

Beauty & Personal Care in Singapore

Weaker economic conditions impact beauty and personal care

Following the weaker global economic conditions in 2012, Singapore also experienced slower GDP growth of 1.2% in 2012, compared to GDP growth of 5% in 2011. Although Singaporean consumers' confidence remains stable, they spent less for luxurious items. This had a negative impact on the sales performance of premium products such as premium fragrances and skin care in 2012.

Men's grooming sees further growth

Despite the weak economic conditions in Singapore, men's grooming continued to perform well in 2012. This has especially been true in men's skin care, which saw double-digit value growth over the review period as well as in 2012. The manufacturers launched new niche items such as eye serum and super moisturisers. The prestigious cosmetic brand SK-II also launched new men's skin care products in 2012. With such, consumers are offered broader ranges of men's skin care items to choose from, which boosted growth in this category.

Competitive environment between Western and Asian brands

Whilst Western beauty and personal care players continue to dominate the Singapore market, the constant influx of new Asian brands was confirmed in 2012. The influence of Asian pop culture from Japan, South Korea and Taiwan significantly contributes to the popularity of Asian brands. At major parapharmacies/drugstores, the shelf space is expanding for mass Asian brands such as Kate and Creer Beaute. Under premium skin care, new Asian brands such as Albion, Astalift and Sulwhasoo were entered into Singapore market, which might change the competitive environment in future.

Health and beauty retailers remains the leading distribution channel

Health and beauty retailers still accounted for the largest share of total value sales in 2012. Many beauty specialist retailers such as The Face Shop, Etude House and Skin Food expanded their outlet numbers over the review period. Also many new mass brands were launched at parapharmacies/drugstores, which expanded the shelf space for beauty and personal items. Due to the broader range of products available, consumers also enjoy shopping at parapharmacies/drugstores, which further boosts total sales distribution at health and beauty specialist retailers.

Influx of new cosmetic brands anticipated over the forecast period

Since beauty and personal care players are expected to focus on developing the market in Southeast Asia due to the anticipation of strong economic growth and increasing numbers of middle-class consumers, more and more new international players are likely to enter the Singapore market over the forecast period. Since Singapore is perceived as the hub of Southeast Asia, more and more visitors and tourists are likely to visit in Singapore over the forecast period.

Singapore is also considered to be the best place to test products before launching to other Southeast Asian countries. Hence, a more intense competitive environment might be anticipated over the forecast period.