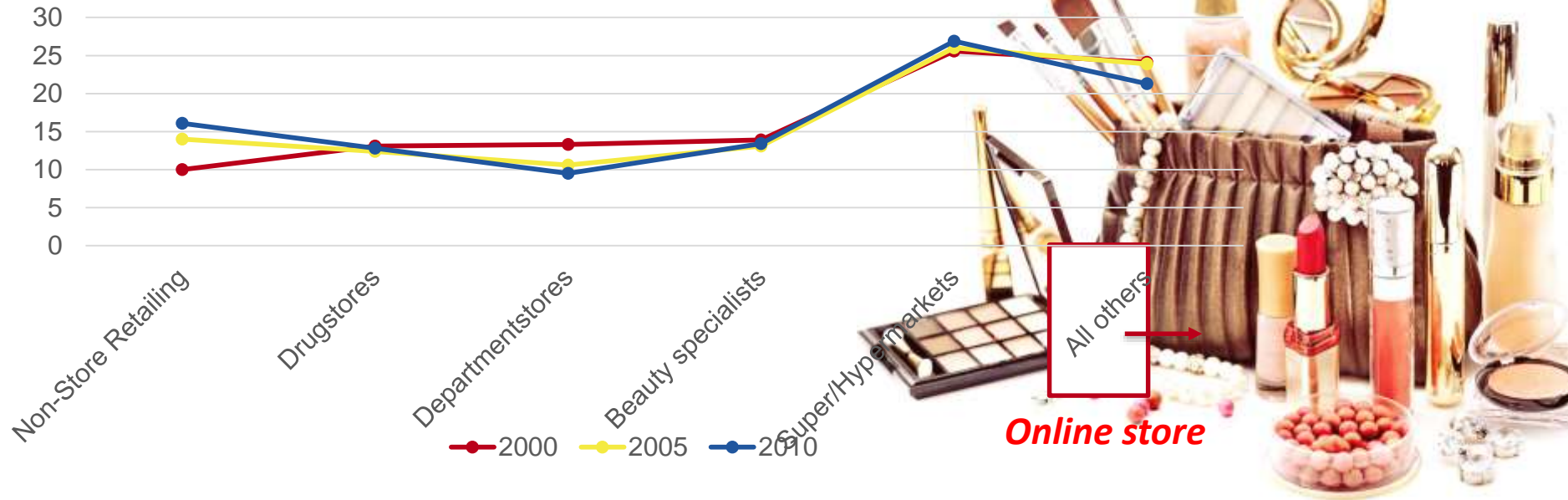
Beauty Spending per Capita Shows a Close Correlation with GDP per Capita



Source: Beauty spending per capita L'Oreal, Credit Suisse estimates.

Distribution channels

Beauty distribution channels 2000-2010



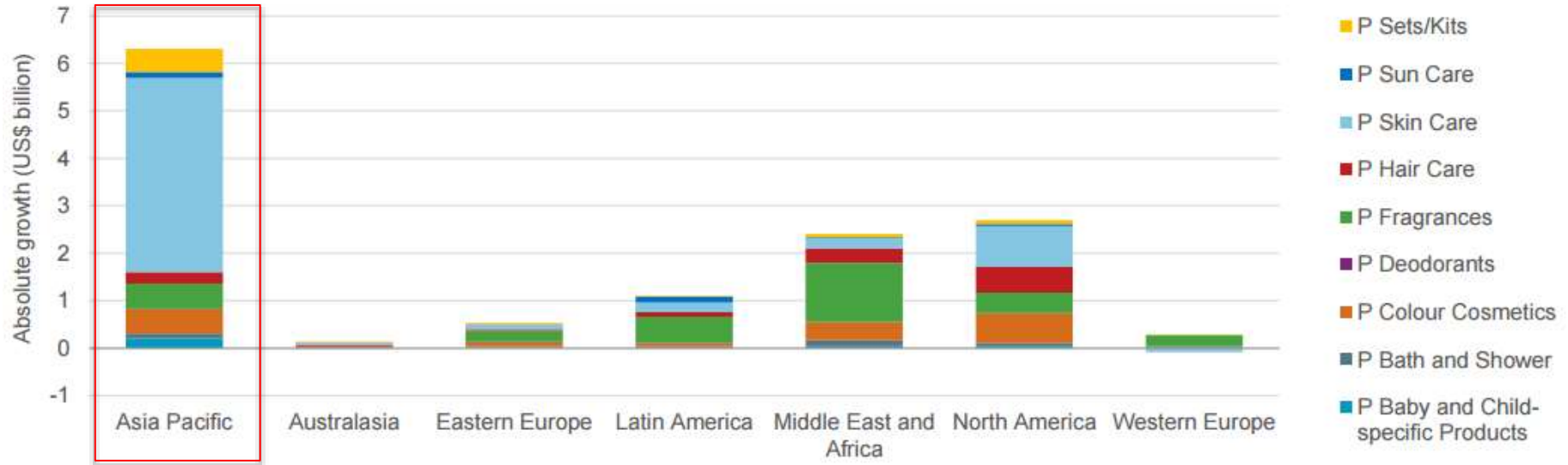
Source: Barbalova 2011, Moulin 2012, Euromonitor International.

ASIA: Beauty industry



The emerging markets are also the driving forces in the development of beauty and personal care market as the Asia pacific region.

Asia Pacific to Lead Growth in Premium Cosmetics 2012-2017

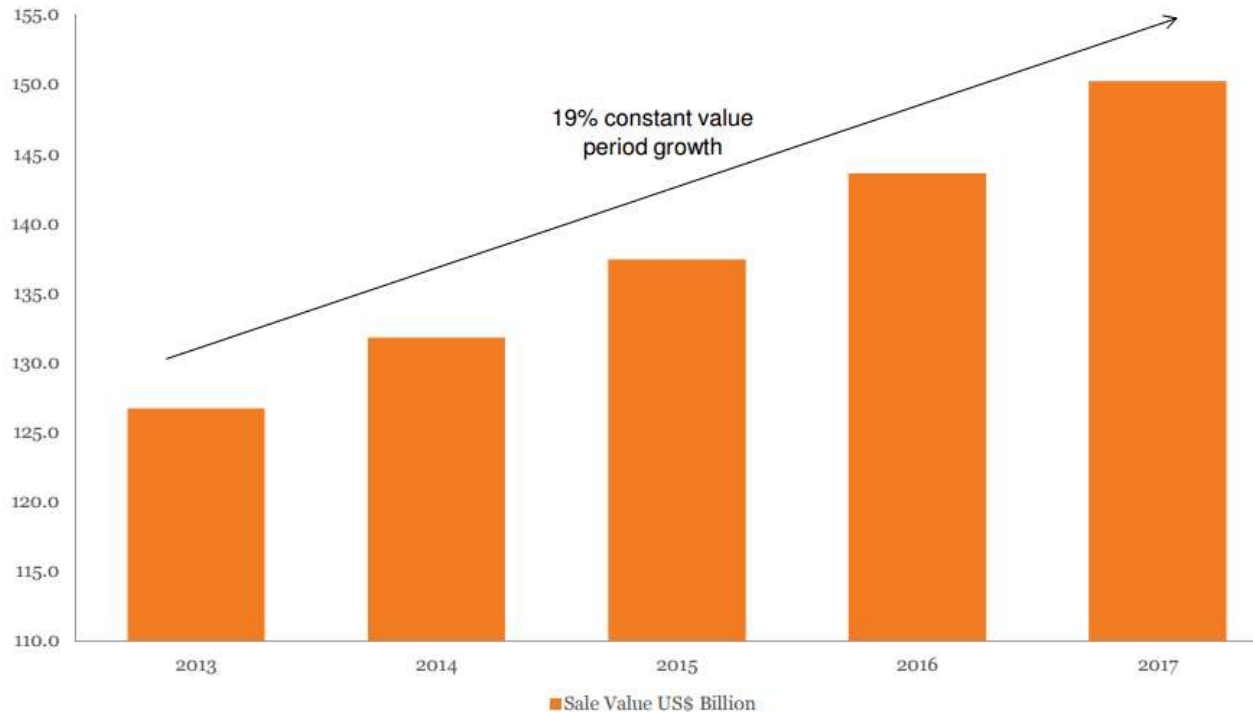


Source Euromonitor International

ASIA: Beauty industry

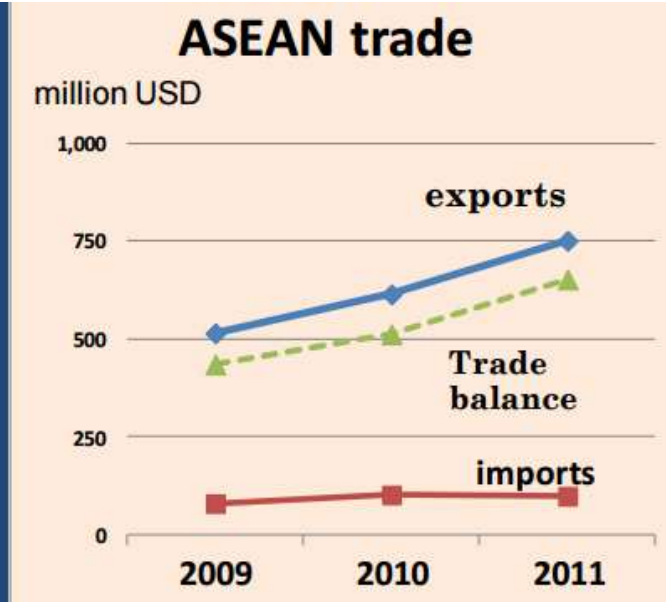
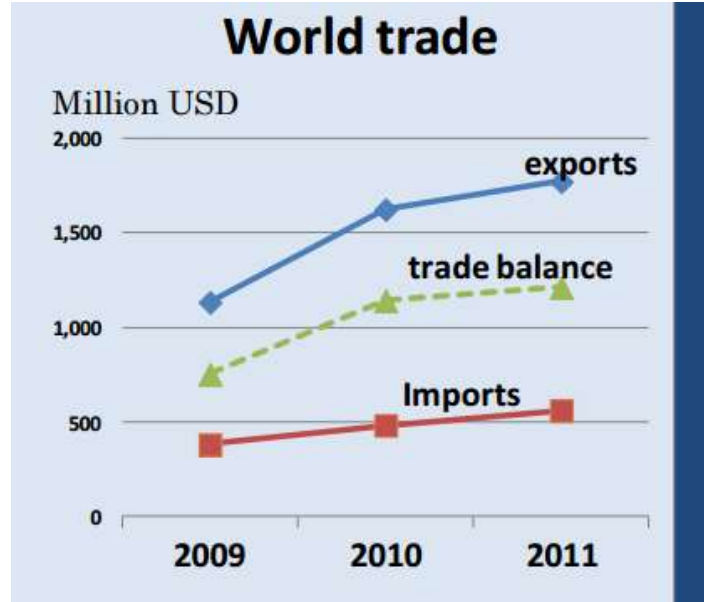


Beauty and personal care in Asia pacific continues to grow
2013-2017



Trade Values

ASEAN in cosmetics industry



ASEAN: Beauty industry



- The ASEAN Beauty industry value 42 Billions THB in 2014
- The ASEAN Beauty Growth of CAGR 3-6% by 2015.

ASEAN: Beauty industry on the rise



- **The new beauty hub**

- Market size over US\$ 14 Billion
- Increasing awareness and demand for health and beauty products
- Emphasize on improving personal physical appearance

- **ASEAN brands: major players**

- Thailand: Siam Botanicals, THANN, Panpuri, Erb, HARNN
- Philippines: Happy skin, Ella Minerals, Zenutrients, Snoe Beauty, Beauche International, HBC
- Indonesia: PT Martina Berto Tbk (MBTO)
- Malaysia: SimplySiti, Empro, VL Skincare, Esmeria Organics
- Singapore: Mmerci Encore, DrGL, Rachel K cosmetics, The Skin Pharmacy, Mandy T, Gumni Nails, Luxola

Key Highlights and Challenges:



Highlights:

- Indonesia: Increasing sales of cosmetics in urban and rural areas
- Thailand: Men's skin care market category is expected to grow at a CAGR of 5% to reach at a value of THB 12.2 Billion by 2017
- Singapore: Expanding the beauty and personal care market
- Philippines: Increasing Hair care and Skin care market values
- Vietnam: Cosmetics sales growth continued.

Challenges:

- Fake product
- Products quality maintaining
- Rising cost of raw materials and packaging expenses

Beauty Varieties:

- Medical hub and Health Centre
- Holistic Health and Wellness Services
- Plastic and Surgery
- Thai Herb
- Thai Spa and Massage

Thailand: Beauty Industry



- 12th-biggest exporter of skincare products in the world
- Thailand Hair Care market is the 2nd largest in the world.
- Thailand cosmetics market is the largest in ASEAN
- 17th in world production of cosmetics
- The world largest hair care exporter

Thailand: Beauty Industry



- Cosmetics market value 250 billion including domestic market 15 billions and 100 billions (THB) exported with continue annual growth 8-10%
- Accounts for 2.2 % of Thailand GDP and 1.28 % of world export value
- Major export destination, 27%, is ASEAN market
- Skincare segment solely value 17.5 Billion with 3% growth rate and expect to reach 20 Billion in 2017 (THB)

ASEAN Harmonised Cosmetic Regulatory Scheme



Objectives

- To achieve high quality and safe products in the market.
- Help the products to penetrate global markets.
- Encourage self compliance and self regulation.
- Harmonization

Benefits

- The Consumers: A wider choice of cosmetic products
- The Government/Regulatory Bodies: One Simplified Regulatory System
- The Cosmetic Industry: ASEAN as one single market
- The ASEAN Region: Eliminate technical barriers to trade, Facilitate flow of products across ASEAN, Member Countries to boost economic growth

Cambodia



- 39% use skincare and 21% wear make up
- 40% agree that consulting with skin doctor is important. Especially to look younger and smooth skin
- 60% love working out in public area such as park especially 40 years old and above people
- Some people start to opt laser, botox and beauty supplement
- Middle income choose Vietnam and Higher income choose Thailand or Singapore for medical service destination
- Good figure and appearance could influence financial status of person



- Middle and Higher income choose to fly to neighbor like Thailand and Singapore for medical service with an average of 150-200 thousands baht
- 25% of sampling agree that acne care and dental is a must to do in the near future
- 8% become sport club members
- 27% take supplements
- Some Myanmar see that having medical care abroad is like a holiday and an index of social and financial status



Trends of Beauty Industry



- **Emerging products**
 - Anti-Aging
 - Male's grooming market
 - Organics VS Chemical
 - The Whole Beauty Ecosystem: Foundational Beauty, Enhancement Beauty, Wellness Beauty and Emotional Beauty
- **Emerging services**
 - Beauty in 3D: Using the pixel colour code derived from your camera, smart device or online to create any shade of cosmetics product such as powder or lipsticks
 - Virtual Makeover: Digital Make-up chart against the skin
- **Integration with other industry to create further value**
 - Applications and Creative Smartphone functions

- **Diverse channel environment, spurred by retail trends**
 - *Inventory location, POS, products segmentation*
- **Changing consumer landscape and consumption patterns**
 - *Products ingredients, emerging segment service need*
- **Continuing importance of innovation as growth driver**
 - *R&D, Flexible manufacturing & distribution, Global sourcing*
- **Wave of mergers and acquisitions**
 - *Operation synergies, Multiple channels, Shelf space*
- **Increasingly global battlefield**
 - *Global market, Distribution network, Law/Tax/Regulations*

- **Warehouse management**
 - *Handling specific needed such as hygiene or perishable item*
- **Necessitate different packaging and shipment**
 - *In-store, shops, direct sales*
- **Market driven**
 - *Effective logistics planning esp. new product development phase*
- **Service level and product allocation**
 - *Customer satisfaction*



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