

Cosmetics & Personal Care Products

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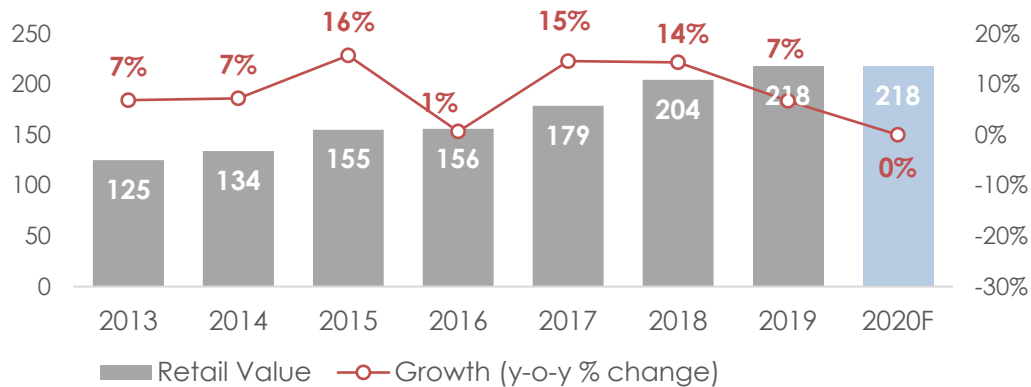
Overview of the Cosmetics & Personal Care Market in Thailand

Cosmetics & Personal Care Products Market in Thailand

- Thailand's cosmetics and personal care products have been consistently growing because beauty is an essential part of enhancing personality and self-confidence. It is undeniable that cosmetics and personal care products have become a part of Thai daily life.

Cosmetics & Personal Care Products Market Value

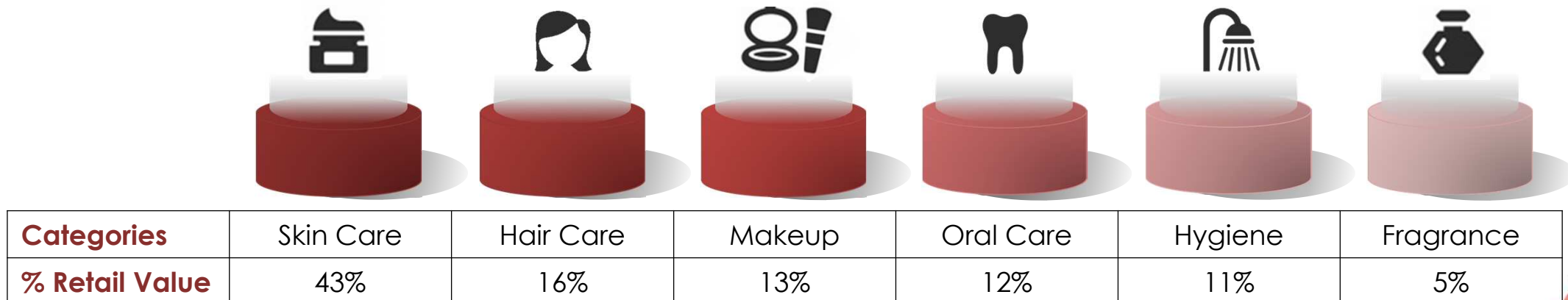
Unit : Billion THB



Source: Euromonitor International and forecasted by L'Oréal
Note: F = forecast

- According to Euromonitor, the total retail value of cosmetics and personal care products in 2019 stood at THB 218 billion, growing from THB 125 billion in 2013, with a CAGR of 8%.
- L'Oréal, one of the leading companies in the Thai market, forecasted that the value of cosmetics and personal care products in 2020 would remain stable at around THB 218 billion despite the COVID-19 situation.
- In Thailand, cosmetic and personal care products are categorized into skincare, haircare, makeup, oral care, hygiene, and fragrance.
- In 2019, skincare products had the largest share amongst cosmetics and personal care products market, at around 42% of the total market value.

Thailand's Cosmetics & Personal Care Products Shares by Category in 2019



Source: Euromonitor International

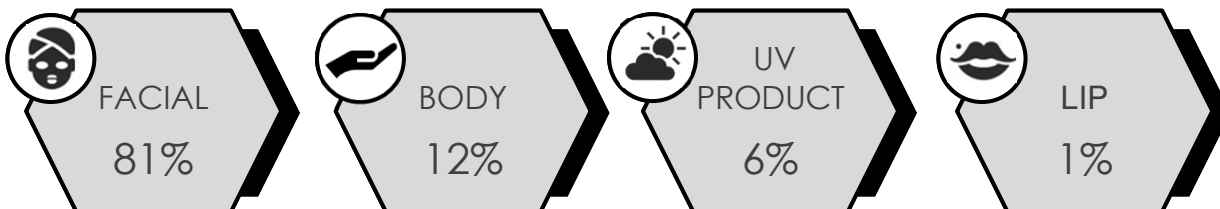
Overview of the Skin Care Segment in Thailand

Cosmetics & Personal Care Products Market in Thailand – Skin Care

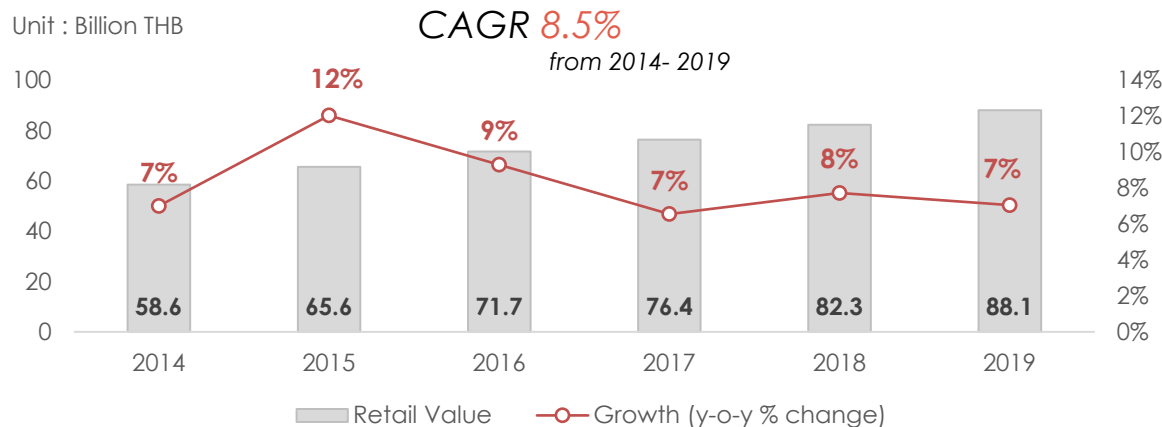
- Skincare* products are considered the most significant cosmetics and personal care products segment in Thailand, with a total retail value around THB 81.1 billion in 2019, increasing from THB 82.3 billion in 2018 by 7%.
- Based on Euromonitor's survey, skin care products for facial have the majority share of the total skincare product marketplace, at around 81% value share, followed by body care products, UV products and skincare for the lip.



Skin Care Market in 2019 :

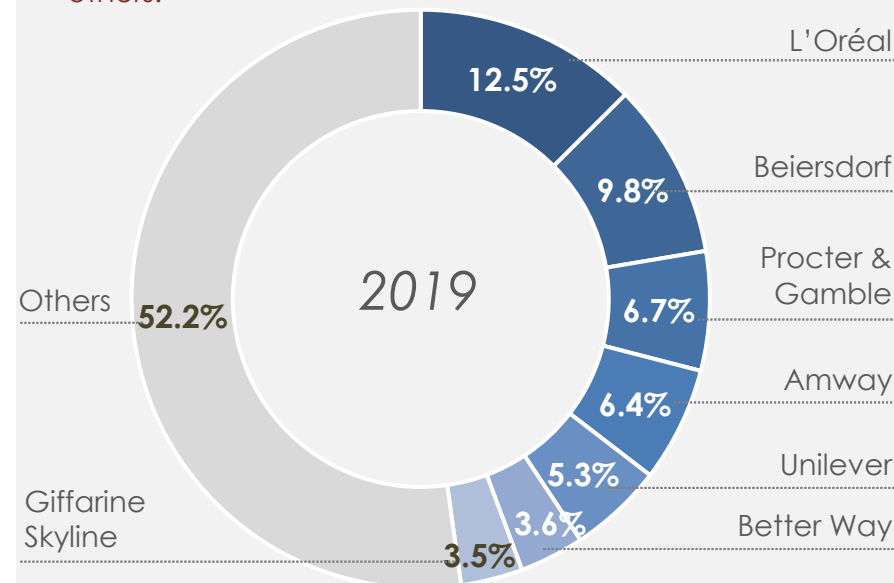


Market Size of Skin Care Products in 2014-2019



Company Shares of Skin Care by National Brand Owner

- The skin care retail market's leading company is L'Oréal, with a 12.5% share of the total retail market value. The remainder is Beiersdorf, Procter & Gamble, Amway, and others.



Source: Euromonitor International

Note: *The aggregation of facial care, body care, hand care and skin care sets/kits.

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Overview of the Hair Care Segment in Thailand

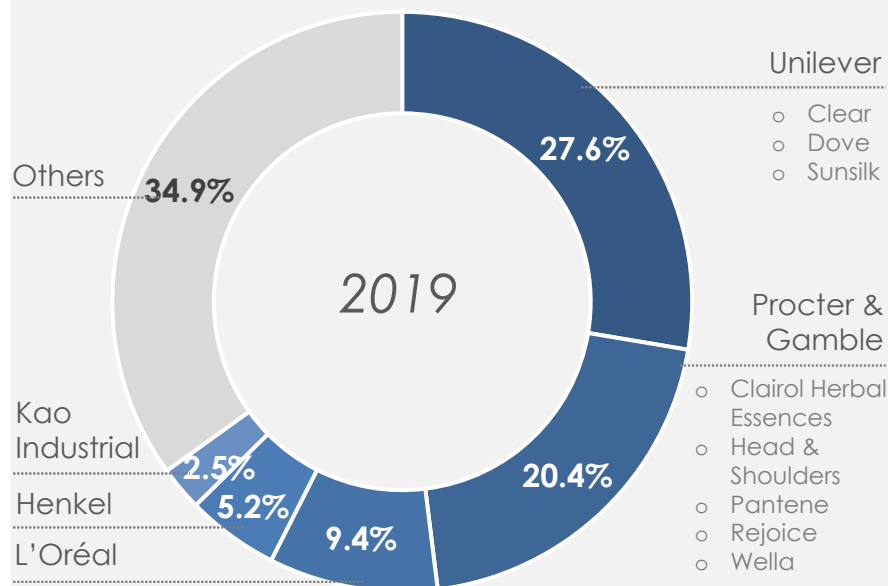
Cosmetics & Personal Care Products Market in Thailand - Hair Care

- Thailand's hair care* products retail market was valued at approximately THB 33 billion in 2019, up by 6% from 2018 with the CAGR 5.4% from 2014-2019. This growth is driven by the growing innovation and premiumization of product offerings.
- Due to basic hair care routines, hair care products like shampoos, conditioners and treatments continue to secure the largest share of total hair products market value.

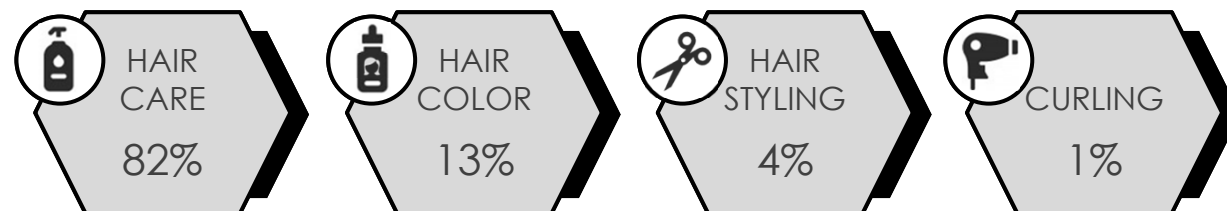


Company Shares of Hair Care by National Brand Owner

- Unilever maintains the leading position in hair care products with a 27.6% retail value share in 2019 due to the strengths in hair care's main categories, under flagship brands: Clear, Dove and Sunsilk.

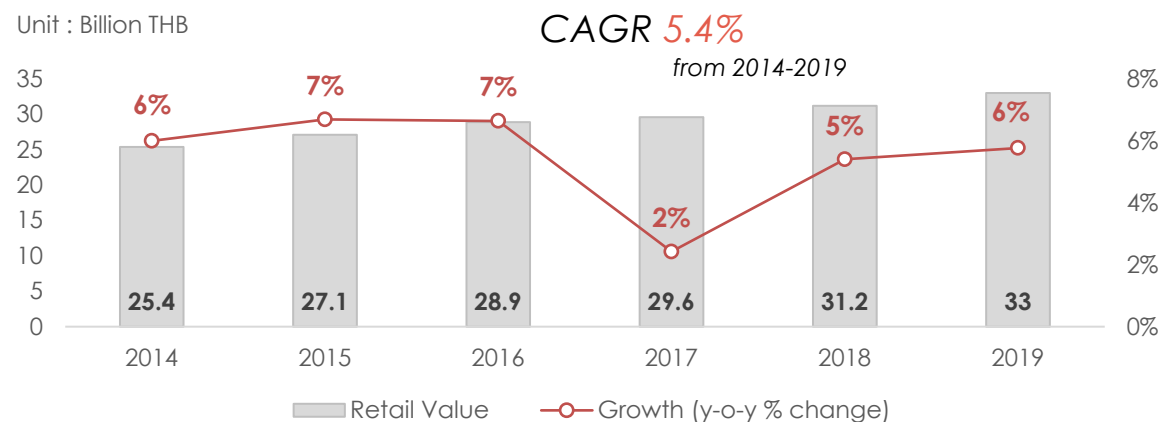


Hair Care Market in 2019 :



Market Size of Hair Care Products in 2014-2019

Unit : Billion THB



Source: Euromonitor International

Note: *The aggregation of shampoos, conditioners, styling agents, hair loss treatments, 2in1 products, perms and relaxants, colourants and salon hair care. Ethnic hair care products, such as conditioning relaxers for Afro-Caribbean hair, are included across all subsectors. Excluded are hair accessories such as hair extensions, hair clips, combs and brushes.

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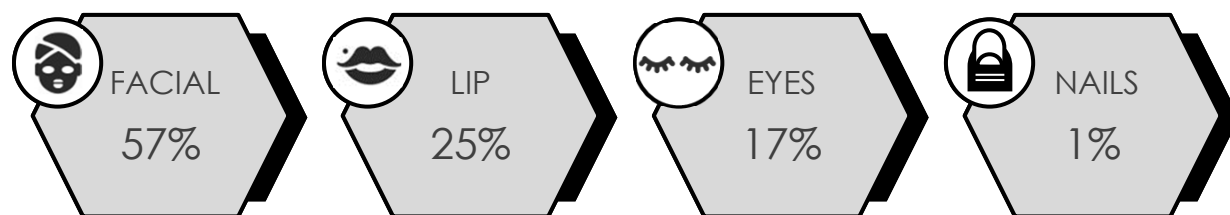
Overview of the Makeup Segment in Thailand

Cosmetics & Personal Care Products Market in Thailand - Makeup

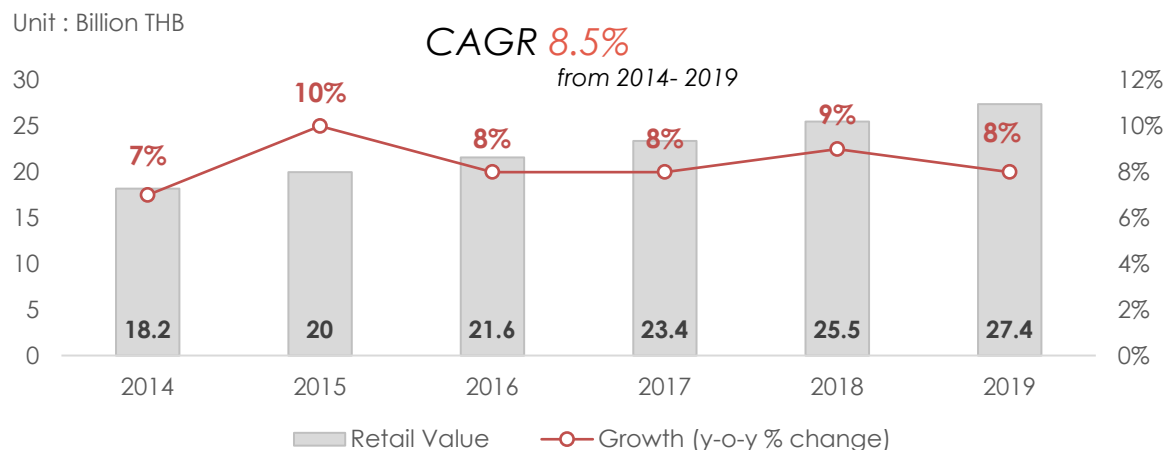
- The retail market value of makeup* (colour cosmetics) in 2019 stood at THB 27.4 billion, growing by 8% from 2018 and records a CAGR of 8.5% from 2014-2019.
- Facial makeup products have the majority share in total makeup marketplace with a 57% value share in 2019, ahead of Makeup for Lip with 25%, eyes with 17%, and nails with only at 1%.



Makeup Market in 2019 :

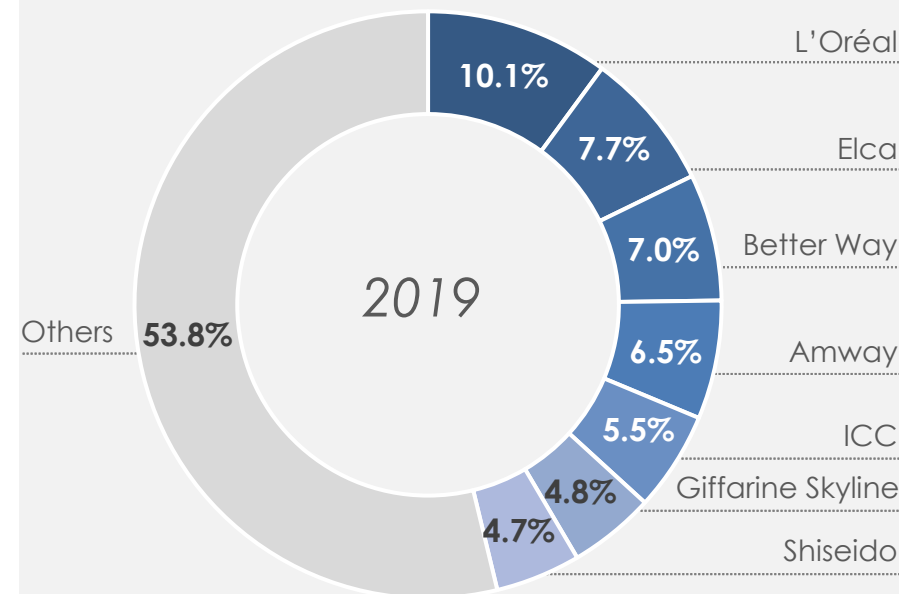


Market Size of Makeup in 2014-2019



Company Shares of Makeup by National Brand Owner

- The leading position in the Thai makeup market was occupied by L'Oréal with a 10% value share in 2019, followed by Elca, Better Way, Amway, ICC, Giffarine Skyline, Shiseido, and others.



Source: Euromonitor International

Note: *The aggregation of facial make-up, eye make-up, lip products, nail products and colour cosmetics sets/kits.

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Overview of the Oral Care and Hygiene Segment in Thailand

Cosmetics & Personal Care Products Market in Thailand - Oral Care and Hygiene

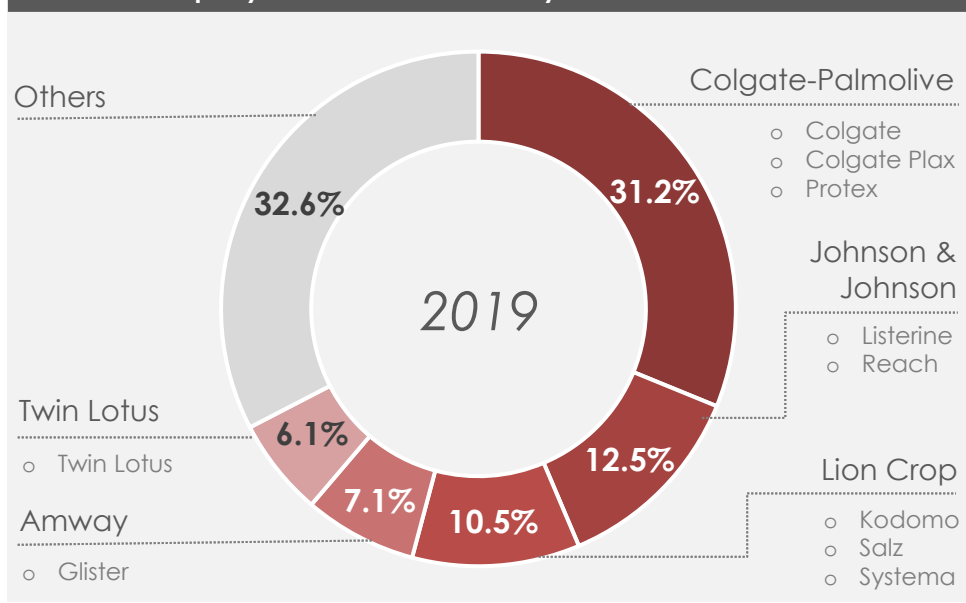
Oral care* has the highest growth in the total cosmetics and personal care products market in Thailand, presenting a very attractive 9% growth to 25.7 billion baht in the retail market in 2019.



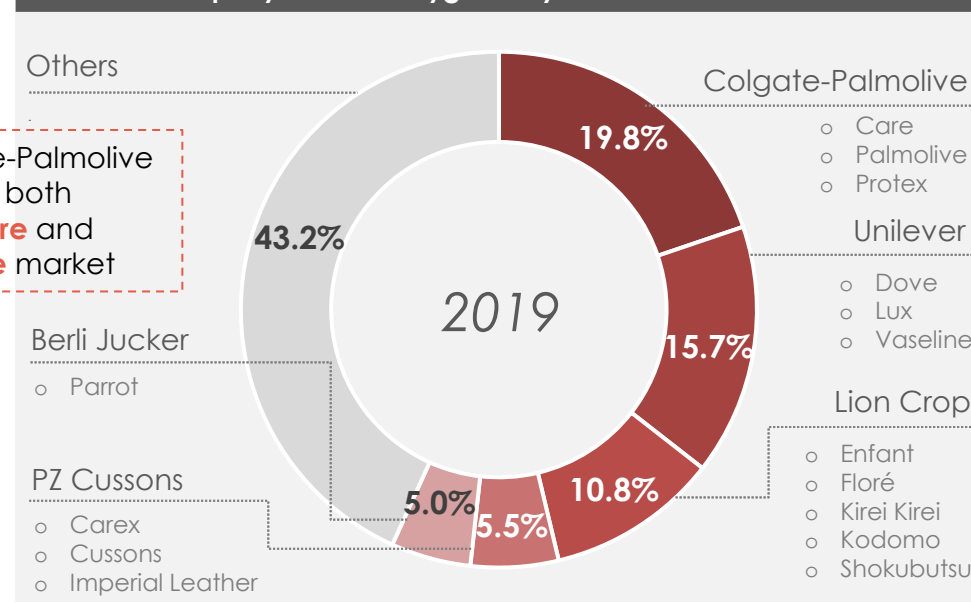
Hygiene** products in Thailand valued at around THB 22 billion in 2019 with the growth only 4%, the lowest market growth compared to other segments of the total cosmetics and personal care products retail market.



Company Shares of Oral Care by National Brand Owner



Company Shares of Hygiene by National Brand Owner



Colgate-Palmolive leads in both **Oral Care** and **Hygiene** market

Source: Euromonitor International

Note: * The aggregation of toothpaste, toothbrushes, mouthwashes/dental rinses, denture care, mouth fresheners at home teeth whiteners and dental floss.

Source: Euromonitor International

Note: **The aggregation of bar soap, bath additives, body wash/shower gel, inmate washes, inmate wipes, liquid soap and talcum powder.

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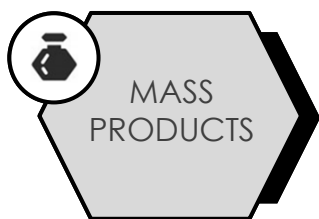
Overview of the Fragrances Segment in Thailand

Cosmetics & Personal Care Products Market in Thailand - Fragrances

- Fragrances* retail value growth increased by 6% to reach THB 9.6 billion in 2019. The expected significant declines in sales of fragrances in 2020 are due to fewer outings by the population during the coronavirus pandemic.
- The fragrances market is classified into two groups; mass products and premium products. Leading companies in mass fragrances market are Bio Consumer, Osotspa, and Better Way. Meanwhile, Elca, Chanel, and Dior are the top international companies in Thailand's premium products market.



Fragrances Market:



Local Companies

- Bio Consumer
- Osotspa
- Better Way
- Giffarine

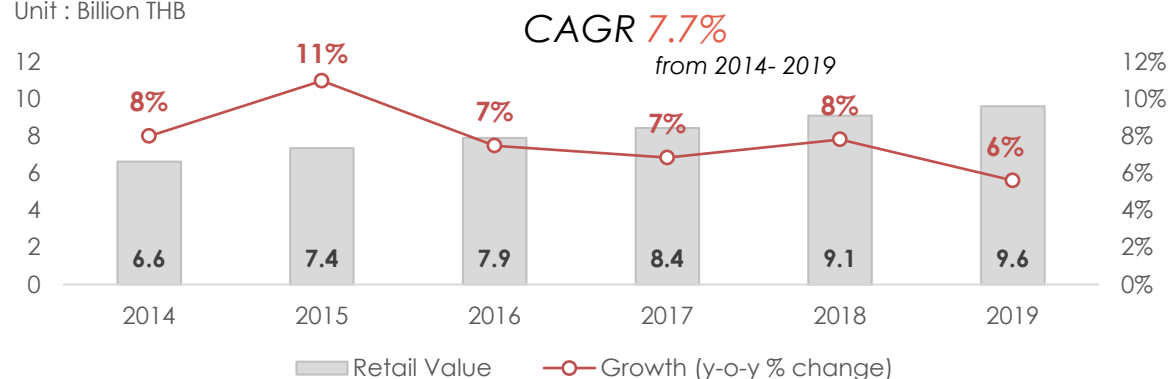


Inter - Companies

- Elca
- Chanel
- Dior

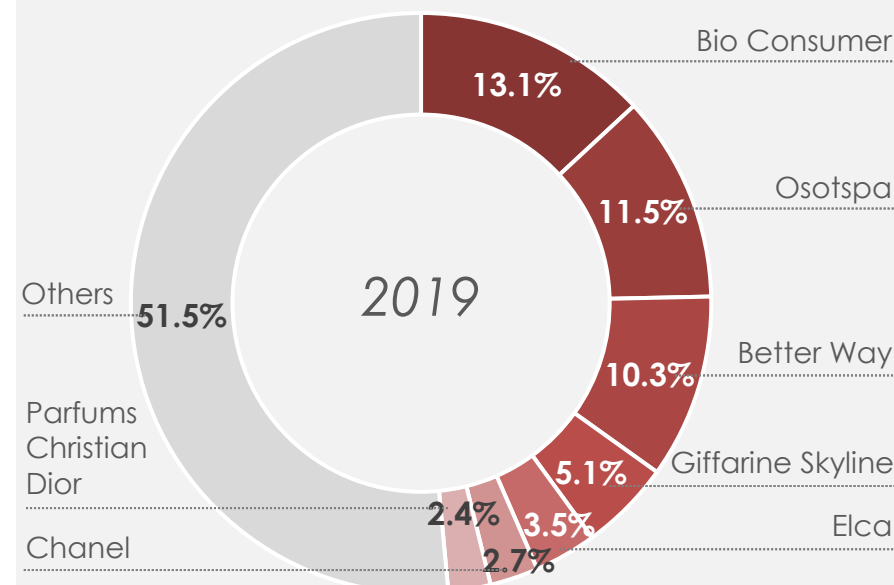
Market Size of Fragrances in 2014-2019

Unit : Billion THB



Company Shares of Fragrances by National Brand Owner

- Bio Consumer, a local company that includes Eversense, Genie and Tros, leads the fragrances market with a 13.1% value share in 2019.



Source: Euromonitor International

Note: *The aggregation of men's, women's and unisex mass and premium fragrances as well as fragrances sets/kits.

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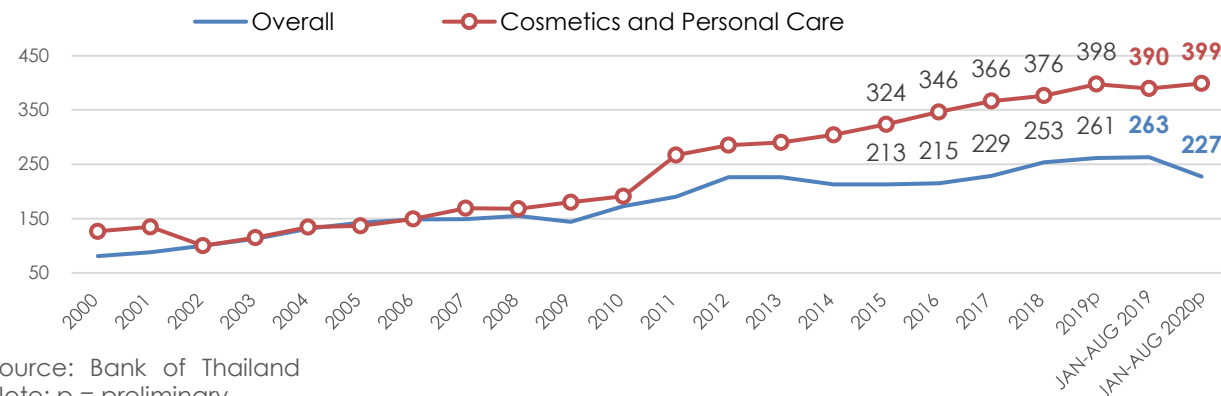
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Retail and Distribution of Cosmetics & Personal Care Products in Thailand

Thailand's Retail Market Movements

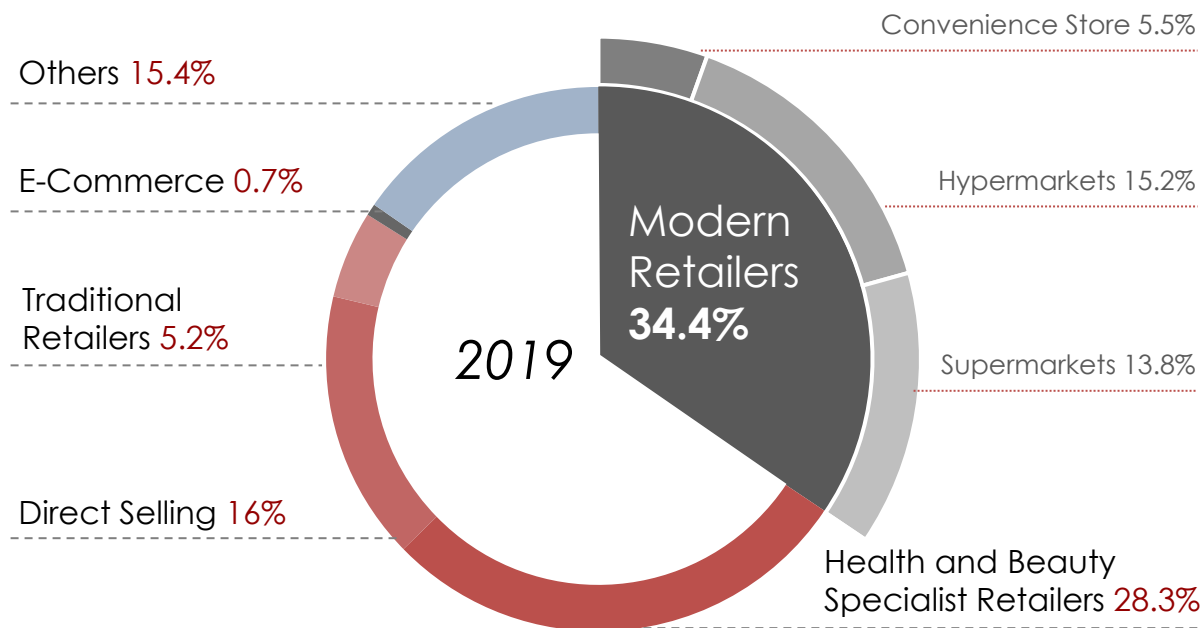
- As revealed by the Bank of Thailand, retail sales of cosmetics and personal care products were growing in Thailand, exceeding the total retail sales of previous years since 2006.
- In the first quarter of 2020, while the country's overall retail sales index decreased compared to the first quarter of 2019, cosmetics and personal care segment is likely to expand.
- According to Euromonitor, modern retailers are the largest distributor of cosmetics and personal care products in Thailand at 34.4% in 2019, including convenience stores, hypermarkets, and supermarkets.
- Meanwhile, health and beauty specialist retailers like Watson, Boots and Eveandboy, are gaining more popularity amongst Thai consumers, who are enjoying the extensive range of brands offered in one-stop stores.
- Online stores on e-commerce platforms are currently the key distributors due to the increasing e-commerce trends and the effect of Coronavirus. Although online channels remain small in value compared with other offline stores, it displays rapid growth.

Thailand's Retail Sales Index of Cosmetics & Personal Care Products in Specialized Retail Stores



Source: Bank of Thailand
Note: p = preliminary

Distribution of Cosmetics & Personal Care by Format in Thailand



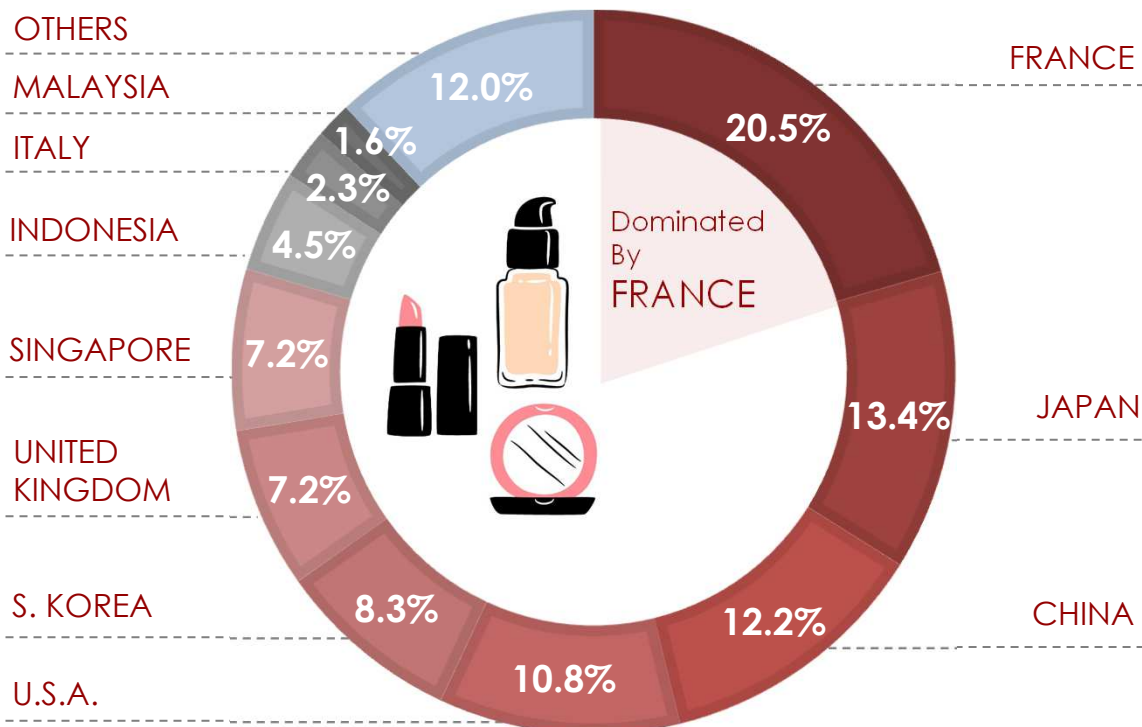
Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Import of Cosmetics & Personal Care Products in Thailand

Import of Cosmetics & Personal Care Products in Thailand

- Thailand imports many cosmetics and personal care products every year, especially makeup and skincare due to the demand for well-known brands from France and U.S.A, plus trends of using Japanese and Korean cosmetic brands. There are also various products imported from many brands with manufacturing bases in China.
- Thailand's imported cosmetics and personal care products valued around THB 45 billion in 2019. France is the primary importer, with a market share of 20.5%, whereas Japan amounted to around 13.4% of the total import market value.

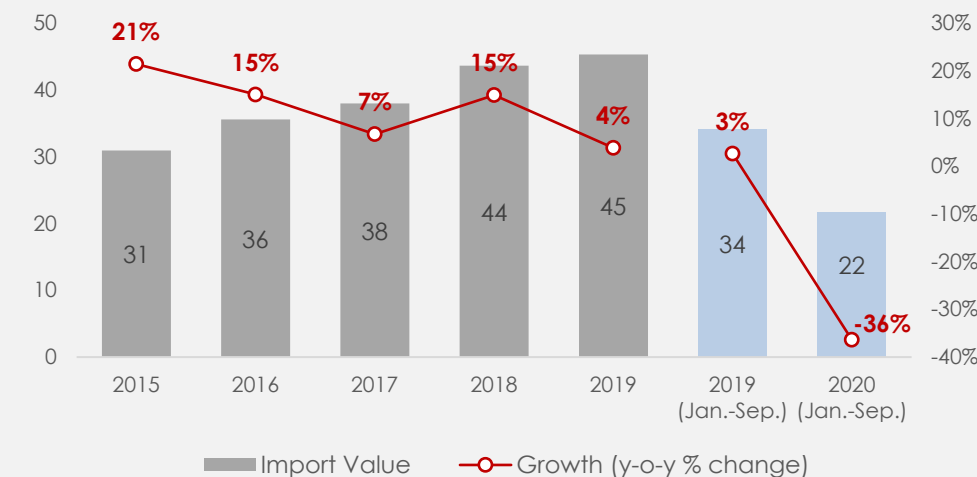
Import Value Shares 2019 (by Country)



Note: The import of cosmetics & personal care products in the charts include only products under product Items code 3303, 3304, 3305, 3306, and 3307.

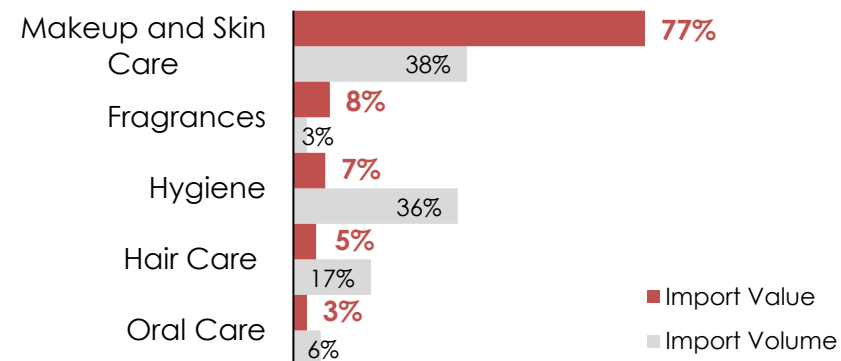
Thailand's Import Value of Cosmetics & Personal Care Products

Unit : Billion THB



Thailand's Import Value and Volume by Category in 2019

- In 2019, makeup and skincare took the most significant share in the import market at 77% by value and 38% in volume terms.



Source: Ministry of Commerce

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Key Players in the Thailand Cosmetics & Personal Care Products Market

Top 10 Major Companies in Cosmetics & Personal Care Products Market

Companies	Flagship Brands
Unilever Thai Holdings Ltd	Clear / Dove / Sunsilk / Vaseline
L'Oréal Thailand Co Ltd	L'Oréal / Lancôme / Maybelline
Procter & Gamble Mfg Thailand Ltd	Olay / SK-II / Pantene
Colgate-Palmolive Thailand Ltd	Colgate / Darlie / Protex
Beiersdorf Thailand Co Ltd	Eucerin / Nivea
Amway (Thailand) Ltd	Artistry / Body Series / Glister
Johnson & Johnson (Thailand) Ltd	Listerine / Reach
Better Way (Thailand) Co Ltd	Mistine
Elca (Thailand) Co Ltd	Estée Lauder / La Mer / Mac
Lion Corp (Thailand) Ltd	Kodomo / Salz / Systema
Giffarine Skyline Unity Co Ltd	Giffarine
Shiseido (Thailand) Co Ltd	Shiseido / IPSA / Nars

Source: Euromonitor International

Note: Major companies in the lists are ranking by NBO company retail value share in 2019

Major Sales Channel for Cosmetics & Personal Care Products

Department Store	Counter brands in department store ✓ CENTRAL ✓ THE MALL
Supermarket / Convenience Store	Mass and FMCG* products in supermarket and convenience store ✓ Big C ✓ Tesco Lotus ✓ 7-11
Health & Beauty Specialist Store	<div> ✓ Watsons ✓ Boots ✓ Eveandboy </div> <div> ✓ Tsuruha ✓ Matsukiyo ✓ Sephora </div>
Branded Shop	<div> ✓ The Body Shop ✓ Innisfree ✓ Etude House </div> <div> ✓ Beauty Buffet ✓ Beauty Community </div>
E-Commerce	✓ Online Shopping Site ✓ Specialist Online Store ✓ Brand.com

Note: * The fast-moving consumer goods (FMCG)

Key Success Factors in the Thailand Cosmetics & Personal Care Products Market

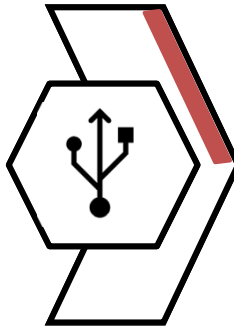
Key Success Factors

- There are several types of cosmetics and personal care products with differing qualities and prices to serve customers' needs. Due to the intense competition in the market, big players employ various marketing strategies to increase market share. Also, big players in the cosmetics and personal care products market have adapted their business strategies to handle the impacts of COVID-19.

NEW TECHNOLOGY

Operators in the market are developing and employing new technologies to improve their cosmetics and personal care products.

For example, many market brands offer simple step skincare routines like all-in-1 skincare products. Meanwhile, some cosmetics and personal care retail stores such as Sephora is introducing virtual make-up services and recommend products using AR technology.



PRODUCT R&D

Development of new products by significant operators will further increase Thailand's cosmetics and personal care products.

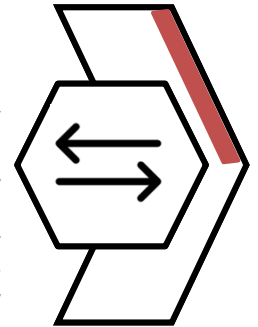
For example, top players in the market focused mainly on R&D to develop new products with natural beauty ingredients and ingredient innovation for better customer experience, and focus on niche markets such as men's grooming etc.



CONTINUOUS ADAPTATION

As a result of the coronavirus (Covid-19) spread, major brands adjusted their marketing strategies to survive and react to new end-consumer shopping habits.

For example, L'Oréal adapted by providing new technologies such as online, virtual try-on and smart mirrors, focusing on e-commerce sales, and equipping its beauty advisors with online training.



CUSTOMER LOYALTY

Players should have the ability to attract their target markets and understand customers' needs to maintain relationships and brand loyalty.

For example, Mistine products are available all over the country at reasonable prices, including uses of the direct-sales method and care, which in turn produced customers who are loyal to the brand.



ONLINE RETAIL CHANNEL

The online retail channel is increasingly gaining importance in the current situation.

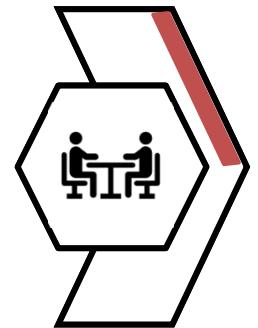
For example, major providers created their websites or partner with leading e-marketplaces such as Shopee or Lazada to increase customer awareness and to offer an online shop-in-shop, which is more convenient and efficient.



PARTNERSHIPS

New marketing strategy, such as collaboration and partnerships with influencers and celebrities are among the most popular techniques to help market brands more effectively in Thailand.

For example, almost every major brand uses influencers or celebrities to promote its new product launches and attract more customers.



SUCCESS!

Source: Published news

Trends & Opportunities

Trends and Opportunities in Thailand's Cosmetics & Personal Care Products Market

Recent Trends & Prospects

Trends

New normal:

- ❑ Hygiene market growth trend due to consumers being more focused on cleanliness to protect themselves from the virus
- ❑ Shifting towards online stores on e-commerce platforms
- ❑ Offering many technologies to avoid customers directly touching products to reduce the spread of the virus

Consumer behaviour:

- ❑ Thais continue to spend huge amount to splurge on their skincare routines and makeup, including hair care, even during the COVID-19 pandemic
- ❑ An increasing trend of cosmetics and skincare for men
- ❑ Consumers prefer cosmeceutical products containing natural, herbal ingredients to replace synthetic chemicals
- ❑ The celebrities, influencers and reviewers influence customer's buying decisions
- ❑ The urban lifestyle in Thailand causes many brands to offer innovative products that combine all essential skincare into a one-step routine

Challenges

COVID-19 pandemic

- ❑ The purchasing power of Thais after Covid-19 are affected
- ❑ Thais must wear masks outside, hence will start using less makeup, especially lipstick

Intense competition

- ❑ There is huge number of cosmetic and personal care product brands, but only a few can build brand loyalty and retain customers
- ❑ New, innovative products from Japan and Korea continue to enter the market
- ❑ Difficult to sustain the interest of young customers using social media

Business Opportunities

- ❑ Despite the current COVID-19 outbreak, there are plenty of business opportunities in growing Thailand's cosmetics and personal care products market.

❑ **Hygiene products, especially soap and alcohol gel**✓ **Mask-friendly products**

- Products that protect mask-related issues like oilier skin and acne
- Products that make it possible for customers to wear makeup under a mask

There are always opportunities in this segment because Thais use cosmetics and personal care products to enhance their personality and self-confidence.

✓ **High-demand products**

- Skincare from natural ingredients
- Makeup for a "no make-up" look
- Haircare at home
- Premiumization and using of natural key ingredients
- Makeup and skin care for men

➢ Men's skincare is increasingly dynamic due to the growing social acceptance of men's grooming

✓ **New technology and innovative products**

- All-in-1-step skincare products
- Customized products to tailor to the skin of individual customers

Source: Public news

Conclusion

- Thailand's cosmetics and personal care are among the fastest-growing consumer goods segment and have seen massive growth over the last several years. Even though value growth was flat in 2020 due to the various effects of COVID-19 and the measures taken to combat the virus such as working from home, projected growth to rebound return quickly in 2021, and maintaining steady rates throughout the forecast period.
- Among cosmetics and personal care product categories in Thailand, all sub-categories presented healthy growth rates in 2019. Skincare products saw the most growth, both in terms of total market value and import value.
- However, since cosmetics and personal care products are part of Thais' daily life, there is still room for growth. There are also opportunities in every category, such as new product innovation, product premiumisation, and men's grooming.
- Besides, other crucial issues, such as the changes in customers' needs, technologies, and specific regulations, i.e. the Cosmetics Act B.E. 2015, are essential and need to be updated regularly.

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