

EAST *meets* WEST





While the old
continent declines...



A new continent emerges...



It is a big, complex world

CHINA

SOUTH EAST ASIA



*Asia is home
to 60% of the
global population*

2011 - 2015 China

Population +22M

2011 - 2015 Vietnam

Population +4M





GUCCI

CHINA by 2015

1,000,000+ millionaires (Yuan 10 million)

AVERAGE AGE: 39

30% FEMALE

Luxury spending rose 25%

29% OF GLOBAL LUXURY GOODS

By 2020
**100 million
Chinese
tourists**

The world's fastest growing consumer markets...

COMPOUND ANNUAL GROWTH RATES

Retail market value (last 5 years)

Region	Units	SKINCARE	FRAGRANCES	HAIR CARE		
		Facial Care	Fragrances	Hair Colourants	Hair Styling Agents	Shampoo & Conditioners
China	%	12.3	11.1	11.9	11.1	12.2
India	%	16.3	41.9	19.7	20.9	16.1
Indonesia	%	17.1	39.5	n/a	8.7	27.8
Malaysia	%	6.2	7	8.2	8.5	6.7
Thailand	%	9.3	9.4	13.3	12.2	4.1
Vietnam	%	17.5	14.8	n/a	12.6	6.4

Note: CAGR figures are based on the value of the market in the local currency over the last five years.

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The opportunities are vast.

But, so are the risks!

in CHINA

IN THE PAST 7 DAYS

Ultimate Company	Company	Website
Jahwa (Jiahua)	Jahwa (Jiahua)	www.jahwa.com.cn
Guangzhou Sisder H. & Beauty	Guangzhou Sisder H. & Beauty	
Ting Hua Cosmetics	Ting Hua Cosmetics	
Saint Honore Beauty & Skincare	Saint Honore Beauty & Skincare	
Aier Cosmetics	Aier Cosmetics	
Beijing Yamei Daily Chemical F.	Beijing Yamei Daily Chemical F.	
Aiffée Cosmetics	Aiffée Cosmetics	
Melenny Cosmetics	Melenny Cosmetics	
Ausnow	Ausnow	
LAF Group	LAF Group	www.laf.cn
Guangdong Mingchen	Guangdong Mingchen	www.mingchen.cn
Youxi Cosmetics	Youxi Cosmetics	
Meibao Cosmetics	Meibao Cosmetics	www.china-duofu.com
Qianfen Cosmetics	Qianfen Cosmetics	
Liang Zhuang Cosmetics	Liang Zhuang Cosmetics	
Foshan Liangda Daily Product	Foshan Liangda Daily Product	
Aoxiangqi Daily Chemistry	Aoxiangqi Daily Chemistry	
Jialan Group	Jialan Group	
Danzi	Danzi	www.danzi.com
Lanfei Cosmetics	Lanfei Cosmetics	www.shanfei.com
Sudia Cosmetics	Sudia Cosmetics	
Suzhou Longlife Health Products	Suzhou Longlife Health Products	
Makeystyle	Makeystyle	
UNZA	UNZA	www.unza.com
Jahwa (Jiahua)	Jahwa (Jiahua)	www.jahwa.com.cn



SOURCE: www.gnnpd.com

in CHINA

Companies from South Korea, Japan and other Asian countries are creating new beauty and personal care brands and retail concepts specifically for the Chinese market



A number of Korean store concepts are expanding into Asian and Western markets



The Face Shop has stores in 20 countries



More than 250 Aritaum stores showcase AmorePacific brands



Belif has already moved into three Napier stores in the UK



Banila has opened stores in China and Japan





CHINA

Beauty and personal care Jan 2012 – Mar 2013

10 MOST ACTIVE COMPANIES – Prestige

	NPL
Make-Up Art Cosmetics (MAC)	331
Shiseido	238
Chanel	212
Estée Lauder	183
Parfums Christian Dior	174
Make Up For Ever	129
Kanebo Cosmetics	119
Lancôme	113
Technolabo	108
Shiseido Liyuan Cosmetics	106

10 MOST ACTIVE COMPANIES – Mass-market

	NPL
Procter & Gamble	78
Shiseido	67
Avon	65
L'Oréal	63
Kanebo Cosmetics	60
Unilever	56
Watsons Personal Care Stores	55
Shiseido Liyuan Cosmetics	50
LG Household & Health Care	43
Pang's International Cosmetics Holding	38

SOUTH EAST ASIA



SOUTH EAST ASIA

ASEAN Association of South East Asian Nations



- has 10 members
- combined population of 600 million
- GDP of \$1.8 trillion
- the association wants to have a single economic market but not a single currency in place by 2015
- this will make it cheaper and easier for member states to export to each other
- conversely, it could also make it more expensive and difficult for Western brands to sell their goods in to Asia

But

progress is slow due to disparity in individual nations' political systems and GDP. 81% of businesses surveyed in ASEAN said they thought the deadline would not be met.





Are there opportunities
within the reach
of Italian brands...



Asian skin

- has a thinner stratum corneum (SC)
- is more prone to sensitivity
- scars more easily
- has more issues with hyperpigmentation
- loses moisture more easily
- gets oily more easily
- is more resistant to ageing (thinner SC but thicker dermis)



WEST



EAST

CATEGORIES

SKIN CARE

GLAMOROUS

MEDICINAL

HAIR CARE

FASHIONABLE

FUNCTIONAL / CURATIVE

FRAGRANCES



GLAMOROUS

SKIN CARE

Face / Neck

MEDICINAL

TOP 10 CLAIMS

WEST

UK, France, Germany

Claims	Jan 2011 – Mar 2013
Botanical/Herbal	69%
Moisturising / Hydrating	66%
Anti-Ageing	50%
Time/Speed	43%
Brightening / Illuminating*	41%
Dermatologically Tested	40%
Paraben Free	37%
Antioxidant	34%
Reduces Fine Lines / Wrinkles*	32%
Vitamin/Mineral Fortified	27%
Long-Lasting*	26%
Firming*	26%
Ethical - Animal	25%
For Sensitive Skin	17%
No Additives/Preservatives	15%

EAST

China, Japan

Claims	Jan 2011 – Mar 2013
Moisturising / Hydrating	83%
Botanical/Herbal	75%
Time/Speed	63%
Anti-Ageing	63%
Whitening	42%
No Additives/Preservatives	34%
For Sensitive Skin	28%
Firming*	25%
Brightening / Illuminating*	22%
Antioxidant*	21%
Vitamin/Mineral Fortified	20%
Fragrance Free	18%
Cleansing*	15%
Plumping*	15%
Reduces Fine Lines / Wrinkles*	14%



SKIN CARE

GLAMOROUS

Face / Neck

MEDICINAL

EXAMPLES

WEST

France, €39



SAMPAR

Cosmakeup Glamour Shot Mat Perfection

- Glamour shot
 - *Corrects*
 - *Resurfaces*
 - *Mattifies*

- Transparent Corrective Fluid
- Instantly correct wrinkles.
- Masks dilated pores, redness and imperfections.
- Resurfaces and mattifies the complexion

EAST

China, €52



SULWHASOO

White Ginseng Brightening Mask

- Korean medicinal herbs
- Balance Yin&Yan

- Inspired Korean medicinal herbs
- Draw from ancient wisdom to balance Yin and Yang energies, by reducing targeted symptoms related to yin deficiencies such as dryness, fine lines and wrinkles, diminished elasticity and lack of glow

FASHIONABLE

HAIR CARE

Shampoo

FUNCTIONAL / CURATIVE

TOP 10 CLAIMS

WEST

UK, France, Germany

Claims	Number of Variants
Botanical/Herbal	59%
Brightening / Illuminating*	34%
Moisturising / Hydrating	27%
Paraben Free	23%
Eco-Friendly Package	20%
Vitamin/Mineral Fortified	20%
Damaged Hair	18%
Ethical - Animal	16%
Time/Speed	15%
No Additives/Preservatives	13%
Long-Lasting*	13%
Dermatologically Tested	12%
Organic	12%
Ethical - Environmentally Friendly Product	12%
No Animal Ingredients	10%

EAST

China, Japan

Claims	Number of Variants
Botanical/Herbal	73%
Moisturising / Hydrating	46%
Damaged Hair	40%
Skin Disorders	37%
Brightening / Illuminating*	37%
Anti-Dandruff	37%
Long-Lasting*	15%
Vitamin/Mineral Fortified	15%
Time/Speed	9%
Refill	8%
Aromatherapy	8%
No Additives/Preservatives	7%
For Sensitive Skin	7%
Babies & Toddlers (0-4)	6%
Male	6%



FASHIONABLE

HAIR CARE

Shampoo

FUNCTIONAL / CURATIVE

EXAMPLES

WEST UK, €20



Bumble & bumble Let it Shine Shampoo

- Herbal
- Moisturising
- Brightening / Illuminating*

- Helps dissolve dulling residue and preserve natural oils to let hair positively sparkle and enhance its natural shine
- It is said to be suitable to those who crave shine

EAST China, €15.9



DrD for Gf

Follicle Revitalizing Shampoo

- Herbal
- For sensitive skin
- For damaged hair / split ends
- Antioxidant
- Strengthening properties
- For men

- Cleanses excess sebum in scalp pores
- Features a moisturising antioxidant technology to replenish scalp with nutrients
- Contains various nourishing ingredients to strengthen the hair root, for a healthy and vitalised result

WEST



EAST

RETAILERS

fusion

NEW YORK

TOKYO

LONDON

SHANGHAI





Cellure

Korean biotech skincare company



Cellure adds a concierge service to stem cell skincare

- The new Cellure boutique in Soho brings a high tech approach to beauty sampling
- The products are based on human stem cell technology from a Korean biotech company
- The packaging is also original and features one of the newest applicator tips for eye care

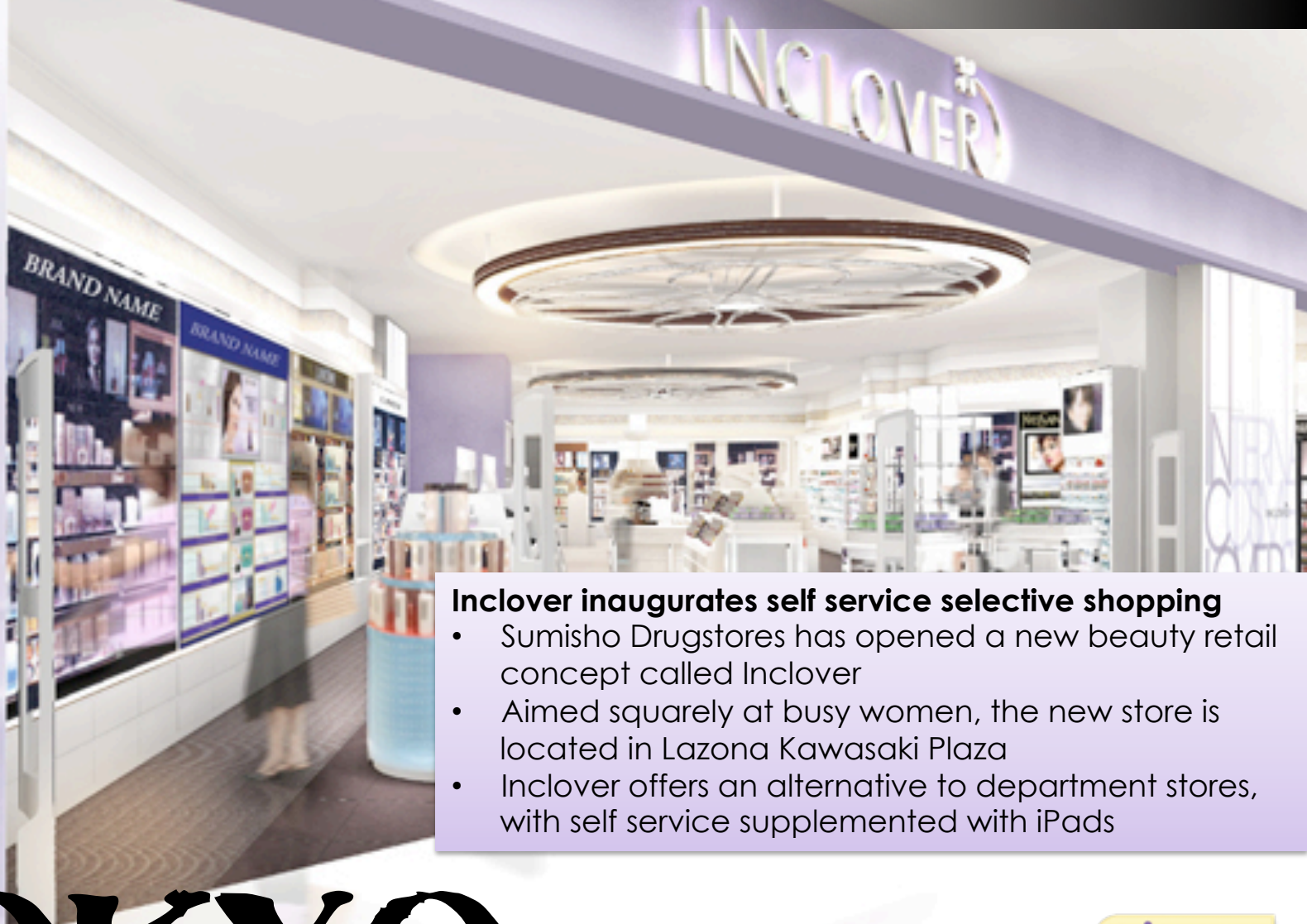


NEW YORK

Inclover

Europe-inspired beauty retailer

INCLOVER



Inclover inaugurates self service selective shopping

- Sumisho Drugstores has opened a new beauty retail concept called Inclover
- Aimed squarely at busy women, the new store is located in Lazona Kawasaki Plaza
- Inclover offers an alternative to department stores, with self service supplemented with iPads

TOKYO

Inclover

Europe-inspired beauty retailer

It displays products by category rather than by brand.

The store concept was inspired by Sephora, where customers can select from a mix of organic and prestige brands. Inclover is designed to offer an approachable environment, where shoppers can make the most of their freedom of choice.

In Japan, prestige cosmetics brands are mostly sold in department stores, where beauty advisors or consultants are always on hand to offer advice and encourage purchases. In contrast, Inclover encourages its customers to try its products without having a consultation.

TOKYO

BeautyMART

Introduces vending machines



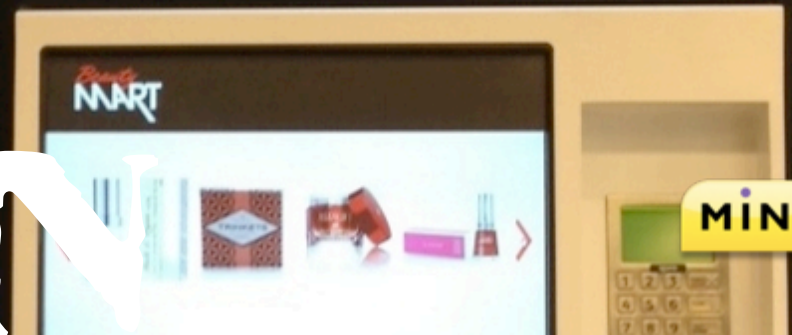
BEAUTYMART LANDED IN LONDON

- BeautyMART was founded by British beauty industry insiders Anna-Marie Solowji and Millie Kendall
- The concept store is said to connect with how women shop, offering handpicked beauty products that touch on most categories and price points
- Soon to follow will be the e-store and BeautyMART branded vending machines

LONDON



BeautyMART
Introduces vending machines



LONDON



Bal Yan Ka La

West-East infused beauty retailer

BA YAN KA LA BOUTIQUE LOOKS EAST AND WEST

- Ba Yan Ka La is positioned as a Chinese premium cosmetic brand
- The brand is distributed and retailed in boutique hotels and premium spas
- Ba Yan Ka La is now broadening its sales channels



SHANGHAI

Bal Yan Ka La
West-East infused beauty retailer



SHANGHAI



Fame

Lady Gaga's first fragrance launch

Lady Gaga has banked on the Japanese fearless approach to new concepts, choosing Tokyo as the launchpad for her Fame fragrance

TOKYO

LADY GAGA TAKES HER SENSE OF DRAMA INTO JAPANESE RETAIL

- Coty has launched Lady Gaga's first fragrance, Fame, at a pop-up store in Tokyu Plaza
- Fame is billed as the first ever black Eau de Parfum
- The fragrance will benefit enormously from Lady Gaga's social network of Little Monsters

TOKYO



Fame
Lady Gaga's first fragrance launch

THANK YOU

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*The clock is ticking...
don't miss the opportunity now!*

