

BEAUTY TRENDS IN ASIA

Asia | November 2019



**THE NEW BEAUTY:
EXPECTATION OF BEAUTY IS
SHIFTING IN ASIA WITH CHANGING
NEEDS AND LIFESTYLES**

**5 STRATEGIES FOR RECRUITING
NEW BUYERS**

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THE NEW BEAUTY: Expectation of beauty is shifting in Asia with changing needs and lifestyles

In Asia, Personal Care, especially beauty products, is one of the fastest growing category within FMCG. People across Asia have experienced significant lifestyle changes in recent years, which has led to a major shift in the way they perceive beauty.



A bar chart with two bars. The first bar is white and labeled 'Health'. The second bar is dark green and labeled 'Money'. The 'Health' bar is significantly taller than the 'Money' bar, indicating that health is a higher priority for Asians.

Priority	Relative Importance
Health	High
Money	Low

Health

Money

HEALTH IS NOW THE TOP PRIORITY; with Asians believing it's almost twice as important to their happiness as having more money.

THE NEW BEAUTY



Makeup and skincare are viewed as vital lifestyle components, helping people to nurture their bodies, alongside healthy eating and exercising.

This holistic view of health is changing the types of products that shoppers desire, as well as the key benefits that many beauty products claim.



Another important lifestyle change in Asia is the speed of digital and its impact on consumers' daily lives. With fast-changing infrastructure, the speed at which services are delivered and the convenience consumers enjoy have improved significantly. Similar to the change in perception of well-being, this has had a different impact on what consumers expect from beauty products.



Personal care is outperforming FMCG in Asia – with +8% growth between last year compared with +5% for FMCG as a whole.



Lastly, the importance of the male market cannot be undermined. Though the actual size of the market may seem small and the wide range of consumers may seem complex to tackle, it is a market with significant potential to grow, particularly due to the rise of the younger generation of men.

BEAUTY COMES FROM WITHIN

The change in how health is perceived across Asia has influenced the way people see beauty products.

This has an impact that goes much deeper than the surface, from the type of product people seek to the claims that these products embrace.



One factor that consumers look out for when selecting their beauty product is ingredients. Asian consumers are extremely savvy and knowledgeable about different ingredients, having a clear idea of what is best for them. Transparent ingredient communication, whether simple, local, or complex, is an easy way to convey brand identity and interact with consumers. The clearer the connection between the ingredient and health, the better it will resonate with Asian consumers.



Safety is another important issue in Asia, which has spiked an interest in certified organic and vegan ingredients. This movement will be a step forward from merely claiming natural and will give brands an opportunity to have a competitive edge against big players in the market.

THE NEW BEAUTY

Products with active dermatological ingredients are also growing in popularity across Asia as part of the wellness trend.

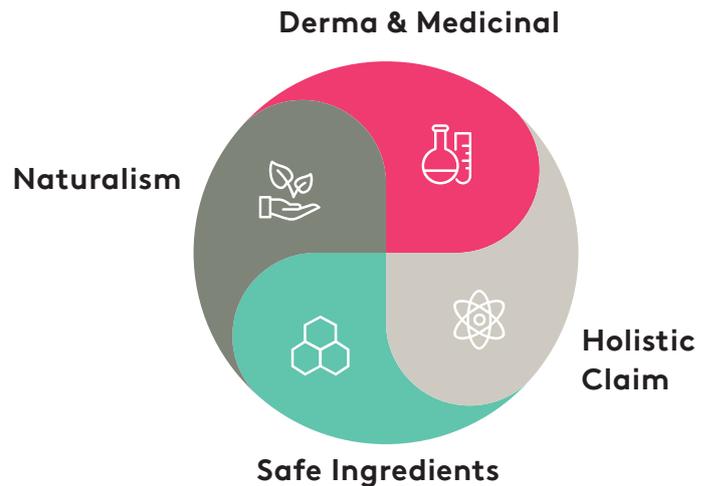
Once the domain for brands with a heritage in pharmaceuticals, derma-care is becoming mainstream, with consumer skincare brands launching their own product lines.



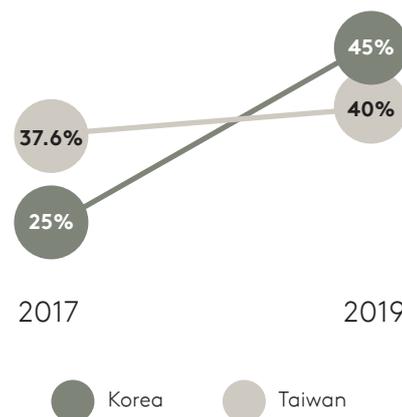
Derma products contain complex ingredients that deliver a high level of efficacy in treating specific skin issues and their symptoms. Initially targeted at consumers with

conditions like eczema, they are increasingly used to solve more general problems, with the perception that it is mild for everyone to use, but particularly effective in delivering the promised result - such as sensitive skin and pollution protection.

Pollution care is relatively new, yet continues to develop over time. Pollution care comes from two areas: actual product development and communication building the regimen as part of consumer routine. It is equivalent to building the routine for anti-aging or UV sun protection, for example. You don't necessarily see how it is working, but you were told and learned that this is vital to keep you young and protected. More products are launching that claim to uphold pollution care in the market. Stronger, more frequent communication is being built around this subject. Even the regular products are taking part in this movement by showing what a pollution savvy regimen would look like. Such synergy between communication and product development is working towards the growth of pollution care to become part of the mainstream routine for Asian women moving forward.



Communication regarding product benefits has also changed significantly. This simply tells us how Asian consumers' perception towards beauty has transformed. There are less claims around functional benefits, such as anti-aging or whitening, and more of a holistic view of perceiving beauty more than skin deep, as a healthier state or journey that comes from within. Claims of anti-oxidation, recovery, repair, immunity, energy, and resilience are some of the new rising claims of beauty products.



Derma brands have reached almost 45% penetration in Korea, a huge rise from just over 25% in 2017. Their reach is second highest in Taiwan at 40%, growing from 37.6% in 2017.

Some key claims for derma-care products:

For sensitive skin

Bioactive ingredients

ANTI-INFLAMMATORY

Medicinal properties

Repairs the skin

RECOMMENDED BY

DERMATOLOGISTS

Soothing

Intensive moisturiser

T R E A T S A C N E

Mild yet effective



ON-DEMAND BEAUTY

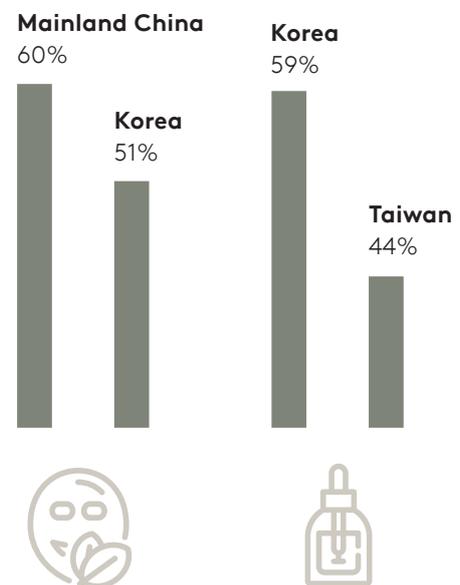
Asia is a young and vibrant region with vibrant economic development and dynamic growth.

Consumers are used to fast change and are able to quickly adapt.

The new technology and infrastructure is changing the Asian lifestyle more than the people think and it is making a significant impact in their expectation of goods and services. Simply put, their lives are increasingly driven by convenience and getting what they want on demand. Consumers' expectations have evolved and this is driving certain emerging formats to thrive in both skincare and makeup.

Serums and masks are the fastest-growing facial skincare products in Asia. Their popularity is driven by the need for increased sophistication and efficacy, along with the desire for instant results.

Face masks can deliver an immediate glow or rejuvenate the skin overnight, providing both emotional and physical grooming simultaneously. Serums are intended more for efficacy, with a lighter texture that is easily absorbed and deeply hydrating. Both serums and masks meet the demand for convenience by providing the user with the same benefits in only one or two steps.

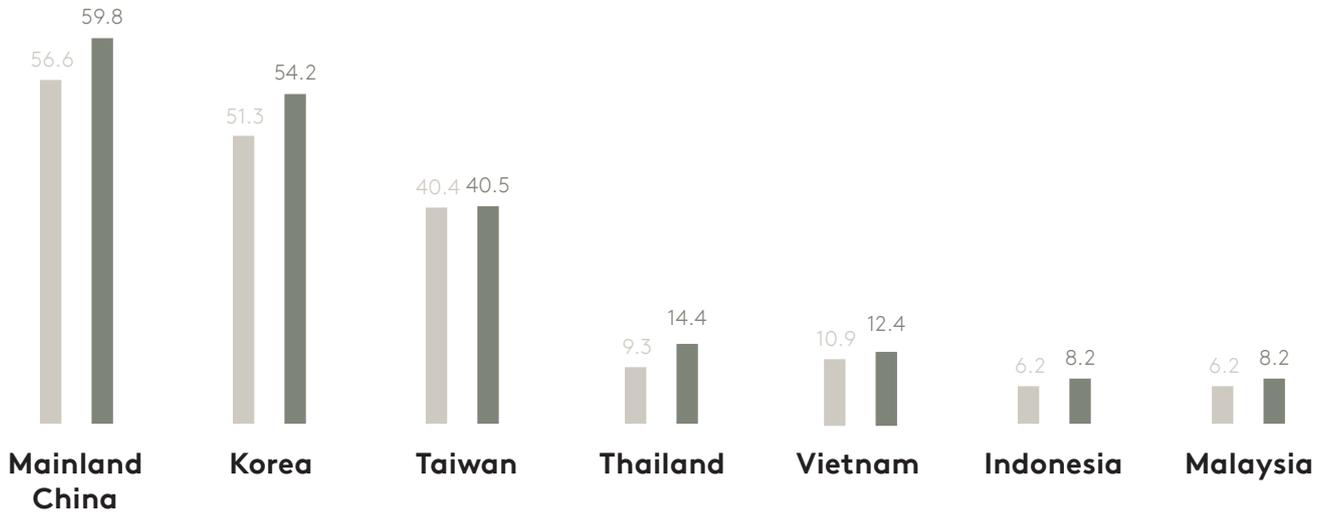


Mainland China is the largest market for face masks, with 60% penetration, followed by Korea (51%). Serum has the widest reach in Korea (59%) and Taiwan (44%).



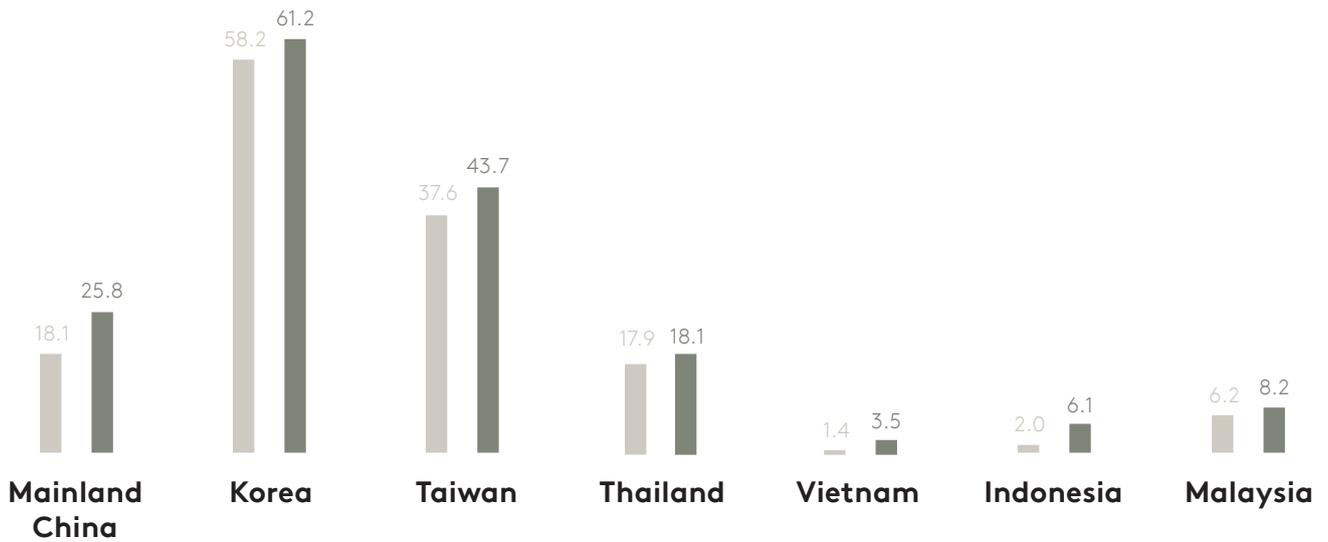
Growth in penetration: masks

2017 2019



Growth in penetration: serum

2017 2019





NATURAL BEAUTY

The most sought after look in Asia right now is a natural glow. But this 'effortless' look can take a lot of work!

And the types of makeup that help people to achieve the right translucent effect – including liquid foundation, BB creams, and primer/concealer – are soaring in popularity.

Numerous cross-over products have emerged under the natural beauty trend. These products sit in between skincare and makeup. They can be used for skincare but also have the functionality of makeup to help people achieve natural skin. Tone-up cream and tinted sun products are some of the many in-demand items, as these products provide consumers with the convenience of following a simpler routine, while still achieving a similar outcome.

We also notice that more and more skincare benefits are being added to makeup products.



Lancôme, for example, has a range of makeup that contains its anti-aging Génifique serum.

In China, Pechoin has added herbal ingredients to its foundation to give it 'caring' properties, while Hua Xi Di and Mei Kang Fen Dai have launched loose powder with floral infusions to provide hydrating, whitening, and smoothing benefits.

In Thailand, local brands such as Sivanna Colors, Oriental Princess, and Mee, plus global brands such as Bobby Brown and Fenty Beauty, have successfully introduced foundation and lipstick with added ingredients that hydrate the skin.

Local and international players, including The Face Shop, Sekkisei, L'Oréal, and Sunplay, have introduced foundations in the Vietnam market that offer sun protection.



BEAUTY THAT'S 'JUST FOR ME'



Looking natural is not the only makeup growth driver in Asia.

There is a parallel demand for a more personalised expression, which introduced the need for a much wider selection of colour, format, and finish types in makeup brands.

What was once 3~4 colour schemes in foundations is now 5 or more colour schemes. Moreover, consumers can even customize their makeup to their closest fitting skin tone.

Such personalised colour care will continue to expand with augmented reality (AR) technology advancement. Shoppers in Asia believe that if a product is tailored to them it will be far more effective than something that can be picked up off the shelf by anyone. There is also a cachet around having a product that is 'just for me' – it

makes people feel special and gives them a way to pamper themselves every day.

Brands need to recognise that the experience they deliver with their personalisation service is just as important as the product. The process must be seamless and this should extend to the re-ordering of a customised formula, which must be made easier for the shopper. Meanwhile, the person carrying out assessments must be professional and credible, with the right expertise and skills.

Brands that are riding the personalisation trend include...



WakeMake



InnisFree



Toun28



SK-II



La Roche Posay



Fundamental



111 Skin

KOREA



Judydoll



Kiko



Chando

MAINLAND CHINA

TAIWAN

THAILAND

CLINIQUE

BOBBI BROWN

L'ORÉAL

MAYBELLINE
NEW YORK

LANCÔME
PARIS



MALE GROOMING: 'men only' brands have yet to reach their full potential

The number of men using skincare products is growing steadily across Asia, particularly in China, South Korea and Thailand.

Male shoppers are becoming more sophisticated, purchasing in more categories, and adding more steps to their regime. However, most are still not buying products created especially for men, which is where the opportunity lies.

Amongst skincare, we noticed there are opportunities for male brands with lotion, cream, and mask products. These are product formats in which men purchase, but from unisex brands. In terms of benefits,

oil control is the key benefit Asian men seek and male skincare brands dominate this segment. They also have some presence in cleansing and moisturising, but they have not yet built a strong identity in other functions. Men currently prefer using unisex brands that deliver advanced benefits such as anti-aging, whitening, and sunscreen. There is a substantial growth opportunity here for brands that can shift spend from unisex products to men-only variants, and prevent men 'lapsing' to unisex brands.

BENEFITS OF UNISEX BRANDS

OIL/ACNE

WHITENING

HYDRATION

ANTI-AGING

SUNSCREEN

MALE GROOMING



Brands targeting the male market should remember that there are two distinct types of consumer: one that seeks simplicity and basic benefits and another that is willing to explore and understands and desires sophistication. It's important to know who you are reaching out to and how to position the brand to play in both markets. One tactic for reaching men with 'simpler' needs could be to influence their significant other to expose them to the brand by giving it as a gift, for example.

Overall, the future of male groomers in Asia will be much more sophisticated than now and has a lot to offer. The current portfolio of brands seems to be falling short to address the new male shoppers in the market. All gender-neutral endorsers and celebrities that look feminine tell us where the male grooming market is headed and how sophisticated they can become. Are we ready to win them over?

The leading brands for male grooming in China and Thailand

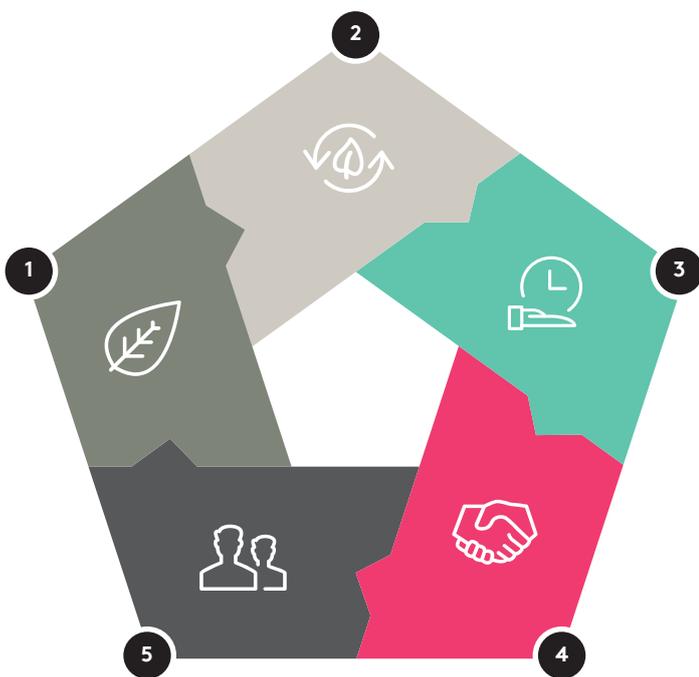
China



Thailand



5 STRATEGIES FOR RECRUITING NEW BUYERS



- 1 Be more natural and effective** – Think beyond ‘skin deep’, and relate your products to overall health and wellness. Beauty comes from within and brands’ communication and claims must align with this idea. For example, ‘anti-aging’ is about prevention, whereas ‘anti-oxidation’ adds to the anti-aging message with a promise for better health.
- 2 Play with product formats** – Understand how consumers’ lifestyles are changing. ‘Simple’ and ‘quick’ are the key words in Asia. Products that guarantee efficacy and rapid results will always win the hearts of Asian consumers.
- 3 Seize the moment by developing cross-over products** – Achieving the natural look requires more sophisticated products that blend the benefits of makeup and skincare. Brands must understand the different use occasions – heavy makeup for a party, light makeup for a quick outing, a professional look for work – and tailor their communication to that specific moment, telling shoppers how the brand can help them achieve that look.
- 4 Engage consumers by being ‘exclusive’** – Consumers today don’t want products that are for everybody. They desire something that’s new, limited edition, and personalised to match their needs as closely as possible. People feel that they’re special and, therefore, deserve to have their own formulation, colour, and fit.
- 5 Give men the sophistication they’re waiting for** – They seek greater efficacy and functional care to address their concerns. Anti-aging and whitening are two key benefits that are worth incorporating.

ABOUT KANTAR

Kantar is the world's leading data, insights and consulting company. We understand more about how people think, feel, shop, share, vote and view than anyone else. Combining our expertise in human understanding with advanced technologies, Kantar's 30,000 people help the world's leading organizations succeed and grow.

These findings are based on Worldpanel data. We track household purchases of FMCG categories for in-home consumption across 5 key sectors: Dairy, Beverages, Food, Home Care, Personal Care.

www.kantar.com/worldpanel

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