Innovation trends and opportunities in South Korea Hair Care Market

Sumit Chopra, Director of Research and Analysis

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GlobalData at a Glance

4,000 of the world’s largest companies make better and more timely decisions thanks to our unique data, expert analysis and innovative solutions delivered through a single platform.

Our Solutions

- GlobalData provides a range of ways that clients can access our data and insights to meet their individual business needs:
  - Intelligence Center
  - Consulting Services
  - Reports

Our Industry Coverage

- Our services cover five primary industries:
  - Consumer
  - Retail
  - Technology
  - Healthcare
  - Financial Services

Our Value Proposition

- We empower clients to decode the uncertain future they face by providing:
  - Unique data
  - Expert analysis
  - Innovative solutions
  - One platform

Our Expertise

- Market Intelligence
- Product Strategy Management
- Competitive Intelligence
- Strategic Planning
- Marketing
- Channel and Sales Management
Unique data, expert analysis and innovative solutions.

Leading Haircare market research, consumer research and consulting agency

1. Market Performance
   - Analysts in 96 markets

2. Consumer Research
   - 540,000 survey responses a year

3. Innovation
   - 2.1 million products tracked
The TrendSights trends that are driving growth in haircare category are pinpointed below.
Index

1. About GlobalData
2. The South Korea Haircare Landscape
3. Innovation trends
4. Drivers
5. Opportunities for haircare brands
6. Looking ahead – where next for haircare?
Index

1. About GlobalData
2. The South Korea Haircare Landscape
3. Innovation trends
4. Drivers
5. Opportunities for haircare brands
6. Looking ahead – where next for haircare?
The APAC C&T industry was the largest region in 2018 with a value of US$ 177.7bn.

Source: GlobalData 2018
The global haircare market 2018

Haircare market value ($) and volume(Units) 2018

- America: $29.3bn, 6.2bn
- Western Europe: $14.2bn, 2bn
- Eastern Europe: $4.7bn, 1.3bn
- Middle East & Africa: $4.8bn, 1.3bn
- Asia Pacific: $29.3bn, 6.2bn
- Global: $82.2bn, 17.1bn

Source: GlobalData 2018
South Korean haircare market Landscape 2018-2023

Haircare market value ($)

CAGR 2017-2022 (%)

Value M USD

2018 2019 2020 2021 2022 2023

1,190 1,229 1,261 1,288 1,311 1,331

Haircare market volume (Units)

CAGR 2017-2022 (%)

Volume M Units

2018 2019 2020 2021 2022 2023

34.8 35.7 36.7 37.7 38.5 39.2

Source: GlobalData 2018
Top three fastest-growing haircare segments

Market value 2018 ($) and CAGR 2018–23 (%)

- **Shampoo**: $400m, +2.4%
- **Conditioner**: $282m, +1.9%
- **Hair colorants**: $225m, +1.8%

Source: GlobalData 2018
Innovation trends

The impact on health and wellbeing has the strongest influence on beauty and grooming purchases. Haircare products, is the most influential on consumer purchasing decisions.

Natural Wave
- Wellbeing; Natural & Pure; Personalized Guided Health; Experimentation

Being Unique
- Novel & Experiment; Sensory Fusion; Experimentation; Experience Economy; Customization

Making it simple
- Time Scarcity; Efficient & Effective; Out-of-Home; Simplicity; On-the-Go

Targeting the silver segment
- Aging population; Image Consciousness; Customization

Source: GlobalData 2018
Index

1. About GlobalData
2. The South Korea Haircare Landscape
3. Innovation trends
4. Drivers
5. Opportunities for haircare brands
6. Looking ahead – where next for haircare?
Trend 1: Natural wave

Consumers are seeking for natural and organic products that are expected to rise in prominence

What
- Consumers in South Korea are seeking new, indulgent and unusual products with exotic ingredients which gives them a sense of luxury and relaxing experience.

Why
- Haircare products that go beyond their basic beautifying function to add “improvised care,” such as products which go past moisturizing and therefore provides natural humectant properties, are growing in popularity.

How
- Manufacturers are therefore capitalizing on this trend and offering products with special formulations and exclusive ingredients.

Source: GlobalData 2018
Trend 1: Natural wave

Examples we like: using ingredients associated with natural image

Holika Holika Hair Rinsing Vinegar, Face Shop, South Korea

Marketed under the Face Shop brand name, a new Natural scalp healer with Apple cider vinegar helps in reducing the hair’s acidity level. With a pH level of 3, it seals the cuticle and reduces the alkalinity of the hair. As consumers are becoming ingredient-aware, boycotting chemicals such as paraben and surfactant. Thus replacing these with vinegar is a good idea for natural seeking consumers, as well as curious ones. This cost effective solution, used after conditioning repairs hair damaged by salon products.

Tonymoly Hair Mayo Nutrition Pack, South Korea

Tonymoly’s Haeyo Zayo Hair Sleeping Pack is fortified with nutrition enriched oils giving a lustrous shine and moisture to the hair after usage. It’s a combination of Mayo, Shea Butter, Macadamia Seed Oil with a smell of sweet blend of vanilla and macadamia nuts. Helps in defeating the fizziness of the hair by supplying ultimate hydration.
Trend 2: Being unique

Consumers are likely to prefer a premium brand product occasionally in their haircare routine

Being Unique

What
- Experiential South Korean women are on the lookout for novel solutions specifically in haircare, such as new textures and color combinations, and those offering experimental looks.

Why
- The rising disposable incomes of South Korean consumers is empowering them to indulge more in premium products with specific formulations.

How
- The manufacturers have increasingly focused on launching novel and innovative products, such as a hair masks which comes in single-use pouches which facilitates premiumization.

Source: GlobalData’s Product Launch Analytics
Trend 2: Being unique

Examples we like: tailoring products based on consumer’s needs

**Kocostar - Capsule Mask - Luster Hair, South Korea**

In South Korea, and the USA, Firstmarket Co., Ltd. has launched its Luster Hair Capsule Mask under the Kocostar banner that is claimed to contain essential oils that help to restore the "natural shine and silkiness" to the hair. Presented as a count of seven capsules within a resealable plastic bag. Offering a hair mask that also comes in a capsule format full of essential oils to help revive the hair is different to standard products in the category in these countries.

**Yves Rocher - Rinsing Vinegar – Raspberry, South Korea**

CJ Olive Young Co Ltd has introduced a new Raspberry option of Rinsing Vinegar marketed under the Yves Rocher brand name in South Korea, does not contain praben or silicone. This rinse-off hair treatment is to be used after shampoo and conditioner, and is traditional hair care method in France. It helps repair and seal the hair cuticles, leaving hair soft, smooth and radiant. It also helps to reduce mineral build up. As the Korean market has strategic value to global luxury brands, it is widely viewed as the fashion leader in the region.

Source: GlobalData’s Product Launch Analytics
Trend 3: Make it simple

*Time-scarce consumers demand quick to use, convenient, and simplified haircare products*

**What**
- Rising urbanization levels are inspiring busy South Korean consumers to look for simpler, time-saving beauty regimens. This has led to an increased demand for multi-functional products.

**Why**
- Multi-functional products can be used to treat a number of adverse issues in haircare with less attention, time and regular demands.

**How**
- This “more than one benefit” approach has motivated manufacturers to expand and innovate in the segment and introduce plethora of haircare products with multiple benefits.

Source: GlobalData’s Product Launch Analytics
Trend 3: Make it simple

Examples we like: simplifying the haircare routine

Moltobene Clay Esthe EX Scalp Essence, South Korea

Moltobene Clay Esthe EX Scalp Essence is a lightweight essence or leave in fluid which helps dry as well as oily hair by providing hydration as well as cleaning the scalp oil respectively, allowing easy-to-use and mess-free haircare even on-the-go. Most of the consumers think that "on-the-go" products helps in being a time savior in the busy world of millennials, thus this offering may resonate well with those consumers giving more attention to the formulation of the beauty items they are using as well as being time effective.

Skinfood Peppermint Fresh Scalp Relaxing Tonic, South Korea

Skinfood Peppermint Fresh Scalp Relaxing Tonic, a scalp tonic helps in cooling down the scalp and removes the buildup from the oily scalp. Scalp spray such as these, are already popular in Eastern Asian countries such as Japan, but often targeted for men. Following this trend, but choosing women as a target audience is likely to attract many curious beauty-attentive consumers who are after new method of keeping up their appearances without putting much effort. Amore Pacific is the distributor.
Trend 4: Targeting the silver segment

South Korean still look to prevent the aging natural process

What
- Scepticism about the effectiveness of anti-aging products have driven silver consumers’ demand for haircare products to manage the natural aging process.

Why
- Pro-aging products that highlight or strengthen white or grey hair will resonate well with South Korean consumers where it is also crucial for brands to persuade consumers about the effectiveness of anti-aging items.

How
- Haircare brands should therefore seek to engage consumers through offerings which target specific hair issues such as thinning hair, dull hair, and lack of hair volume which are often related to aging.

Source: [1] GlobalData 2017 Q1 global consumer survey;
Trend 4: Targeting the silver segment

Examples we like: embracing the aging natural process

**SanDaWha Revitalizing Liposome Lotion, South Korea**
A light emulsion of 40 nature-derived extracts and oils designed for aged skin, this lotion is a part of a beauty regimen, promising to defeat the wrinkles and firming up the elasticity, leaving a shining final effect.

**Sulwhasoo Capsulized Ginseng Fortifying Serum, South Korea**
This serum helps in giving a a noticeable boost in firmness and density of the skin helping in skin's overall resilience. The final result gives a natural and diva like look highlighting and improving the skin by properly concealing it completely.

**Erborian Pate au Ginseng Black Concentrated Mask, South Korea**
This little pot of black gold packed with ginseng, one of Korean skin care’s beloved ingredients for its brightening helps in tackling anti-aging-related skin problem. The product will entice those Asian consumers seeking out a daily solution to treat aging skin.

**Missha Time Revolution First Treatment Essence, South Korea**
The "youth prolonging essence" is claimed to be a highly concentrated blend of fermented ingredients proven to fight the ten signs of aging skin: like dulling, firmness, dryness, elasticity, porosity, skin irritation and coarse texture. This watery type product helps in hydrating the skin giving a smooth and brighten skin tone.

Index

1. About GlobalData
2. The South Korea Haircare Landscape
3. Innovation trends
4. Drivers
5. Opportunities for haircare brands
6. Looking ahead – where next for haircare?
What is driving the change in consumer behavior?

A more proactive consumers’ attitude and behavior impact the dynamics of Haircare Industry. ‘Brands keeping pace to improve the social interaction with final consumers’

Image consciousness

Pressure of social media

Holistic approach to beauty

Source: GlobalData 2018
A significant % of consumers say they are concerned about the impact of diet on their health and appearance.

Consumers often claim social media has made them more self-conscious about their appearance.

Source: GlobalData 2018
Shift from traditional haircare regime towards more sophisticated haircare regime

Source: GlobalData 2018
Index

1. About GlobalData
2. The South Korea Haircare Landscape
3. Innovation trends
4. Drivers
5. Opportunities for haircare brands
6. Looking ahead – where next for haircare?
Four key opportunities to explore within this space

- K-haircare
- Customization
- "Make it smart"
- Waterless solutions

Source: GlobalData 2018
K-haircare is gaining prominence globally

K-beauty skincare is driving multi-step haircare -- Migrating from the skincare space, the South Korean trend is very likely to gain ground among millennials, gen X, and female consumers
K-Haircare Everyone Buzzing About

K-Beauty haircare is officially a thing - the South Korean trend is very likely to gain ground among millennials, gen X, and female consumers
Consumers like being in control of products they use

Co-creating and DIY haircare solution is pushing the concept of customization a step further.
One size does NOT fit all in haircare

Co-creating and DIY haircare solution is pushing the concept of customization a step further.

Pantene Pro-v Daytime Repair Essence is newly launched in Korea market. It is a kind of portable hair treatment that is easy to take out. It is said that it can prevent hair snapping, supports enough water and protects hair.

In South Korea, a new Night Aesthe Serum has recently been launched by Korea P&G Co.,Ltd under the Pantene Pro-V Hair Spa banner. Stated as to "recover the damaged hair while sleeping". Nihon Kolmar Co., Ltd. is the manufacturer.

Source: GlobalData 2018
Tech advances create new innovation opportunities

In a hyper-connected, technology-enabled society, consumers seamlessly integrate the use of multiple technologies into their lives and buying behavior.

Source: GlobalData 2018
Using high-tech to provide tailored haircare solutions

Partnering smartphones with beauty tools

Kérastase, Withings and South Korea’s Samsung electronics group present innovative technology for hair care

✓ Provides information on hair quality and brushing patterns
✓ Measures the force applied to the hair when brushing
✓ Data sent by Wi-Fi or Bluetooth to users phone
✓ Offers personalized tips, and Kérastase product recommendations

Scalp & Hai Polarizing TMS System-TN, South Korea

✓ Hair expert diagnosis and management system
✓ Precisely & Scientifically inspects the various scalp and hair related conditions like alopecia
✓ Provides hyper-personalized haircare solution
Benefiting from instant results anywhere

Targeting new “on-the-go” function, companies offer portable packaging and waterless haircare formulation to consumers heavily relying on time-saving products and services.

Source: GlobalData 2018
Benefiting from instant results anywhere

Targeting time-poor consumers with "waterless" solutions

**The Face Shop Jewel Therapy Cherry Blossom Clear Hair Mist**
A dry shampoo with a combination of cherry blossoms with five different gemstones helping in removing the oily scalp smell. As dry shampoo became a global success, many manufacturers are competing against each other to differentiate their products from each others.

**Kochul Dun Namja - Style Fix Hair Wax - Airy Wave; Natural Hard; Perfect Hold; Ultra Hard; Volume up**
✓ Somang Cosmetics Co., Ltd. has recently launched a new Style Fix Hair Wax which is offered in five types: Airy Wave, Volume up, Ultra Hard, Perfect Hold, and Natural Hard

Source: GlobalData 2018
Looking ahead: where next for haircare?

**DNA-based haircare**
Individualistic consumers seeking haircare products tailored to their DNA sample.

**Tech advancement in haircare**
Offering innovation and advancement for more effective results.

**Athleisure hair**
Developing hair products to suit consumers leading active lifestyles.

Source: GlobalData 2018
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clientservices.consumer@globaldata.com or
+44 (0) 207 936 2700