

Market Intelligence Digest

Volume 1 Issue No. 15 | September 2019



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What's Trending in South Korean Skincare (Part 1)

Active beauty trends diversify the South Korean skincare market, while brands show greater transparency with safe, multi-functional ingredients.

The highlights

✓ Local consumer trends

South Korea's aged society is seeing the values and interests of Millennials increasingly shape the emergence of new trends. Developments that embrace customization, improve small, overlooked inconveniences and highlight functionality over brand power will influence the direction of product innovation.

✓ The market

The South Korean skincare market saw positive growth in 2018 and is expected to continue developing over the next five years. The anti-ageing segment accounts for the largest market share in facial care. China's decreasing interest in Korean beauty brands and trends is a significant market concern.

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✓ Key innovation trends

Skincare brands express active beauty themes through cooling technologies and sweat-resistant formulas. Safety is emphasized by globally recognized certifications and milder, more eco-friendly offerings. Multitasking products simplify daily skincare routines for both male and female consumers.

Local consumer trends impacting the South Korean skincare market

Celebrating individuality

Millennials value self-expression and expect their personal preferences to be respected. As they become the dominant economic force, demand for smart products customized to fit their lifestyles and reflect their personalities is increasing.

Micromobility gaining popularity

Investment towards mobility startups helps more people access electric bikes and kickboards where public transportation is limited. Fast, affordable and easy-to-use services attract younger consumers desiring convenience.

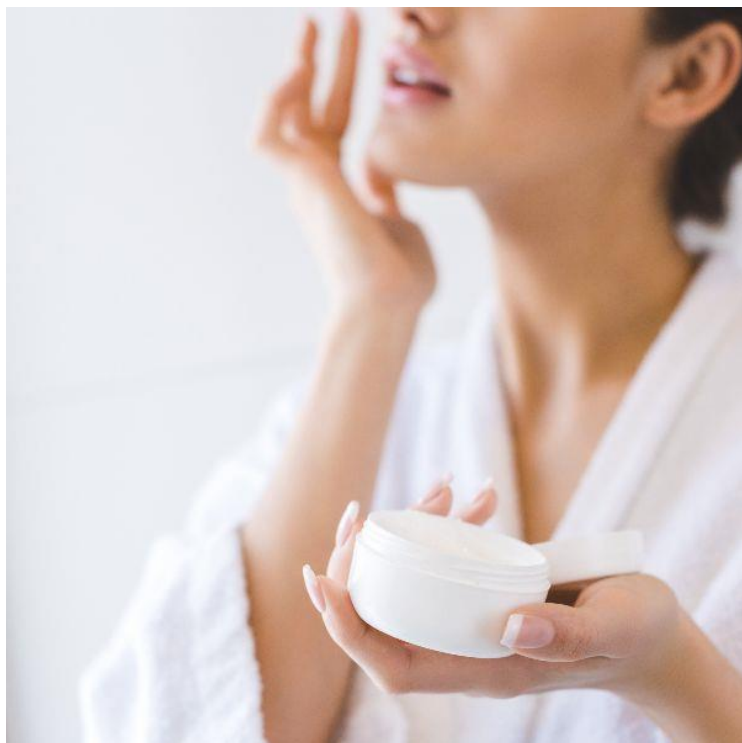
Growth spurt for multi-brand shops

Consumers prefer to shop at large multi-brand beauty shops rather than single-brand stores. A diverse product range and greater emphasis on functionality rather than brand power plays a role in attracting customers.

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South Korea's skincare market landscape



The South Korean facial skincare market value increased by 7.6%* in 2018 to stand at US\$4.7B and is expected to continue to experience growth with a positive CAGR of 3% from 2018-22 to reach US\$5.5B in 2022.

The rise in market value was likely driven by partially relaxed political tensions with China, offsetting the severe reduction in tourism and tourist spending on South Korean beauty products seen the previous year. Meanwhile, increased spending by tourists from Southeast Asia also contributes to the improvement in market performance.

Market challenge: Waning influence of K-beauty in China

The sharp drop in South Korean cosmetics sales in 2017, which was attributed to a low number of Chinese tourists, still has not fully recovered despite somewhat thawed political relations between China and Korea.

Group tours to Korea are still banned by the Chinese government, but a greater threat to Korean manufacturers may be the [marked changes in Chinese consumers' preference for local and Japanese beauty brands over K-beauty](#).

Improvements in the quality of domestic Chinese brands along with competitive prices and the rise of the *hanfu* movement (a revitalization of traditional Han Chinese fashion) fuel the trend, while increased tourism to Japan is raising the influence of J-beauty.

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Key innovation trends impacting the South Korean skincare market

Active beauty

Products designed to be used before and after exposure to sun and outdoor elements diversify. Notably, [product launches described as 'cooling' increased by 87% in 2018 compared to the year before](#), evidenced by the wider range of freezable and/or calming products.

Skin safety

[New launches in 2018 mentioning 'EWG' increased by 58% compared to the previous year](#) as more manufacturers obtain ingredient safety certification. Consumer awareness of the interrelated nature of skin health and environmental pollution influences product innovation for milder, biodegradable products.

Skip-care

Brands capitalize on minimalist trends as consumers seek to save time and decrease their daily exposure to chemicals. Ampoules and essences containing only essential multitasking ingredients replace toners and lotions while all-in-one solutions attract more men to enter the skincare market.