설명회자료 19-036

중소중견기업의 해외시장 진출
글로벌 일자리 창출 선도

kotra

2019 글로벌 화장품 트렌드 포럼

Global Cosmetics Trend Forum 2019

| 일시 | 2019. 10. 10 (목) 13:00 - 18:00

| 장소 | 킨텍스 제1전시장 3F 그랜드볼룸

kotra
Korea Trade-Investment Promotion Agency

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□ 일시 및 장소 : 2019.10.10.(목) 13:00~18:00 / KINTEX 제 1전시장 3F 그랜드볼룸

□ 프로그램

시 간	발표 내용 및 연사	
12:30-13:00 (30')	등록	
13:00-13:05 (05')	인사말씀	
13:05-13:40 (35')	중국	**중국 화장품 시장동향 및 티몰글로벌로 이해하는 전자상거래 운영 노하우** Tmall Global, 김민화 매니저
13:40-14:15 (35')	미국	**K-Beauty 브랜드가 미국 시장에서 소비자와 의미 있는 관계를 구축하는 방법** Order Groove, Jamie Johns Strategic Client Director
14:15-14:50 (35')		**미국 뷰티산업과 새로운 트렌드 현황** Indie Beauty Brokers, Nicole Deleone 공동대표
14:50-15:00 (10')	휴 식	
15:00-15:35 (35')	유럽	**동유럽 화장품 시장 접근 방법** Dm Drugstore, Predrag Petrovic 구매·마케팅·물류 부문장
15:35-16:10 (35')	러시아	**러시아 시장에서의 K-Beauty : 기회와 전략** RIVE GAUCHE, 안지윤 팀장
16:10-16:45 (35')	호주	**호주 화장품 수출 가이드** Style Story, Lauren Lee 창립자
16:45-16:55 (10')	휴 식	
16:55-17:30 (35')	베트남	**2019 베트남 화장품 시장** GMPc Vietnam JSC&K, Christ General Director
17:30-18:05 (35')	인도	**인도의 밀레니얼 세대와 K-Beauty의 기회** 리메세(주), 한득천 대표

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1

중국 화장품 시장동향 및 티몰글로벌로 이해하는 전자상거래 운영 노하우

Tmall Global, 김민화 매니저

memo

memo

memo

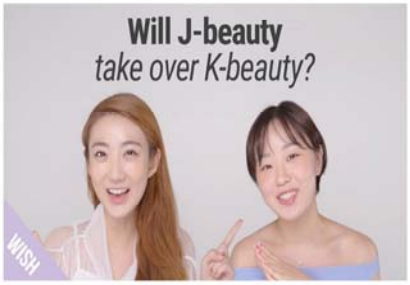
memo

2

K-Beauty 브랜드가 미국 시장에서 소비자와 의미 있는 관계를 구축하는 방법

Order Groove, Jamie Johns Strategic Client Director





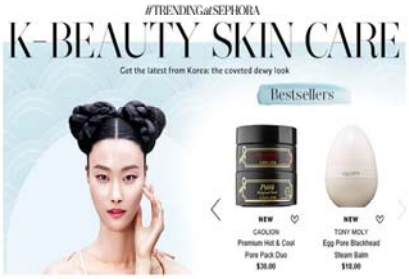


How K-Beauty brands can build meaningful customer relationships in the U.S.

Jamie Johns
Strategic Client Director
Ordergroove
jamie.johns@ordergroove.com

The rise, the fall…and now what?

Sephora's initial K-Beauty spotlights 2015-16







2019…

I Grew Up Around Korean Beauty Products. Americans, You've Been Had.

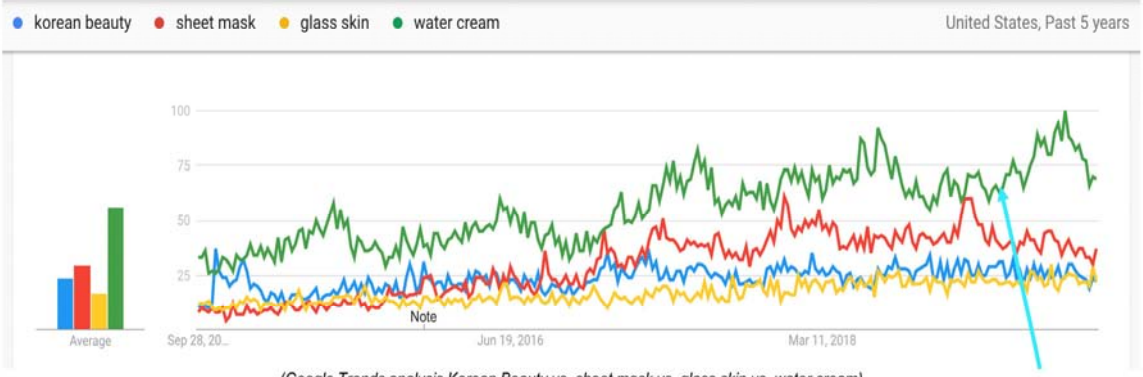
2017 NY Times Op-Ed

2

"K-Beauty" won but Korean brands did not

Korean skincare changed the U.S. marketplace.

However, consumers in the U.S. would be hard pressed to name one Korean beauty brand and no Korean brands have entered the Top 10 skincare brands in the United States.



(Google Trends analysis Korean Beauty vs. sheet mask vs. glass skin vs. water cream)

Sheet mask and water cream interest dramatically outpace searches for Korean Beauty, which has remained flat

3

"K-Beauty" won but Korean brands did not

1. Skincare is King

U.S. prestige skincare sales grew 13% in 2018, becoming the primary driver of cosmetics growth in the U.S.

An increase in interest in skincare ingredients and a democratization of price points can be traced to the explosion of K-Beauty in 2015 and 2016

Why Everybody's Obsessed With Skin Care Right Now It's not just you.

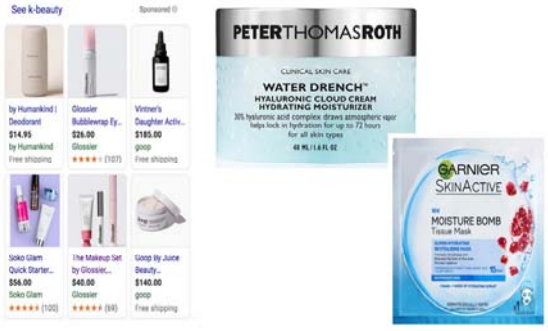
THE YEAR THAT SKIN CARE BECAME A COPING MECHANISM

By Jia Tolentino December 18, 2017

2. Korean Innovation Reinterpreted

Korean innovations like sheet masks, water creams, and BB creams have infiltrated the market.

American and European brands took Korean innovations and made their own wildly popular versions



Avon Capitalises On Korean Beauty Trend With New Collection

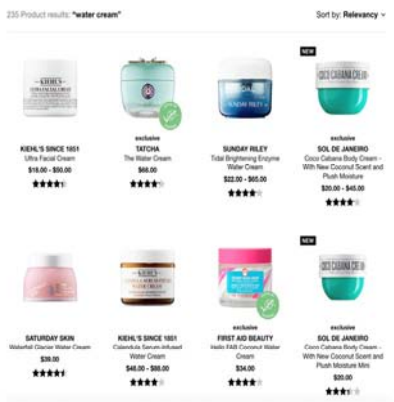
4

"K-Beauty" won but Korean brands did not

"We've essentially taken the magazine rack and replaced it with a facial mask rack," said Maly Bernstein, vice president of beauty and personal care at CVS

5

There's more competition than ever for Korean brands



U.S. and European skincare brands using Korean innovation



Buzzy innovators and category creators



U.S. "K-Beauty" brands overtaking distributors

6

Initially, Korean brands had to convince American consumers that their innovations worked.

Today, Korean brands must convince American consumers to care about their *brands.*

7

Why K-Beauty brands have failed

No product or brand distinction *K-Beauty was marketed as a monolithic entity and there was no way to distinguish brand quality*	**Entered the market as a fad** *K-Beauty entered the U.S. as a fad with overly cute packaging – it worked for publicity but distracted from product quality*	**Bad Reputation** *K-Beauty's cutesy, trendy arrival meant that it became synonymous with being cheap*
Not focused on U.S. customer demands *K-Beauty brands do not create inclusive shade ranges*	**No perspective on the customer** *Is your key demographic young? Old? Urban? Beauty obsessed? Natural? Where does she shop? What other brands does she buy?*	**Picking the wrong distribution** *Many brands went with the biggest retail partner offer, without understanding the U.S. landscape and what it meant for the brand's perception in the U.S. market*
Lack of understanding of U.S. retail *Opening a physical retail store without other channels is a mistake. Opening in U.S. drug stores. Picking the wrong launch partners.*	**Logistical nightmares** *No U.S. warehousing, no English labeling, no concern about ingredients, no stance on cruelty free.*	**Oversaturation** *Before customers could even fully get acquainted with K-Beauty, Korean brands flooded every space in the market with many brands appearing in multiple retailers across price points*

8

So how can Korean *brands* succeed in the U.S. market and create meaningful relationships with consumers?

9

Create a brand worth caring about

Come to market with a clear brand vision, voice, and perspective, and carry that through every customer touchpoint

Explain your brand to consumers and make it stick with excellent branding and visuals

Stand for something and be unique, being a Korean brand should be a part of your identity but make sure there is something *else* there for customers to connect with…

Avoid falling into trends (example: “skip care”)

Hone your brand identity so that it can stand against the buzziest American brands







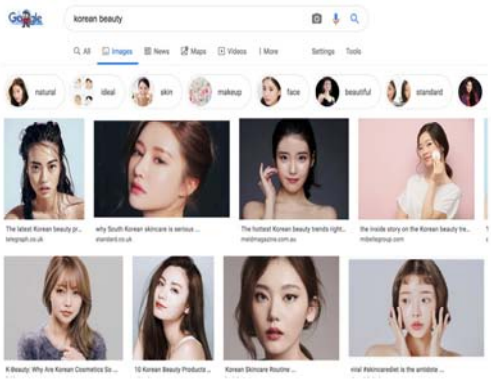




10

Break out of Korea first mentality

Korean brands aren't putting a global face to their brands



No global ad campaigns and lack of representation in brand imagery

VS.



Shiseido's 2018 campaign and partnership with influencer Kahlana Barfield Brown position it as a brand for ALL

11

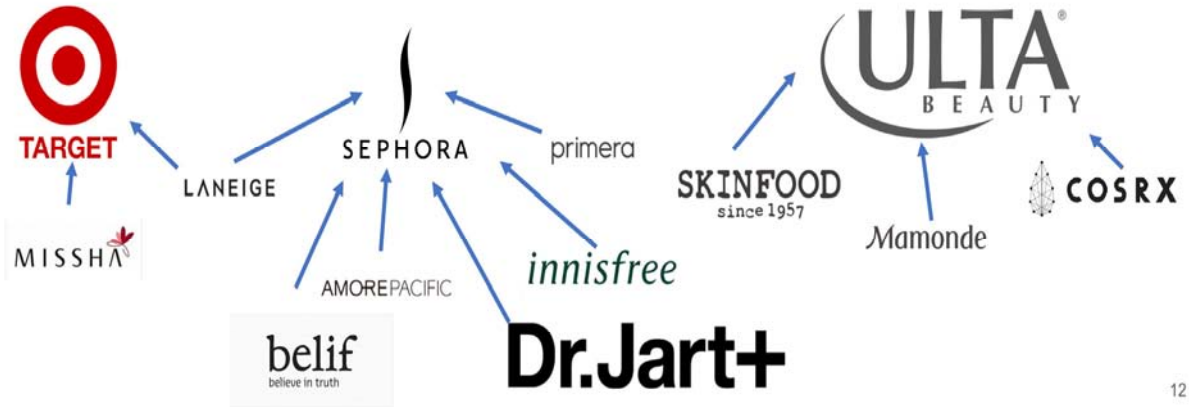
Find the right partners and focus on them

In today's crowded and fast-paced market, you have one shot to make an impression on customers.

Coming to market with the right branding and brand identity is the first step but equally important, you must choose the right partners for your launch.

That means doing thorough research on partner positioning, networks, logistics, and the competitive landscape in the U.S. market. Does your potential partner align with what has been successful for your brand in other markets? Does your potential partner align with your brand positioning?

Equally important, focus on your chosen partners and do not spread your brand too thin across multiple retailers



12

Empower your brand

Your retailers and distributors can only take you so far

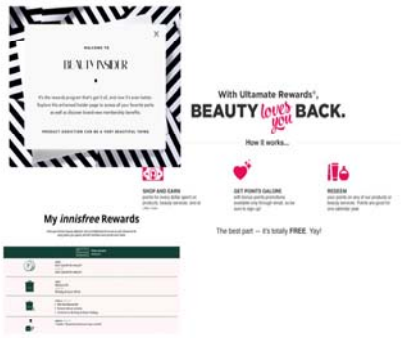
You must empower yourself with the right set of tools: loyalty, subscription programs, sampling, messaging, and, most crucially, knowledge

Come prepared with knowledge of the U.S. market and market trends, and where you think your brand should sit

Get ahead of cruelty-free and clean formulation questions before your launch – the market in the U.S. is more sensitive than ever to these questions



Auto-Replenish Programs



Loyalty Programs



Clean beauty brand Beautycounter was the #1 searched beauty brand in the U.S. in 2018

13

Unlock customer loyalty

Create an unique brand identity

Create an identity and offering that can stand against U.S. powerhouses

→

Empower yourself

Arm yourself with knowledge of the market, loyalty enabling tools, and the right partners

→

Avoid previous pitfalls

Embrace U.S. customer love for Korean innovations but learn from the brands that came before you

↓

Focus and loyalty

Focus on the right customer and gain her trust. Customers respond to genuine brands with effective products that reward customer loyalty

14

Thank you!

jamie.johns@ordergroove.com

15

3

미국 뷰티산업과 새로운 트렌드 현황

Indie Beauty Brokers, Nicole Deleone 공동대표



INDIE
BEAUTY BROKERS



K-Beauty Brands That Are Successful in the U.S. &
What They've Done To Achieve Success


Types of Products They're Looking For
Retailers


Types of Products They're Demanding
Consumers


Ingredients Matter!


How Do You Ensure a Successful Brand Launch in The U.S.?
Key Launch Points
A plan you have been working on for a long time is beginning to take shape.


DECODED
digital enlightenment
How This Could Damage Your Brand
What's a Backwards Launch?
cc: dylan nolte - https://unsplash.com/@dylan_nolte?utm_source=haikudeck&utm_medium=referral&utm_campaign=api-credit


The Red Tape
Product Claims, Labeling & The FDA
cc: postbear - https://www.flickr.com/photos/91387326@N00



INDIE
BEAUTY BROKERS



Nicole DeLeone | Co-Founder
hello@indiebeautybrokers.com



Stefani Hedin-Lawin | Co-Founder
hello@indiebeautybrokers.com

4

동유럽 화장품 시장 접근 방법

Dm Drugstore, Predrag Petrovic 구매·마케팅·물류 부문장



How to access Eastern European Market

dm in Europe

- Strong positioning of the biggest drugstore chain in Europe
- Turnover: 10,7 Billion € (+4,3%)*
- No. of stores: over 3.500
- No. of employees: over 61.000
- No. of countries in operation: 13



* All data refers to the fiscal year 01.10.2017 – 30.09.2018.

dm in Serbia

- 92 million EUR (+29,3%)*
- No. of stores: 95 in 26 cities in Serbia
- No. of employees: 886
- Continuous improvement





* All data refers to the fiscal year 01.10.2017 – 30.09.2018.

dm - company features

- Best store locations, modern ambience and pleasant atmosphere
- Unique product portfolio with more than 14.000 products from which more than 4.000 are Private Label:
  - Beauty Care
  - Hygiene
  - Household
  - Bio-food
  - Baby Care
- Creating new and meaningful offers that really benefit the customer
- Competent and client friendly personnel



dm - focus on people & development

- People first (customers, employees, partners)
- Striving for improvement and development
- People with courage and creative will
- Empathic and persistent
- Developing future for every single person, our company and our customers

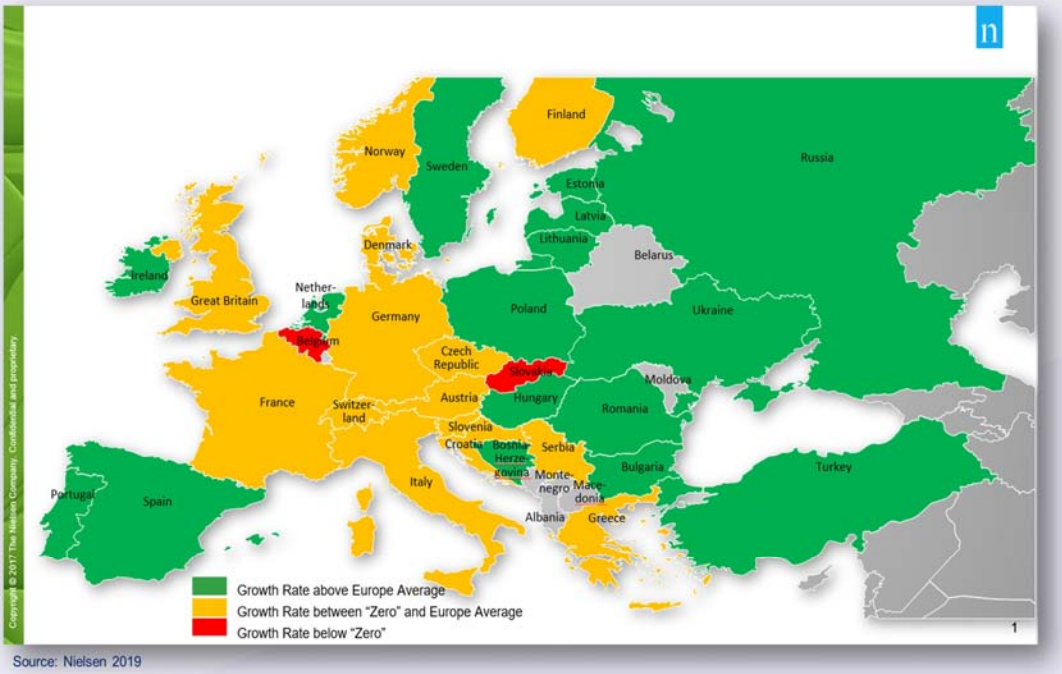


dm on South Korean market

- dm & Lotte Corporation cooperation since January 2019
- Penetration on the highly innovative South Korean market
- Popular dm brands available in 9.700 stores and via online
- 41 product of Balea and Balea MEN on the South Korean market
- dm brands are popular in the Asian region

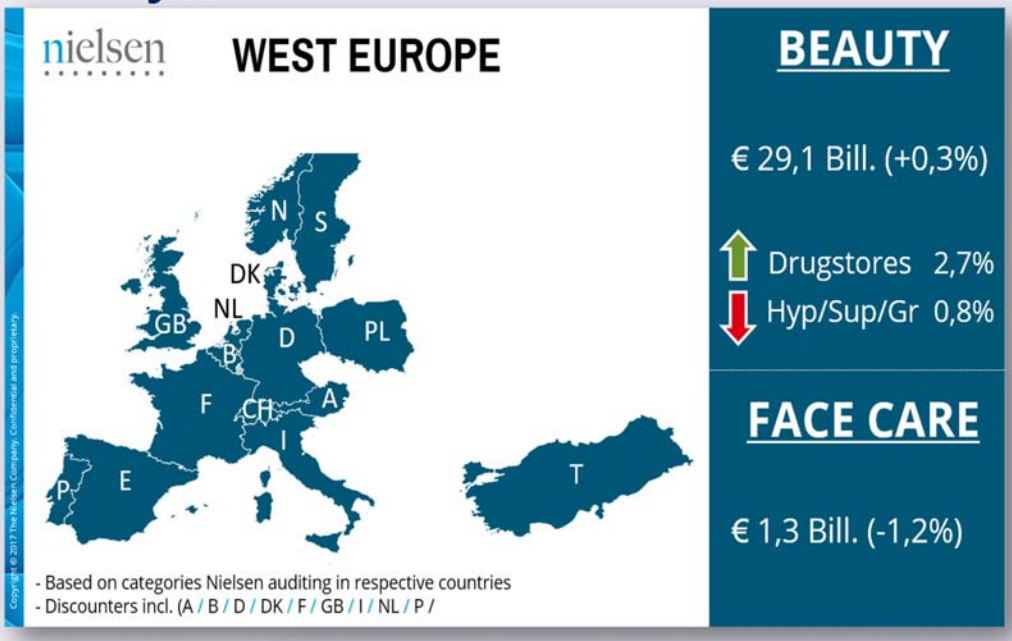


Global market trends - Europe



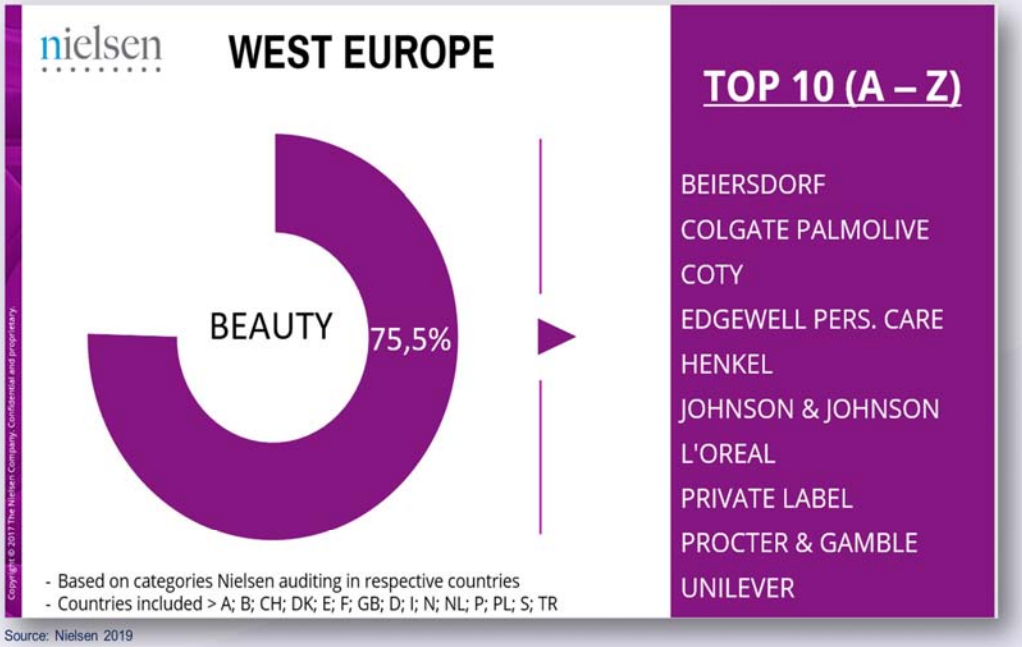
Source: Nielsen 2019

Top 10 players in West Europe – Beauty & Face Care



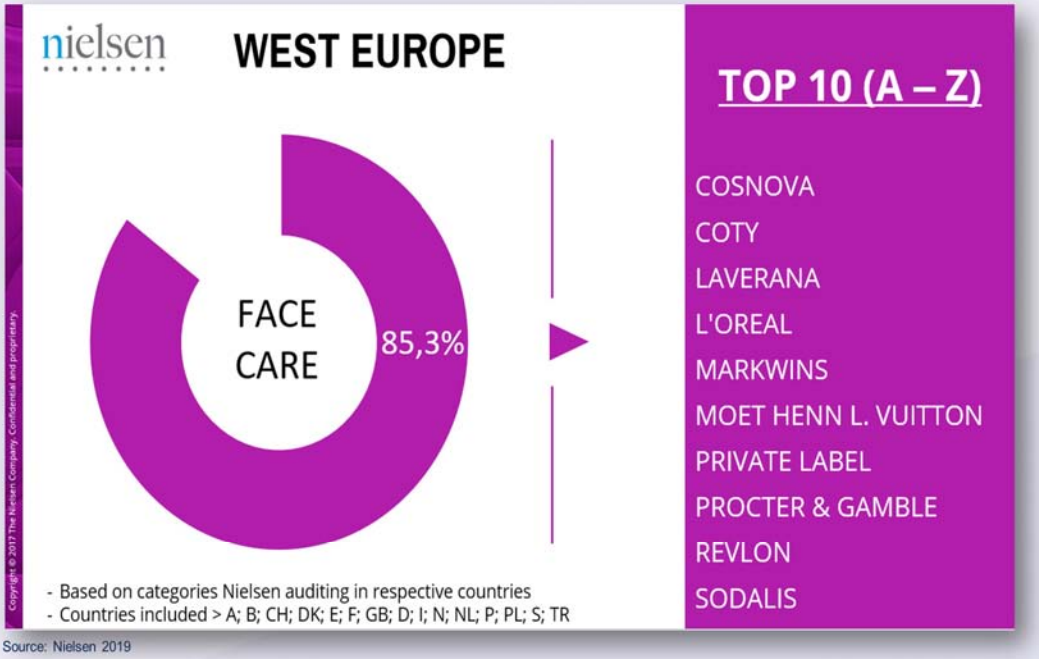
Source: Nielsen 2019

Top 10 players in West Europe – Beauty



Source: Nielsen 2019

Top 10 players in West Europe – Face Care



Source: Nielsen 2019

Top 10 players in South East Europe – Beauty & Face Care

nielsen SOUTH-EAST EUROPE



- Based on categories Nielsen auditing in respective countries
- Discounters excluded

BEAUTY

€ 1,1 Bill.

6,7%

FACE CARE

€ 96,5 Mil.

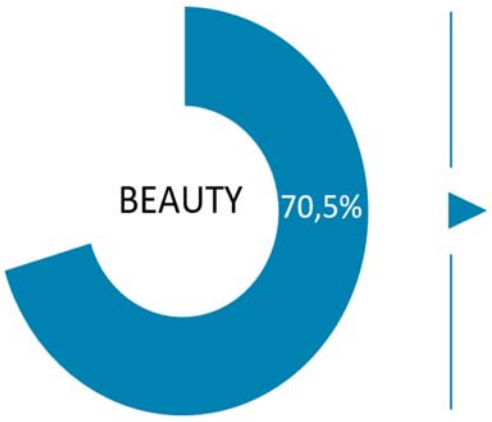
9,8%

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Source: Nielsen 2019

Top 10 players in South East Europe – Beauty

nielsen SOUTH-EAST EUROPE



- Based on categories Nielsen auditing in respective countries
- Countries included > BUL; CRO; ROM; SLO; SRB

TOP 10 (A – Z)

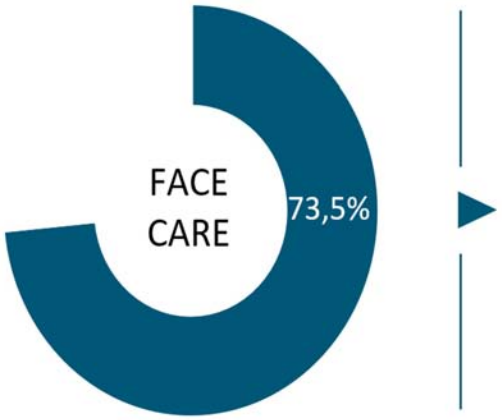
BEIERSDORF
COLGATE PALMOLIVE
FARMEC
HENKEL
L'OREAL
PAPILLON
PRIVATE LABEL
PROCTER & GAMBLE
SARANTIS
UNILEVER

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Source: Nielsen 2019

Top 10 players in West Europe – Face Care

nielsen **SOUTH-EAST EUROPE**



- Based on categories Nielsen auditing in respective countries
- Countries included > BUL; CRO; ROM; SLO; SRB

TOP 10 (A – Z)

AFRODITA KOZMETIKA
BEIERSDORF
EVELINE COSMETICS
FARMEC
LAB.DERM. AVENE/ P. FABRE
LOREAL
NEVA
PRIVATE LABEL
SARANTIS
ZIAJA LTD

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Source: Nielsen 2019

K-Beauty Products in Serbia

- K-Beauty products in dm Serbia since 2017
- dm is the leader on the market of K-beauty products in Serbia
- 2 shelve-meters in every dm store
- 94 various face care products
- 6 K-Beauty brands available in dm stores in Serbia

It's SKIN
MBeauty Cosmetics
Innovative Home Spa Products
PILLING BEAN
Ariul
PUREDERM SKIN SOLUTIONS
AeRi Korean Beauty

K-Beauty Products in Serbia

dm Serbia product shelves



K-Beauty in Europe
Trend or Counter trend?



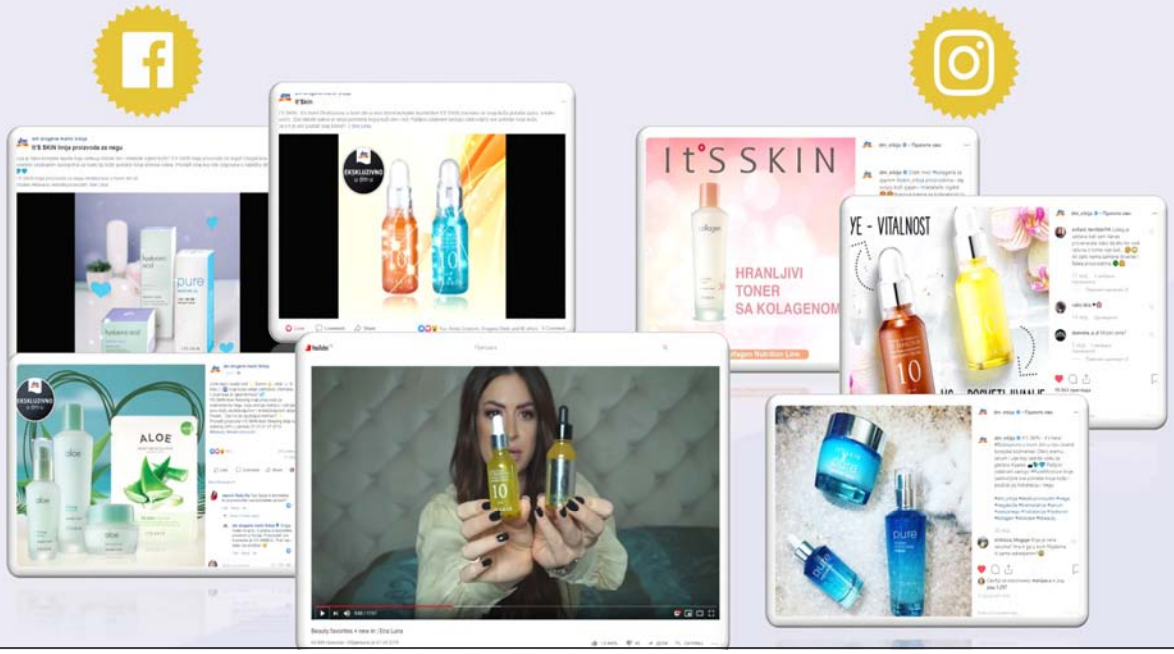
It’S SKIN - Case Study

- Brand encounter: Cosmoprof, Bologna, April 2018
- Brand listing in dm Serbia: December 2018
- dm international retail know-how
- Refining customer needs in an efficient way, through novelties and new routines



It’S SKIN - Case Study

- Brand education, awareness and promotion



It’S SKIN - Case Study

- Brand education, awareness and promotion

Catalo g



Flyer



It’S SKIN - Case Study

- Brand education, awareness and promotion

- Cooperation with KOTRA and the Embassy of the Republic of Korea

Beauty event



Why Europe? Why Serbia?



Thank you for your attention!

5

러시아 시장에서의 K-Beauty : 기회와 전략

RIVE GAUCHE, 안지윤 팀장

RIVE GAUCHE

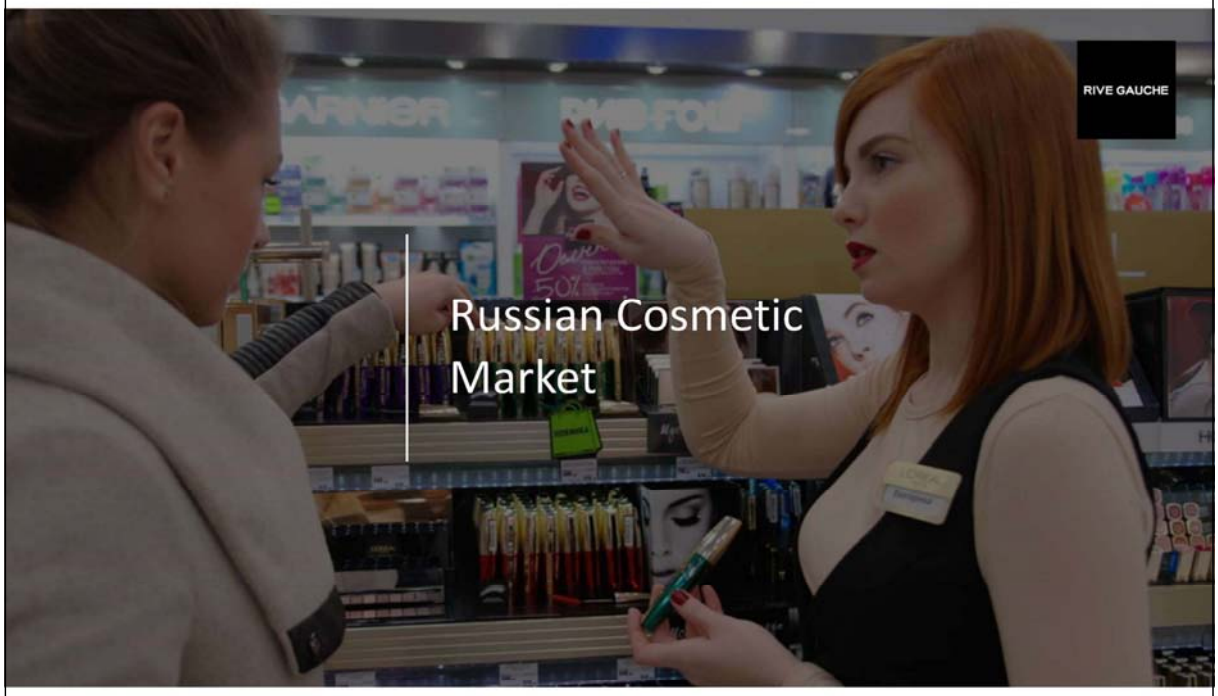
INSPIRATION DE BEAUTÉ

K-beauty in Russia : Opportunities & Strategies

Jiyoon An
Head of Korean brands
Rive Gauche




RIVE GAUCHE
So lovely
Fresh Line
IN.I
Founded in 1995
235 stores
+ 300 brands
+12M loyalty members
+7 500 employees


RIVE GAUCHE
Russian Cosmetic Market

Cosmetics & Fragrance Market



Cosmetics & Fragrance market Value in 2017f is 10 bln on $ basis (USD = 58,3 RUB)

- The specific feature of the market is that it is much more resistant to economic difficulties than many other retail segments. Cosmetics was the best performing non-food market segment (non-discretionary goods)
- Further areas of Russia will be covered by rapidly expanding cosmetics chains, facilitated by development of quality retail space

Key Distribution Channels: Growth Leaders



According to GfK the most fast-growing distribution channels are Cosmetics&Fragrance chains, Drogeries and Online stores (41% of consumer inputs in total)

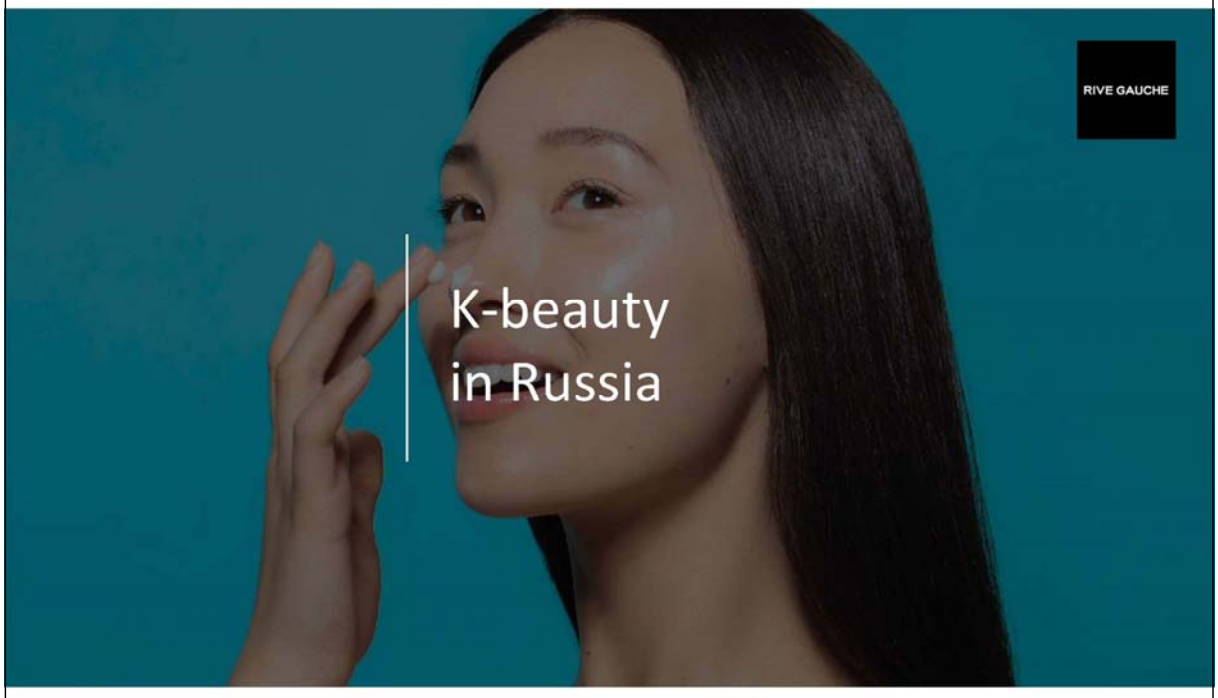
Source: PMR

Key Cosmetics & Fragrance Market Trends

RIVE GAUCHE

- Immediate result expectation
- Organic and healthy lifestyle
- Consumers sacrifice size to quality
- Fastest-growing category is Facial Care (+20% in sales, +6% in pcs)
- Skin care growth 5%
- Growing demand for Korean cosmetics
- Positive outlook for Men Care
- Home care wins against studio care
- Online trade: massive growth on low base

Source: GfK, company data

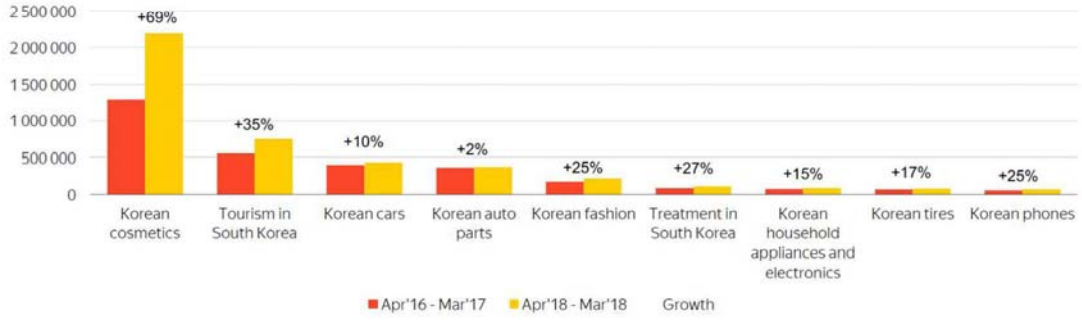


What Korean goods and services users search for?

RIVE GAUCHE

Korean...

Number of queries in most popular categories



Wordstat data , March 2018, Russia

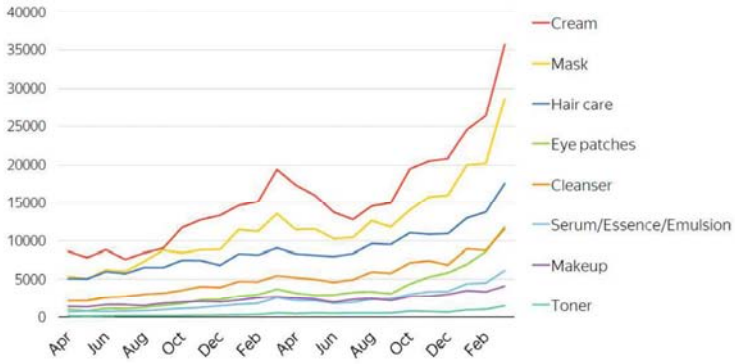
Most popular categories

RIVE GAUCHE

Apr 2017 - Mar 2018

N°	Category	Queries
1	Cream	236 632
2	Mask	182 635
3	Hair care	128 990
4	Cleanser	82 086
5	Eye patches	61 565
6	Serum/Essence/Emulsion	37 662
7	Makeup	33 209
8	Toner	8 682

Query dynamics

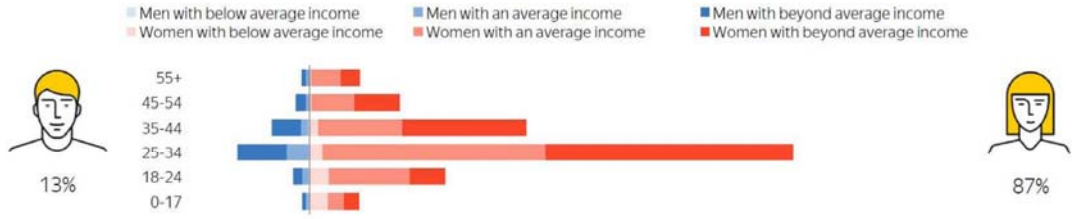


Wordstat data, March 2018, Russia

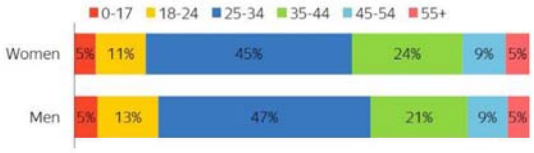
Audience Portrait

RIVE GAUCHE

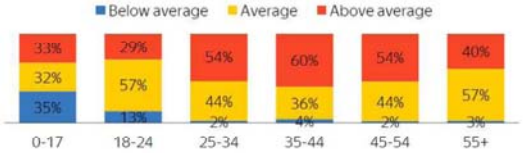
Men/Women



Gender and Age

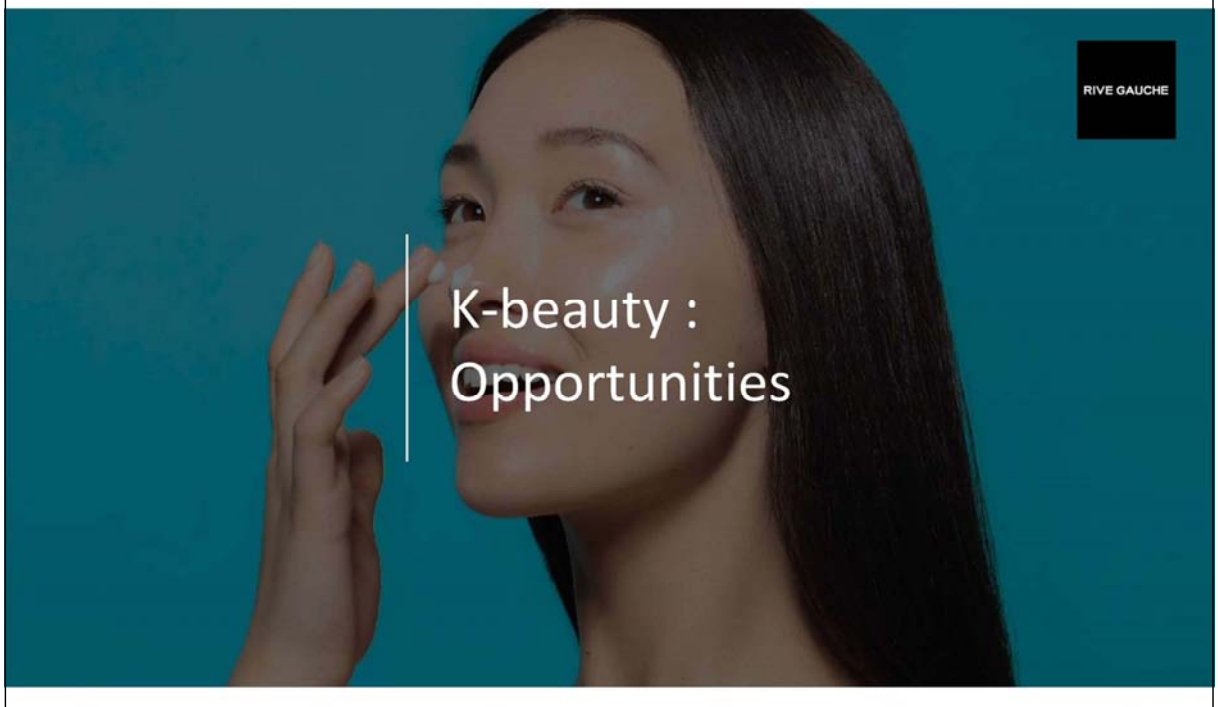


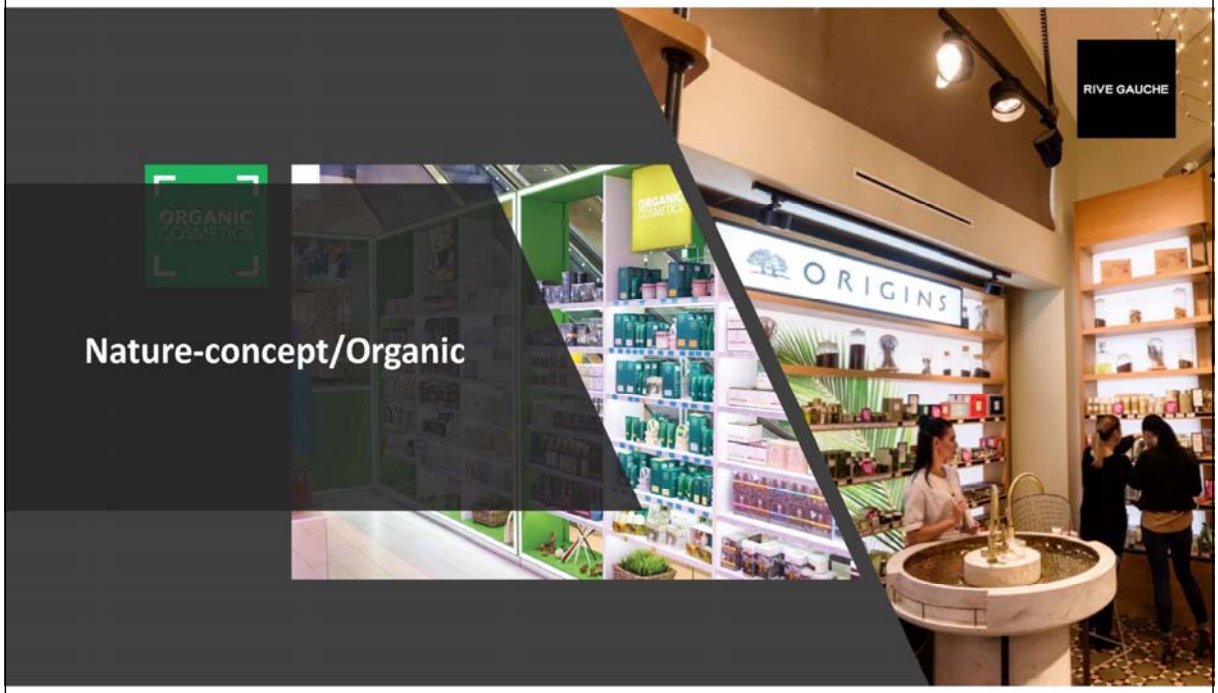
Revenue and age

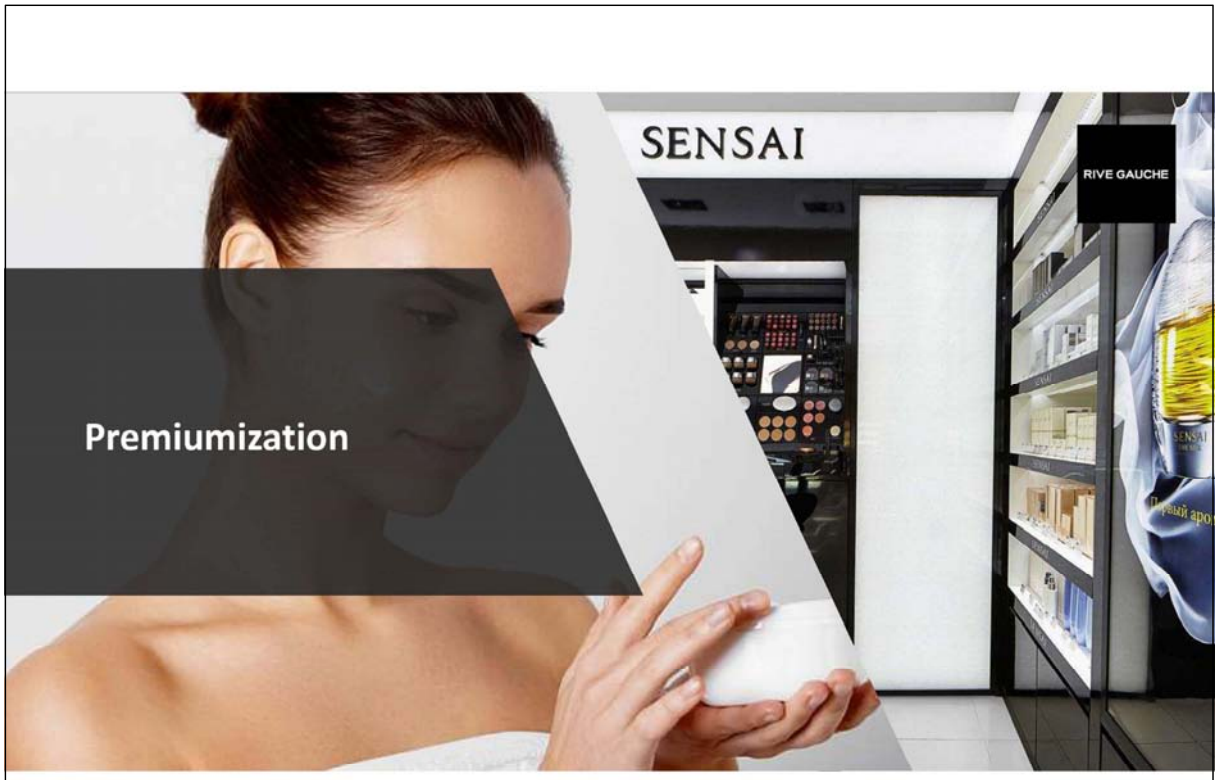


Yandex data. March 2018.Russia

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Nature-concept/Organic
ORGANIC COSMETICS
ORIGINS
RIVE GAUCHE


Premiumization
SENSAI
RIVE GAUCHE

HOLIKA HOLIKA

Dr.Jart+

LANEIGE

It°S SKIN

Huxley

NATURE REPUBLIC

AHC

too cool for school
LONDON · NEW YORK

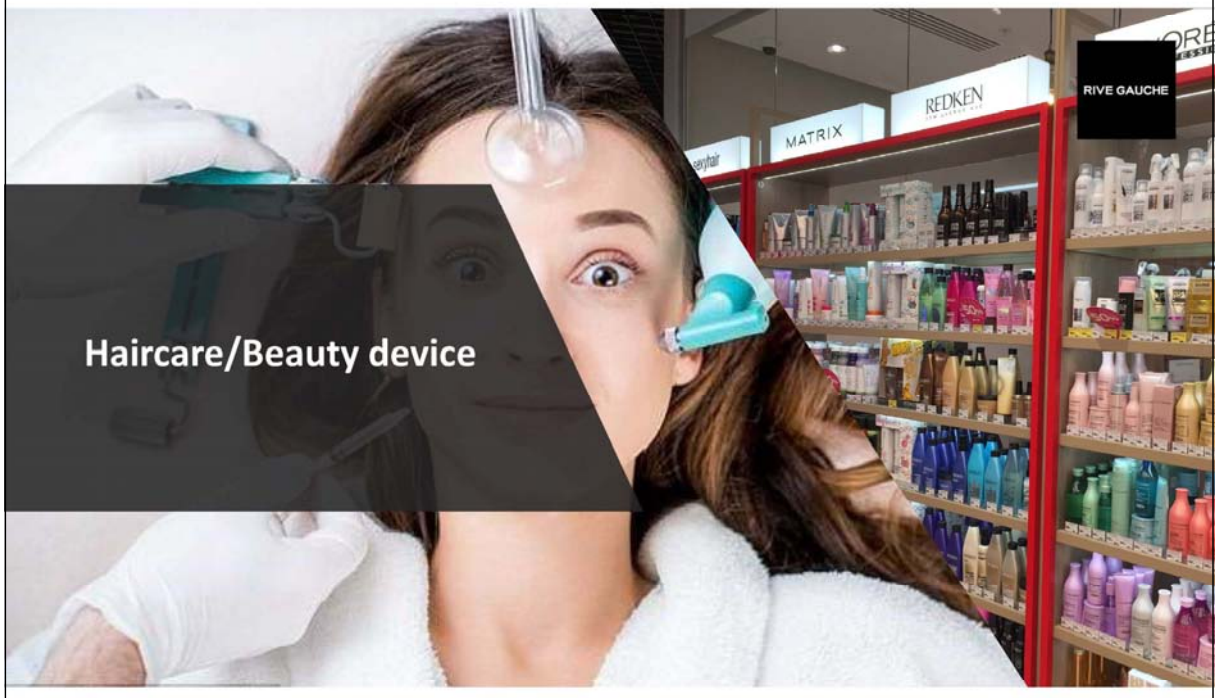
TONYMOLY

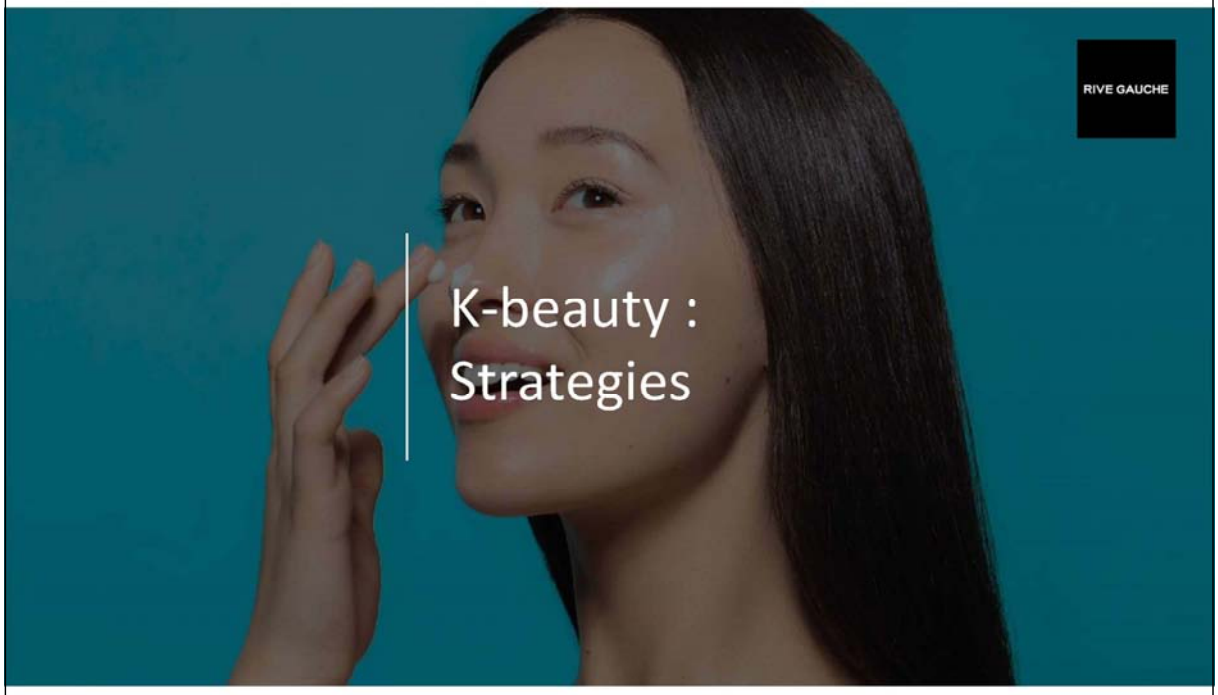
erborian
PARIS · SEOUL

belif
believe in truth

MISSHA

15

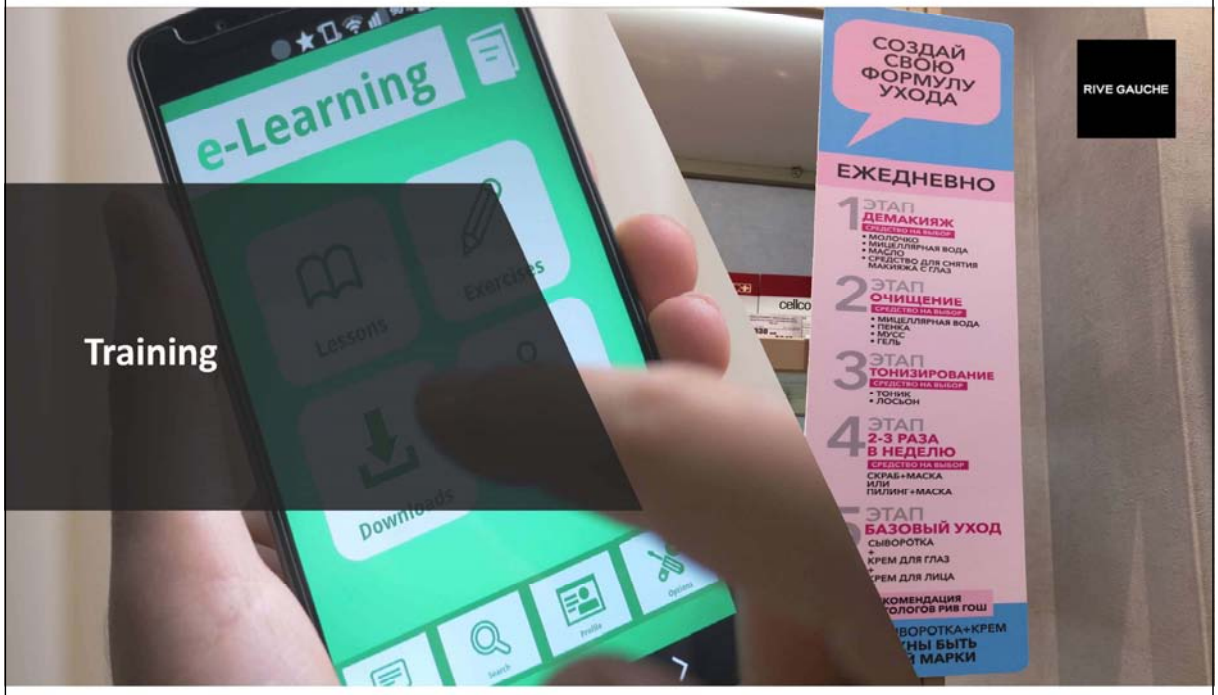



RIVE GAUCHE
K-beauty :
Strategies


STORYTELLING
RIVE GAUCHE
CREATIVE
BRAND
CONTENT
MARKETING
COMMUNICATION
VIRAL
EMOTION
SHARE
Story-telling


DOES IT SHOW OUR UNIQUE SELLING PROPOSITION?
CHECK.
PROMINENT BRANDING?
CHECK.
A LIST OF OUR BENEFITS?
CHECK.
A PACKAGING CLOSE-UP?
CHECK.
OUR HASHTAG AT THE END?
CHECK.
LOOKS LIKE A GREAT AD! WHAT'S THE STORY?
NOT SURE YET.
TOM FISH BURNE
© marketoonist.com
RIVE GAUCHE


Experience
РИВ ГОШ
RIVE GAUCHE


e-Learning
Lessons
Exercises
Downloads
Training
СОЗДАЙ СВОЮ ФОРМУЛУ УХОДА
RIVE GAUCHE
ЕЖЕДНЕВНО
1 ЭТАП
ДЕМАКИЯЖ
• МОЛОЧКО
• МИЦЕЛЛЯРНАЯ ВОДА
• МАСЛО
• СРЕДСТВО ДЛЯ СНЯТИЯ МАКИЯЖА С ГЛАЗ
2 ЭТАП
ОЧИЩЕНИЕ
СРЕДСТВО НА ВЫБОР
• МИЦЕЛЛЯРНАЯ ВОДА
• ПЕНКА
• МУСС
• ГЕЛЬ
3 ЭТАП
ТОНИЗИРОВАНИЕ
СРЕДСТВО НА ВЫБОР
• ТОНИК
• ЛОСЬОН
4 ЭТАП
2-3 РАЗА В НЕДЕЛЮ
СРЕДСТВО НА ВЫБОР
СКРАБ+МАСКА
ИЛИ
ПИЛИНГ+МАСКА
5 ЭТАП
БАЗОВЫЙ УХОД
СЫВОРОТКА
+
КРЕМ ДЛЯ ГЛАЗ
+
КРЕМ ДЛЯ ЛИЦА

6

호주 화장품 수출 가이드

Style Story, Lauren Lee 창립자

GUIDE TO EXPORTING COSMETICS TO AUSTRALIA

Lauren Lee

Lawyer and Founder of STYLE STORY

STYLE STORY

AUSTRALIA'S COSMETICS MARKET AND DISTRIBUTION CHANNELS

MARKET SIZE: $6.5 billion

*Skincare sales have been growing **7-8%** annually for several years*

Australian consumers:

- Have a high disposable income
- Spend a lot of time and money on beauty and personal care products

AUSTRALIA'S COSMETICS MARKET AND DISTRIBUTION CHANNELS

KEY CHANNELS

- Department stores (David Jones, Myer)
- Specialist beauty stores (Mecca, Sephora)
- Pharmacies (Priceline, Chemist Warehouse)
- Grocery stores (Woolworths, Coles)

Increasingly **> Online stores** (STYLE STORY etc)



24% of total revenue will be generated through online sales by 2023.

AUSTRALIA'S COSMETICS MARKET AND DISTRIBUTION CHANNELS

Major Players

1 Loreal S.A
2 Unilever
3 Procter & Gamble
4 Colgate-Palmolive
5 Estee Lauder

THE ESSENTIALS

Differences compared to other markets



- Good Manufacturing Practice (**GMP**) accreditation - NOT mandatory
- No need to submit products to any government agency for safety assessments or approval
- There are NO specific government-mandated guidelines on testing cosmetics for safety and stability.

THE ESSENTIALS

Check the definition of a cosmetic in Australia

There is a clear distinction between the definition of a **cosmetic** and a **therapeutic good** (including drugs and medicines).

Cosmetics = must comply with the NICNAS scheme

Therapeutic Goods = must comply with the TGA (equivalent of American FDA)

NICNAS

Check if the chemicals you plan to use in your cosmetics are permitted in Australia

Government agency: NICNAS

Role of agency: NICNAS administers the *Australian Inventory of Chemical Substances (AICS).*

Any company importing cosmetics to Australia MUST be registered with NICNAS.

NICNAS

If a chemical you plan to use:

- is **not** listed in the public or confidential section of the AICS, or
- **is listed** on AICS **but** you plan to use it in a manner that sits outside the current conditions of use, or
- does not meet the NICNAs definition of "naturally occurring",

= NEW industrial chemical

ALSO: Check for Secondary Notifications

THE TGA

Government agency: *Therapeutic Goods Administration (TGA)*



Role of agency: The TGA regulates therapeutic products in Australia. It also administers the *Poisons Standard*

THE TGA

Therapeutic goods = products for use in humans in connection with:

- preventing, diagnosing, curing or alleviating a disease, ailment, defect or injury
- influencing inhibiting or modifying a physiological process
- testing the susceptibility of persons to a disease or ailment
- influencing, controlling or preventing conception
- testing for pregnancy

This includes things that are:

- used as an ingredient or component in the manufacture of therapeutic goods
- used to replace or modify of parts of the anatomy

Check if your cosmetic chemicals are subject to poisons scheduling

COSMETIC MEASUREMENT

Government agency: *National Measurement Institute (NMI)*

Australian Government
Department of Industry, Innovation and Science
National Measurement Institute

Role of agency: Responsible for trade measurements.

Your compliance obligations with the NMI:
To determine the measurement of your raw materials and finished products and how you deal with shortfalls, comply with either the *Uniform Trade Measurement Legislation* (UTML) or the internationally recognised *Average Quantity System (AQS)*.

COSMETIC CLAIMS

Government agency: *The Australian Competition and Consumer Commission (ACCC)*

ACCC AUSTRALIAN COMPETITION & CONSUMER COMMISSION

Role of agency: National competition regulator

Your compliance obligations with the ACC:
1) Cosmetics must be of an acceptable quality
2) All claims must be cosmetic-type claims only, true, not deceptive or misleading
3) All claims must be accurate and provable
4) Product descriptions MUST match the item the customer receives

COSMETIC LABELS

Government agency: *The Australian Competition and Consumer Commission (ACCC)*

Role of agency: National competition regulator

Your compliance obligations:

Your ingredient listings must comply with the *Trade Practices (Consumer Product Information Standards) (Cosmetics) Regulations 1991*.

NECESSARY INFORMATION TO ACCOMPANY ALL IMPORT APPLICATIONS

Fully manufactured products (ready for retail sale) with less than 20% animal components:

- No import permit needed
- BUT importers should check BICON to ensure they can satisfy other import requirements.

NECESSARY INFORMATION TO ACCOMPANY ALL IMPORT APPLICATIONS

Partially manufactured, raw ingredients, or products with greater than 20% animal components:

Required documents:

- complete list of ingredients
  - including percentage of each ingredient to add up to 100 per cent (please include water)
- species and country of origin for all animal derived ingredients
- Manufacturer's Declaration – must contain complete manufacturing information for each ingredient and for the final product.

FOR MORE INFORMATION

Contact STYLE STORY

We offer consulting services for companies looking to enter the Australian market.

- Assistance with English product descriptions and cosmetic labelling
- Guidance on regulatory compliance

STYLE STORY

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2019 베트남 화장품 시장

GMPc Vietnam JSC&K, Christ General Director

VIETNAM COSMETICS MARKET

South Korea, 10th Oct 2019





INTRODUCTION

The Vietnam Cosmetics Market has exhibited impressive growth potential and is expected to achieve a double-digit expansion rate in the next five years.

Precise Market Information, Comments and Feedback, Solution for Manufacturers and Distributors attempting to join the beauty industry in Vietnam area were published by K Beauty International JSC in Sept 2019.



BEAUTY IN'T

CONTENTS

VIETNAM COSMETICS MARKET OVERVIEW

DISTRIBUTION CHANNELS

BUSINESS SOLUTIONS

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VIETNAM COSMETICS MARKET OVERVIEW

- Market statistics data through Aug 2019
- Growth-in-retail cosmetics brands in Vietnam
- Position and market share of Korean brands in Vietnam
- Popular Korean brands in Vietnam





MARKET STATISTICS DATA OF AUG 2019

- Population > 97 million people.
- GDP/person in 2018: $208/month
- GDP in 2018 has increased by 7.08%
- GDP of the 1st half 2019 has increased by 6.76%
- Monthly spending on cosmetics: $20/month
- Vietnam cosmetics market size in 2018 reached 2.2 billion USD
- Imported cosmetics accounts for 90% of market share, the rest for domestic brands

Vietnam Cosmetics Market has a high growth rate and is showing its potential at an estimated annual growth rate of 15-20%

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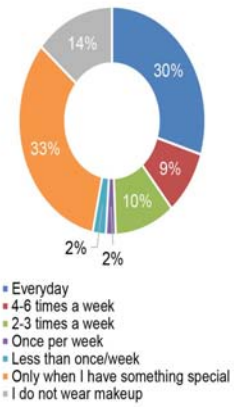


MARKET STATISTICS DATA IN AUG 2019

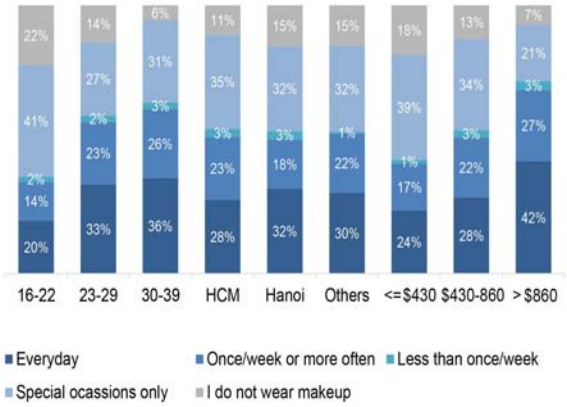
CONSUMER BEHAVIOR AND CURRENT TRENDS OF MAKEUP PRODUCTS

Makeup frequency

Makeup frequency



Makeup frequency by demographics



Half wear makeup at least once per week. A third wear makeup on a daily basis. 23-39, wear makeup most often. Higher incomers wear makeup more often.

Q. How often do you wear make up? (N=480)

6

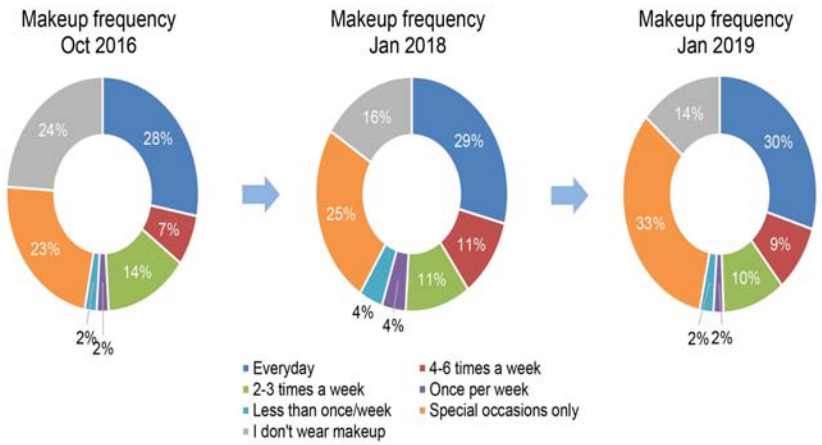


MARKET STATISTICS DATA IN AUG 2019

BEAUTY IN'T

CONSUMER BEHAVIOR AND CURRENT TRENDS OF MAKEUP PRODUCTS

Makeup frequency change compared with previous years



The ratio of people who absolutely don't wear makeup keeps decreasing over the years. Daily makeup wearers also increase.

Q. How often do you wear make up?

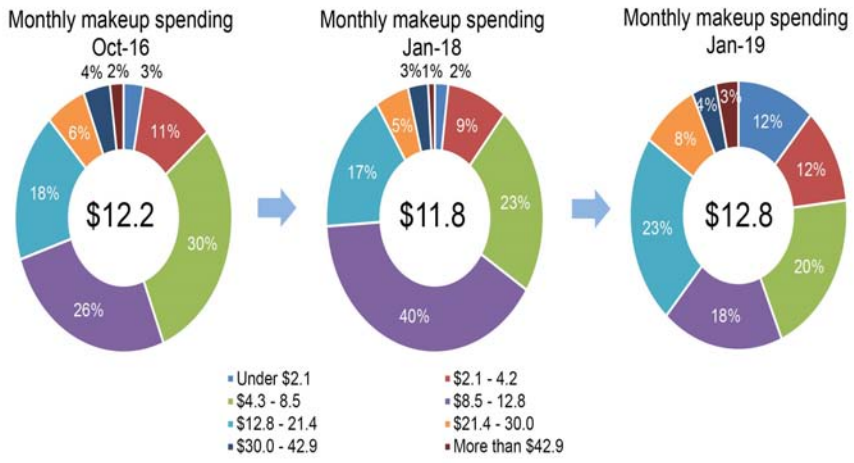


MARKET STATISTICS DATA IN AUG 2019

BEAUTY IN'T

CONSUMER BEHAVIOR AND CURRENT TRENDS OF MAKEUP PRODUCTS

Monthly spending on makeup products



The average monthly spending in 2019 is $12.8, increasing from $11.8 in 2018.

Q. How much do you spend on cosmetics on average a month?

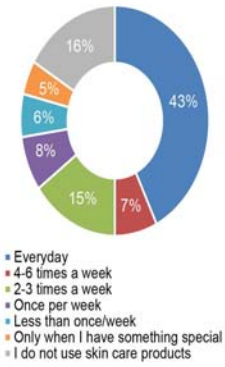
MARKET STATISTICS DATA IN AUG 2019

BEAUTY IN'T

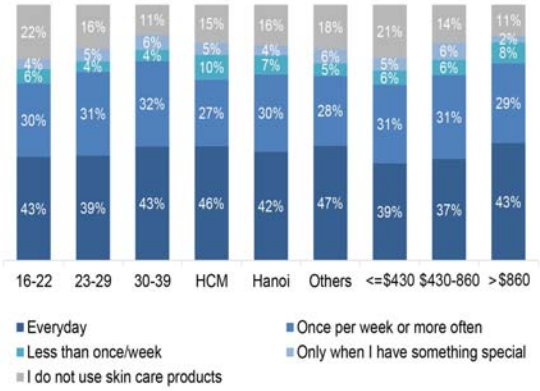
CONSUMER BEHAVIOR AND CURRENT TRENDS OF SKINCARE PRODUCTS

Skincare frequency

Skincare frequency



Skincare frequency by demographics



Nearly half do skincare everyday, 73% use skincare products once/week or more often. 30-39 year-olds, with $860 incomes use skincare products more often.

Q. How often do you use skin care products? (N=480)

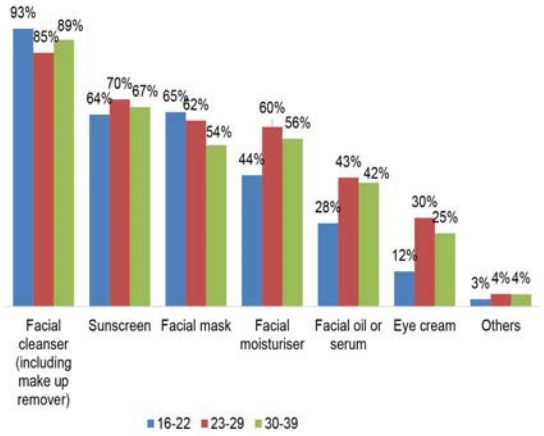
MARKET STATISTICS DATA IN AUG 2019

BEAUTY IN'T

CONSUMER BEHAVIOR AND CURRENT TRENDS OF SKINCARE PRODUCTS



Popular skincare items by age



Cleansers and sunscreens are equally used by all age groups.

Q. Among those, which ones do you use most often? - Skincare



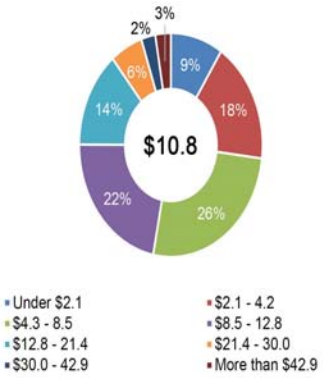
MARKET STATISTICS DATA IN AUG 2019

BEAUTY IN'T

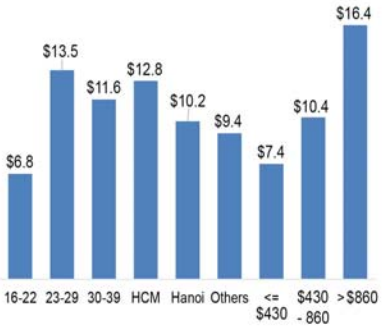
CONSUMER BEHAVIOR AND CURRENT TRENDS OF SKINCARE PRODUCTS

Monthly spending on skincare products

Monthly skincare spending – Total



Average skincare monthly spending - By demographics (in US Dollar)



The most popular spending range for skincare is $4.2 - 12.8 / month.
The average monthly spending is $10.8.

Q. How much do you spend on cosmetics on average a month? (N=401)

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BEAUTY IN'T

VIETNAM COSMETICS MARKET OVERVIEW

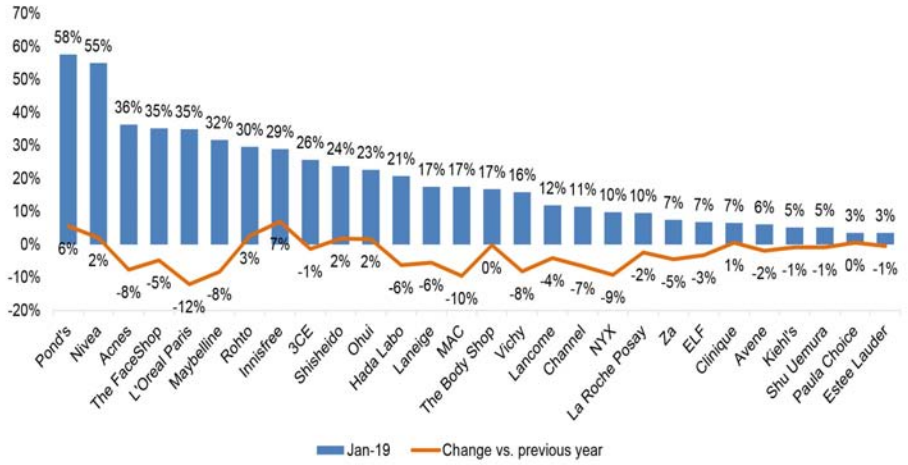
- Market statistics data in Aug 2019
- **Growth-in-retail cosmetics brands in Vietnam**
- Position and market shares of Korean brands in Vietnam
- Popular Korean brands in Vietnam



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Growth-in-retail cosmetics brands in Vietnam

Brands in use

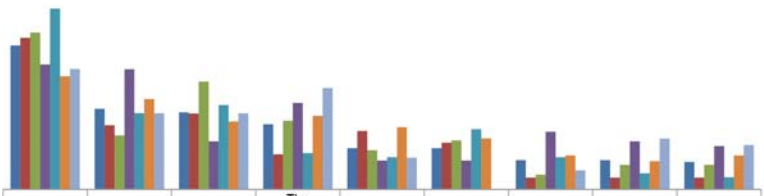


Top 3 most used brands are Pond's, Nivea and Acnes.

Q. Please choose the beauty brands that you used to use / currently using (N=429)

Growth-in-retail cosmetics brands in Vietnam

Favorite brand/ used most often



	Pond's	Nivea	Innisfree	The FaceShop	Hada Labo	Others	L'Oreal Paris	Ohui	Shisheido
Total	20%	11%	10%	9%	6%	6%	4%	4%	4%
16-22	21%	9%	10%	5%	8%	6%	2%	2%	2%
23-29	21%	7%	15%	9%	5%	7%	2%	3%	3%
30-39	17%	16%	7%	12%	4%	4%	8%	7%	6%
<= 10M	25%	10%	11%	5%	4%	8%	4%	2%	2%
10 - 20M	15%	12%	9%	10%	8%	7%	5%	4%	5%
> 20M	16%	10%	10%	14%	4%	0%	3%	7%	6%

Innisfree is liked by 23-29 year-olds. 30-39 year-olds like Nivea, The Faceshop and L'Oreal Paris.

Q. Among those, which brand do you use most often? (N=429)

VIETNAM COSMETICS MARKET OVERVIEW

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- **Position and market shares of Korean brands in Vietnam**
- Popular Korean brands in Vietnam



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Position and market shares of Korean brands in Vietnam

Attractiveness of South Korean culture in Vietnam

Entertainment

TV series

Impact on psychology, changing patterns of thought on the part of young consumers

Music

Not only effect on showbiz, but also changing pace of life, Gradual growth of Korean cultural values for Vietnamese youngsters.

HALLYU KOREAN WAVE

Beauty culture

Cosmetics

Changing concept of traditional beauty, makeup trends, skincare routines

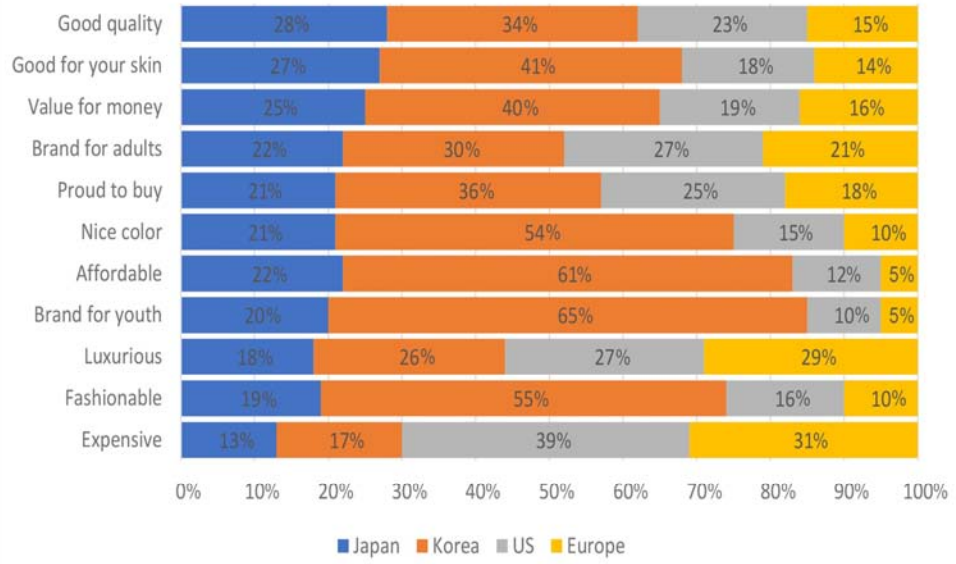
Plastic surgery

Changing standards of beauty, such as high nose, big round eyes, peachy blossom like lips, oval face, body scale 1-9

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Position and market shares of Korean brands in Vietnam

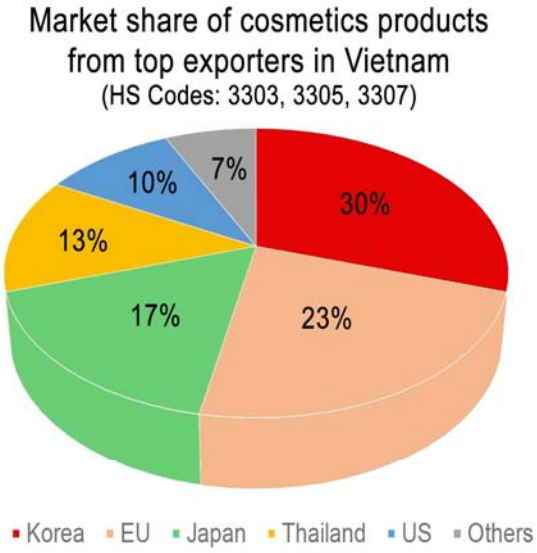
Position of Korean brands in Vietnam



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Position and market shares of Korean brands in Vietnam

MARKET SHARES OF KOREAN BRANDS IN VIETNAM



The market share for cosmetics products by foreign countries is as follows:

- Korea - 30%
- EU - 23%
- Japan - 17%
- Thailand - 13%
- US - 10%
- Others - 7%

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VIETNAM COSMETICS MARKET OVERVIEW

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- Growing-in-retail cosmetics brands in Vietnam
- Position and market shares of Korean brands in Vietnam
- **Popular Korean brands in Vietnam**



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BUSINESS SOLUTIONS

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DISTRIBUTION CHANNELS

BEAUTY IN'T

TRADITIONAL CHANNELS



Counters in DEPARTMENT STORES

High-end products



DRUG STORES/ PHARMACEUTICALS

Drug stores, European brands



SPA, BEAUTY SALON

Invasive surgery, intensive therapy (can't perform at home)

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DISTRIBUTION CHANNELS

BEAUTY IN'T

E-CHANNELS



E-COMMERCE

SOCIAL MEDIA

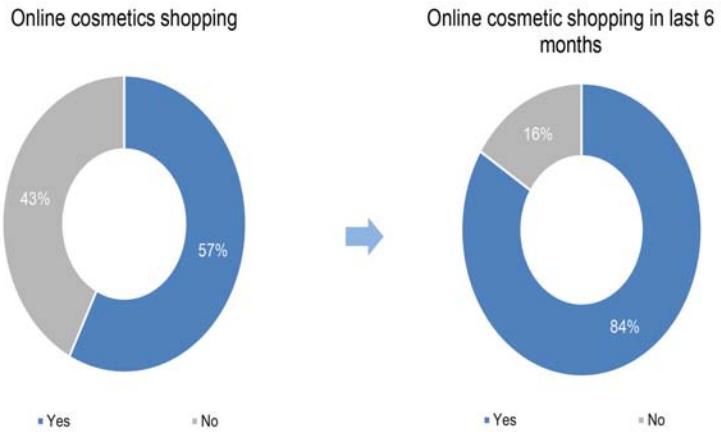


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DISTRIBUTION CHANNELS

E-CHANNELS

Online cosmetics shopping usage



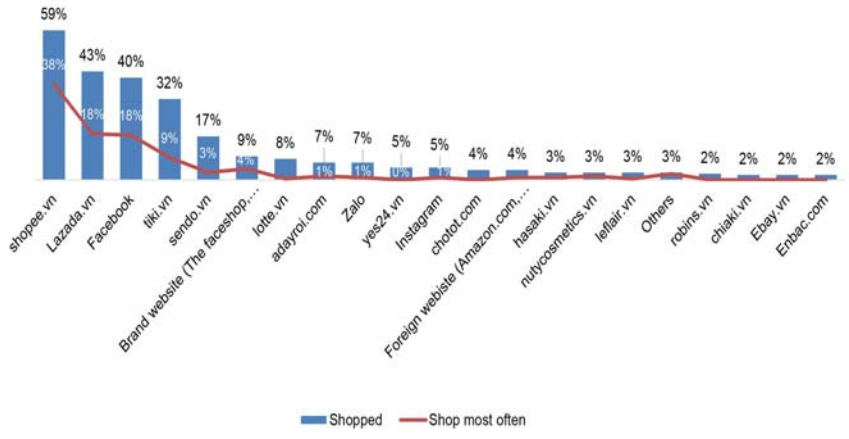
57% of cosmetic users have shopped online for cosmetics, among whom 83% have shopped online for cosmetics in the last 6 months.

Q. Have you shopped for cosmetics online? (N=429)/ Have you bought makeup products online in past 6 month? (N=243)

DISTRIBUTION CHANNELS

E-CHANNELS

Online shopping sites for cosmetics shopping in last 6mo



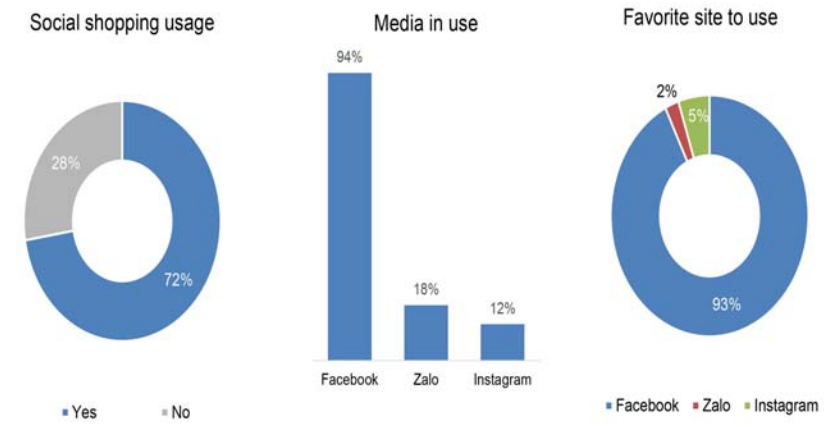
Shopee, Lazada, Facebook and Tiki are the 4 most used sites for online cosmetics shopping.

Q. Where did you buy cosmetic products in the last 6 months?/ Which site do you buy most often? (N=204)

DISTRIBUTION CHANNELS

E-CHANNELS

Social commerce of cosmetics



72% cosmetics users have shopped for cosmetics on social media. Among those, Facebook is the most popular site.

Q. Do you shop for cosmetics on Facebook/ Zalo/ Instagram? (N=243)/ Which site do you shop online for cosmetics most often? (N=176)

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DISTRIBUTION CHANNELS

E-CHANNELS

Reasons for online shopping	Reasons not shopping online
Convenience (44%)	Quality concern (63%)
Better choice of products (43%)	Fear of fake products (54%)
Good price (40%)	Bad/ untrustful information (37%)
No time to buy in stores (33%)	Can't see true products colors (32%)
Good promotions (29%)	Prefer to try products at stores (32%)

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DISTRIBUTION CHANNELS

BEAUTY IN'T

SOME BRAND CUSTOMERS OF GMPC/ KBI USING E-CHANNELS



DR. LACIR

8,000 PRODUCTS SOLD WITHIN 4 MONTHS



BONOTOX

5,000 PRODUCTS SOLD WITHIN 1 MONTH



IHOO

1,500 PRODUCTS SOLD WITHIN 2 MONTHS FROM THE OPENING

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BEAUTY IN'T

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VIETNAM COSMETICS MARKET OVERVIEW

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BUSINESS SOLUTIONS FOR KOREAN ENTREPRISES IN VIETNAM



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BUSINESS SOLUTIONS

SWOT ANALYSIS

STRENGTHS

- Safe product
- Nice design
- Good marketing
- Affordable prices
- Master the formula, technology, production processes

WEAKNESSES

- Unclear quality with Skincare products
- Not really suitable with Vietnamese skin type and the climate of Vietnam
- Product's colorfastness is not good enough
- Korean cosmetic manufacturers lack of export experiemce

OPPORTUNITIES

- Demand for OEM/ODM is increasing
- Trends in using and spending on cosmetics of Vietnamese people are increasing
- Trends in using "cosmeceuticals" or "derma cosmetic"
- Made in Korea products are favorable
- Taxes on semi-finished products and raw materials imported from South Korea is 0%
- Reducing Cosmetic import tax under VKFTA Agreement

CHALLENGES

- Procedures and papers to reduce import tax into Vietnam are complicated.
- Counterfeit and pirated goods are rampant in the market
- Competitive with domestic brands and multinational corporations in the low price segment

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BUSINESS SOLUTIONS

S-O

- Collaborate in OEM/ODM cosmetic
- Learn more about customer's preferences, build effective marketing plan
- Brands that invest in R&D should emphasize the clinical effectiveness of the product.

S- T

- Cooperate with professional consultants to carry out procedures to help reduce import taxes, thereby reducing product prices
- Cooperate in Training, Technology Transfering for Vietnamese Cosmetic Manufacturers

W- O

- Perform market research, improve product quality in accordance with skin type and climate of Vietnam area
- Developing treatment and pharmaceutical products.
- Cooperate with Vietnamese / Korean professional consultancy / distribution units to better understand the export process and to implement effectively.

W - T

- Deploy and provide information of distribution channels to customers in order to help customers avoid counterfeit products and help brands avoid reputation lost
- Do market research, offering products that are suitable for Vietnamese skin in the low price segment

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BUSINESS SOLUTIONS

OBSTACLES

LANGUAGE

Different alphabet and language

CULTURE

Different consumer tastes and behavior

LAW

Unstable and changeable laws

DISTANCE

risks in transporting and delivering products and documents

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BUSINESS SOLUTIONS

BEAUTY IN'T

COOPERATE WITH KOTRA









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BUSINESS SOLUTIONS

BEAUTY IN'T

COOPERATE WITH KBI COSMETICS., JSC



OEM/ODM



REGISTRATION



TECHNOLOGY TRANSFER



CONTAINERS & PACKAGING



IMPORT COSMETICS

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THANKS FOR LISTENING

8

인도의 밀레니얼 세대와 K-Beauty의 기회

리메세(주), 한득천 대표



발표자 : 한득천 리메세(주) 대표



학력

KAIST 경영대학원 석사	2009 - 2011
Indian School of Business (ISB) 교환과정 세계 랭킹 20위권 MBA	2010

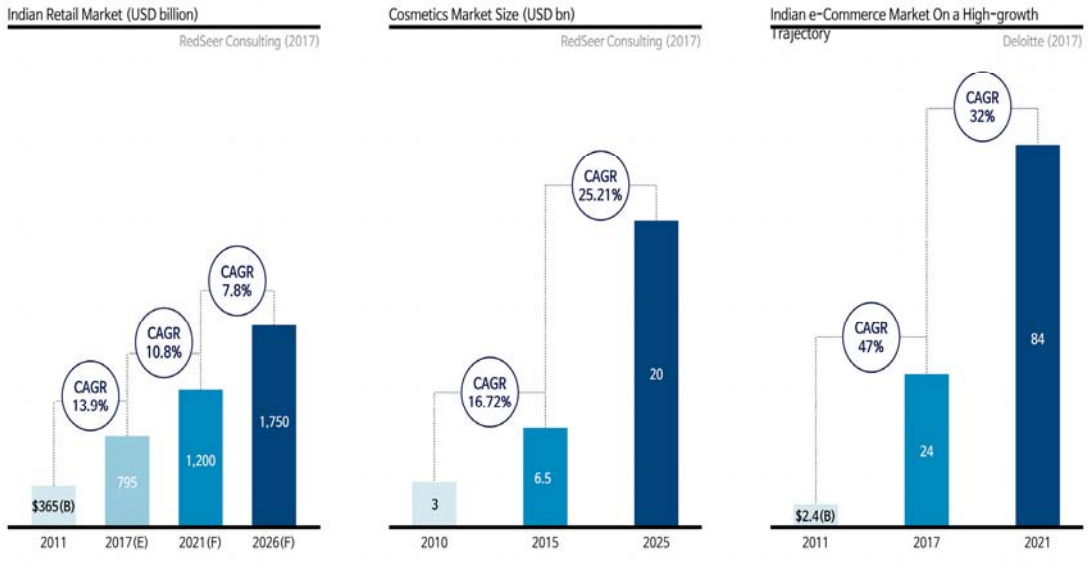
경력

KAIST 경영경제연구소 연구원 SSCI 저널 등재 에너지 대기업과 함께 데이터 분석 연구 수행 등	2011 - 2014
피키캐스트 운영/전략팀 유저행동 패턴 분석 및 경영전략 수립	2015 - 2016
리메세 주식회사 대표 인도 K-Beauty 플랫폼 런칭	2016 -

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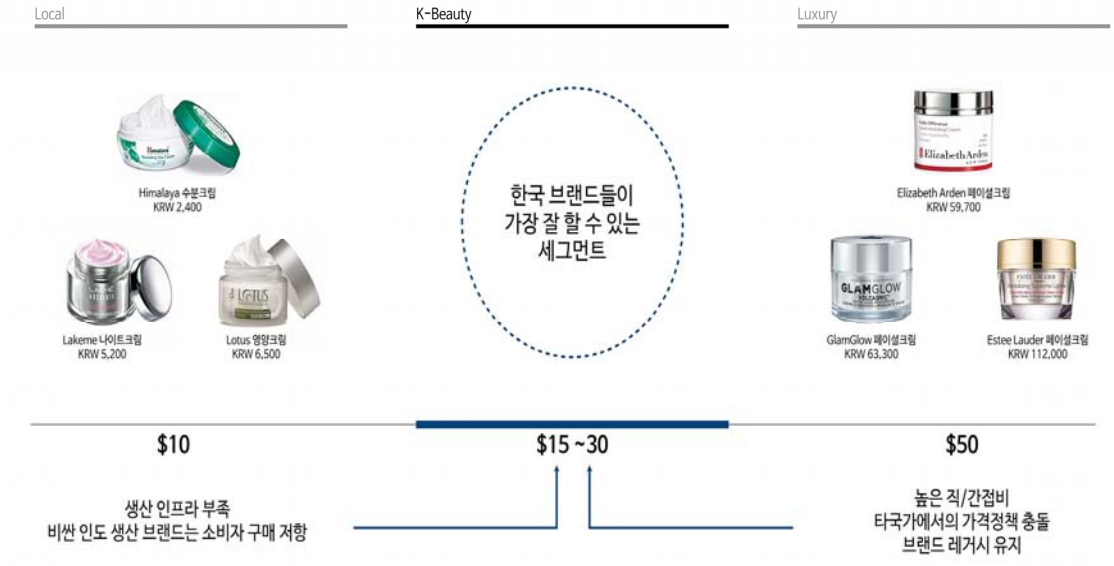


세계에서 가장 빠른 속도로 성장중인 인도 화장품 시장



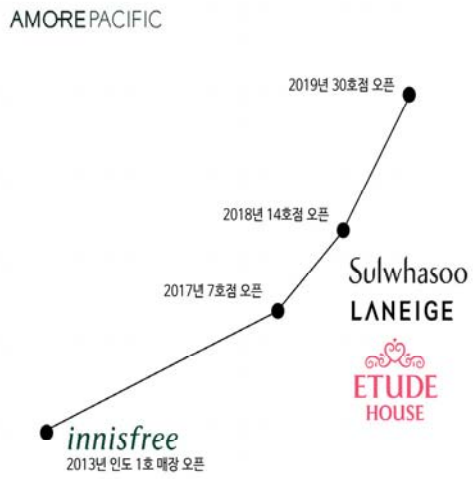
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인도 화장품 시장에서 발견한 K-Beauty의 기회

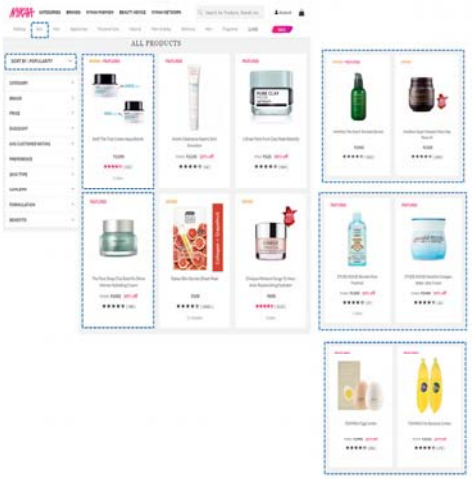


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K-Beauty 대형 브랜드들의 성공적 시장 진입



2018년 하반기부터 AP 주력 브랜드 추가 런칭에 박차



$ 15-30 가량의 K-Beauty 제품들이
인도 뷰티 이커머스 베스트셀러(스킨케어)의 상당수를 차지

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중견·중소 브랜드들은 진입이 까다로운 인도시장

"6개월 이상의 장기간이 소요되고, 신뢰할 수 없는 위생 허가 취득 과정"

T브랜드 CEO

"인도 전역에 유통과 물류를 커버할 수 있는 현지 바이어 부재"

K브랜드 인도 담당자

"인도 유통 채널의 느리고 비효율적인 커뮤니케이션 및 업무 처리 방식"

C브랜드 인도 담당자

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특히 인도 진출을 어렵게 하는 높은 진입 장벽

~~역직구~~ 화장품류 개인 통관 불가
한국-인도 높은 운송비

~~핸드캐리~~ 입국 시 단속 강화
경제성 낮음

~~보세창고~~ 국가에서 운영하고 있지 않음

→ **정식통관**

2019년 수입산 화장품에 대한 인도 정부 규제 더욱 강화

↓

중국, 동남아시아, 그리고 미국보다도 진출이 어려운 시장

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빠르고 확실한 위생허가 취득 및 유통 대응 역량이 중요

Limese.

가장 빠르게 인도 위생허가를
취득할 수 있는 역량 보유



GOVERNMENT OF INDIA
Central Drugs Standard Control Organisation
Ministry of Health & Family Welfare
FDA BHAWAN, KOTLA ROAD, NEW DELHI - 110 002 (INDIA)

Form 43

(See rule 129-C)

REGISTRATION CERTIFICATE

Registration Certificate issued for import of cosmetics into India
Under Drugs and Cosmetics Rules, 1945

Registration Certificate No. RC/COS-0008%

Date 09-Oct-2018

Page No.: 1

위생허가 취득 시
인도 내 지정된 에이전트만
해당 위생허가증을 통해
제품 수입 및 유통을 담당하도록 되어 있음

위생허가 취득만으로는
유통을 취득할 수 없으며,
반드시 유통 역량이 있는
에이전시를 선정하는 것이 중요함

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*참고 : 인도 위생허가(CDSCO) 취득을 위해 구비해야 할 서류

브랜드사 요청 서류

1. POA (판매위임장)
2. 제품 단상자 전개도
3. Certificate of Free Sales (자율판매증명원)
4. List of Countries (제품 유통 국가)
5. 타국 위생허가 인증 서류 등 (부재 시 생략)

제조사 요청 서류

1. COA
2. Testing Protocol (COA 검사 항목 검사 방법)
3. Manufacturer License
4. Animal Testing Declaration (동물 비실험 선언)
5. Heavy Metal Test Report (중금속 검사서)
6. Microbiological Test Report (미생물 검사서)
7. BIS Declaration (인도 기준 충족 선언서)
8. ISO / CGMP 등 인증서
9. Brand Authorization Letter (브랜드 OEM제조 확인서)

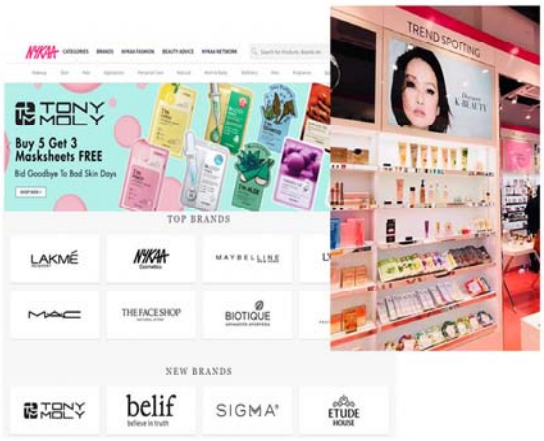
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*참고 : 인도 현지를 대표하는 이커머스 채널



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*참고 : Nykaa



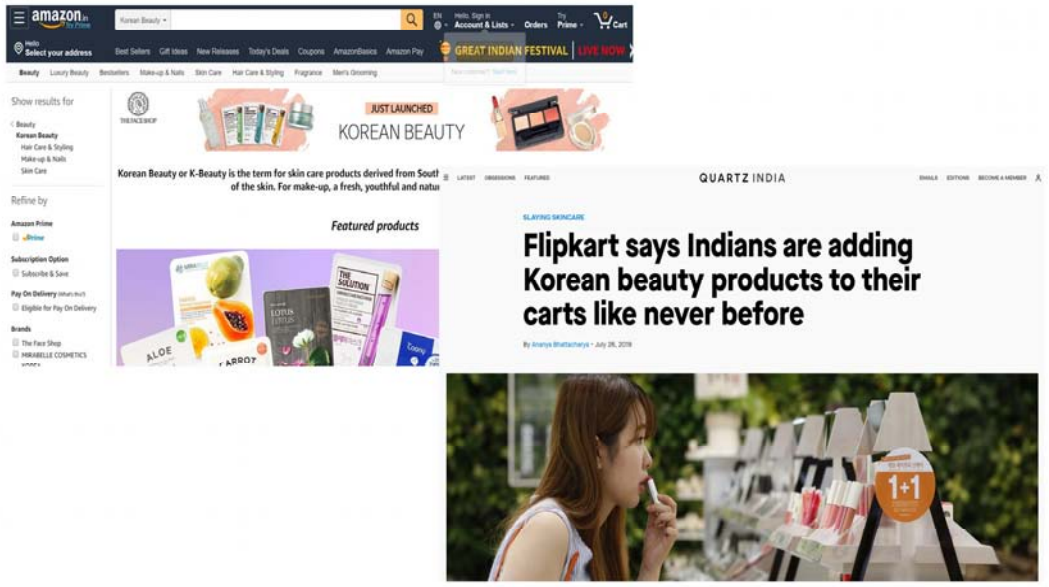


"The launch of The Face Shop and Innisfree has resulted in a 15% increase in skin care sales on Nykaa in 2017"

NIHIR Parikh, (Chief Business Officer, Nykaa)

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*참고 : amazon.in, Flipkart

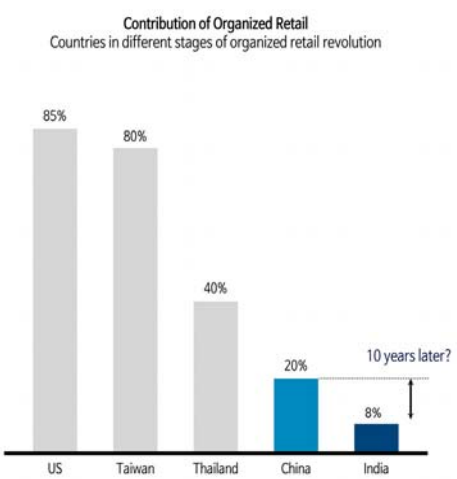


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인도 특유의 지배적 유통 형태인 Un-Organized 마켓의 중요성

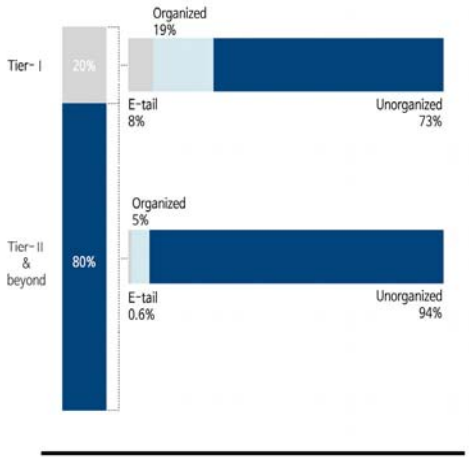
Global Organized Retail Penetration

Crisil, The-Ken estimates (2019)



Total Retail Consumption ($630 B)

Mckinsey (2016)



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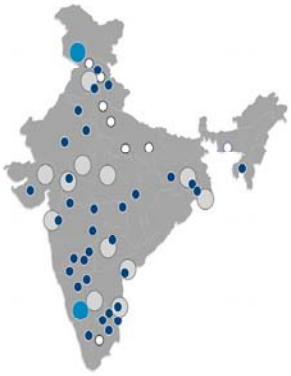
인도 특유의 지배적 유통 형태인 Un-Organized 마켓의 중요성

Share of Elite & Affluent Households (%)

BCG CCI proprietary income database; Indicus Analytics; BCG analysis



INDIA, 2016



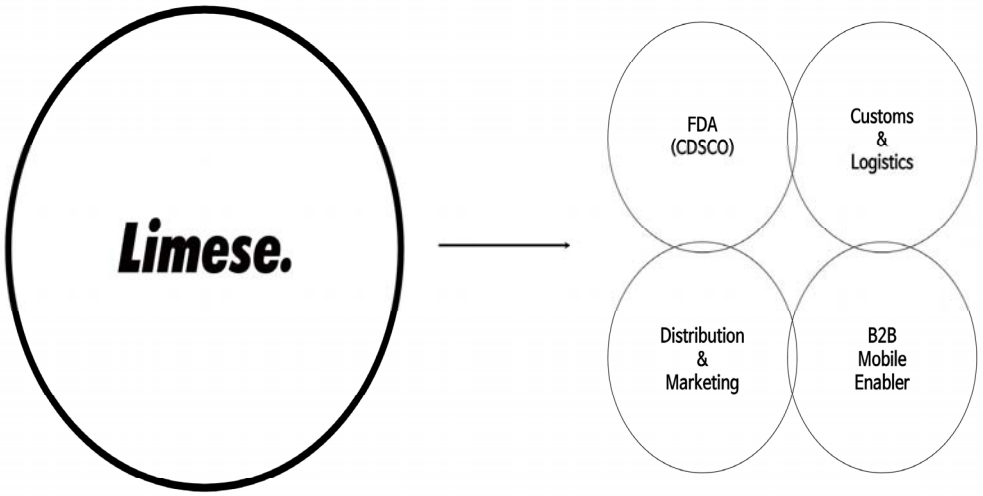
INDIA, 2025



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위생허가, 통관, 물류 그리고 판매까지 전 영역을 완벽히 컨트롤하는 리메세



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When it comes to the future of K-beauty in India,
two of the biggest forces driving—and mainstreaming—
the market are Nykaa and Limese.
- The Ken, March 2019

설명회자료 19-036

2019 글로벌 화장품 트렌드 포럼

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홈페이지	www.kotra.or.kr
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2019 글로벌
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