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Skincare Products in China: Characteristics of Female Consumers

As consumption levels in mainland China continue to rise and the country's international business ties develop, looks increasingly matter at work. In light of this, the growth potential of the mainland skincare and cosmetics products market should not be underestimated. According to Euromonitor International's estimates, retail sales in China's skincare and cosmetics products market will grow at an average annual rate of 12.8% from 2016-2019, much higher than the global average of 6.0%, and will top RMB 287 billion in 2019.

In order to get a good understanding of the characteristics and development trends of this market, HKTDC Research conducted a series of company visits, consumer focus group discussions and an online questionnaire survey between October and December 2015 (see Appendix for details). The survey constituted an in-depth study into the spending mentality, consumer preferences, purchase considerations and purchase channels of mainland consumers of skincare and cosmetics products. This article therefore examines their mentality and preferences in detail.

Evening Routine Trumps Morning Routine

This survey targeted two groups of female respondents, namely young (aged 20-30) and mature (aged 31-45). Overall, 85% of the women surveyed have their own daily skincare routine, which shows that there is a strong awareness of skincare. At the same time, the products they use for taking care of their skin are diversified and not only restricted to cleansing milks, lotions or face creams. They would also use different products for their morning and evening skincare routines. On the whole, the average respondent uses 7.7 different skincare products every day.



City	Have own skincare routine	Average no. of skincare products used every day	City	Have own skincare routine	Average no. of skincare products used every day
Overall	85%	7.7	Chongqing	83%	7.3
Beijing	86%	8.0	Xi'an	85%	7.8
Shanghai	85%	8.4	Harbin	88%	8.5
Guangzhou	81%	7.3	Hangzhou	85%	7.2
Chengdu	88%	8.1	Qingdao	87%	7.9
Shenyang	84%	7.4	Changzhou	79%	7.1
Wuhan	91%	8.5	Zhengzhou	90%	8.1
Nanjing	86%	8.0	Wuxi	85%	7.6
Changsha	80%	6.6	-	-	-

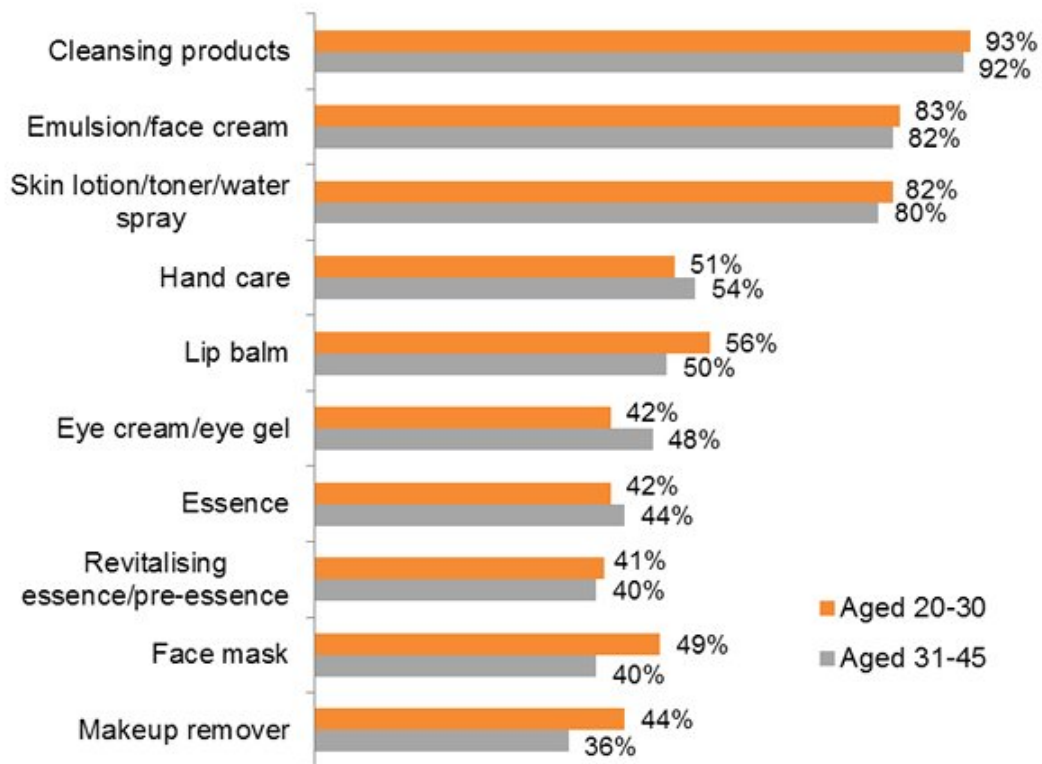
Base: All female respondents (2,400)

For the younger respondents, their morning skincare involves fewer steps and an average of 2-4 different products. Some respondents said that in the morning after they have finished their skincare routine they still have to spend time doing their makeup, so their morning skincare tended to consist of a few basic steps. In the evening, however, they could afford a more thorough skincare routine, using a greater variety of products and going through more steps.

Contrastingly, the number of skincare steps taken and number of skincare products used by mature female respondents were found to be more or less the same in the morning and evening, involving 6-8 different products each time. According to the more mature participants in the focus group discussions conducted, due to their age they tend to pay greater attention to each skincare step and the products they use are more refined and targeted. Not surprisingly, the number of skincare steps taken is also greater. Their hope is to delay aging of their skin and maintain its radiance and elasticity.



Everyday Skincare Products Used

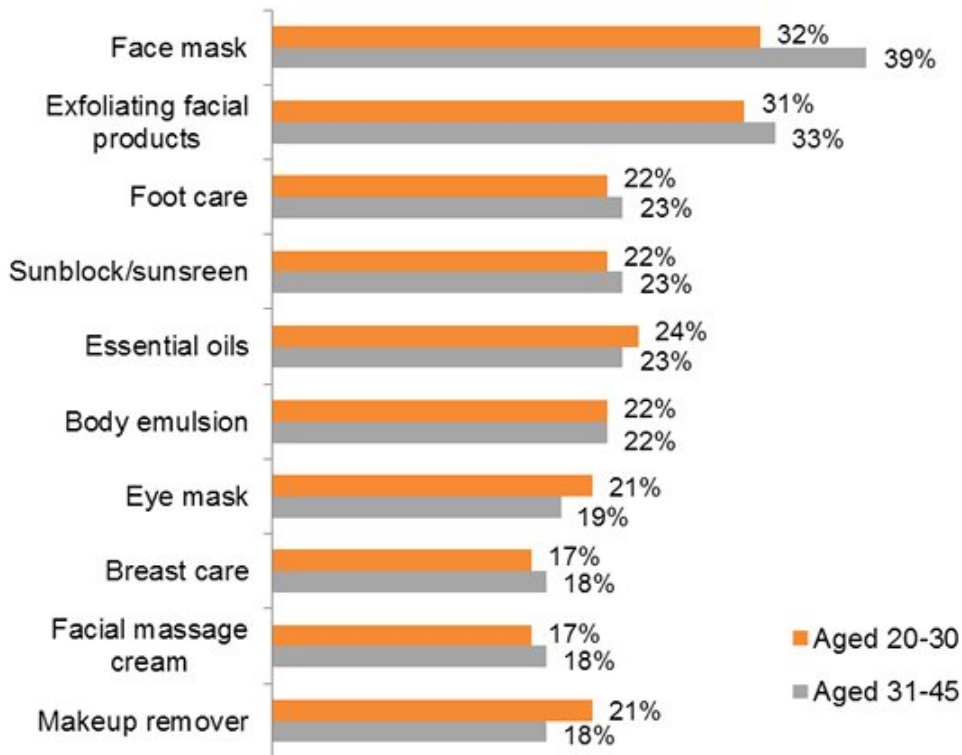


Note: Only the top 10 most mentioned products are included
 Base: All female respondents (2,400)

As regards certain skincare products which are not for everyday use and may require a longer time to apply, respondents said they would only use them on a periodic or needs basis. Examples include peeling cleansers, body essential oils, and foot care products. This shows that female mainland consumers attach great importance to other parts of the body other than the face. They are also looking for products with increasingly specific benefits.



Skincare Products Used Periodically on Needs Basis



Note: Only the top 10 most mentioned products are included
 Base: All female respondents (2,400)

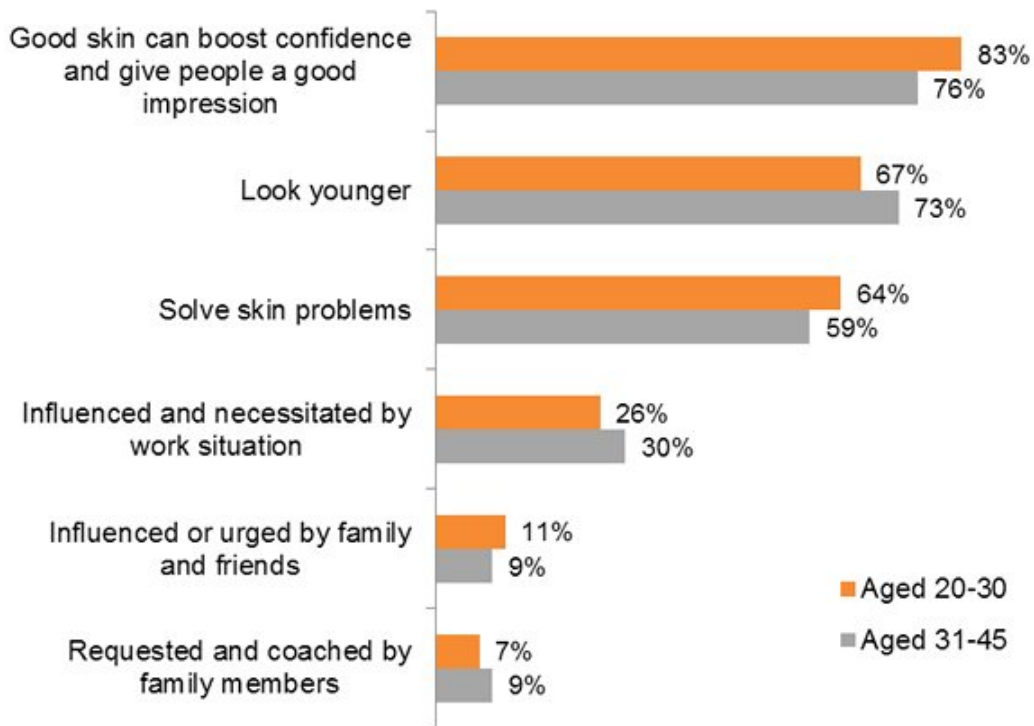
Young Women Start Skincare Habits Early

The survey finds that the young respondents tend to have a high awareness of skincare and start skincare routines earlier in their lives than the more mature respondents did. The reason given by young respondents for their skincare efforts is the desire to look beautiful. They also hope to “solve skin problems” through their daily skincare regimen, especially puberty related skin problems such as acne, clogged pores, oily skin or dry skin. Some new generation respondents said: “[When I was] at junior high, [my] mom already taught me how to use face cleansing and moisturising products”, and “at university, all girls have their own daily skincare products.”

In recent years, the mainland skincare products market has become increasingly mature, offering a wide range of skincare product brands and product categories, which has made it easier for the new generation to develop skincare habits. Compared with the younger generation, mature respondents only started skincare routines after they started working and had the purchasing power. Although the reason given by mature respondents for their skincare routines is also the desire to look beautiful, they are more eager to delay the aging of their skin so that they can “look younger”.



Why Skincare is a Must for Women

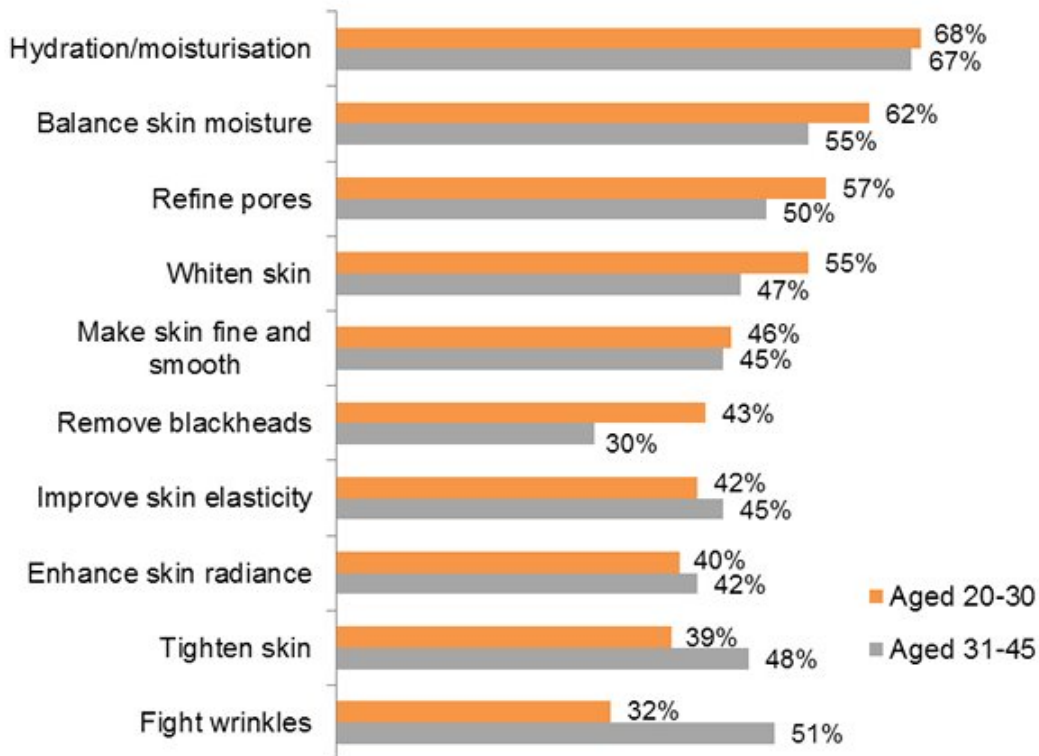


Base: All female respondents (2,400)

Women in different age groups have different expectations of the condition of their skin. Hence their demands in terms of the benefits of skincare products also varies. Young respondents mainly take care of their skin in order to solve skin problems, so they primarily look for products to control oil, tighten pores and whiten skin. As for the more mature respondents, their priorities tend to be skin firming, anti-wrinkle actions, and spot removal.



Expected Benefits of Skincare Products



Note: Only the top 10 most mentioned answers are included
 Base: All female respondents (2,400)

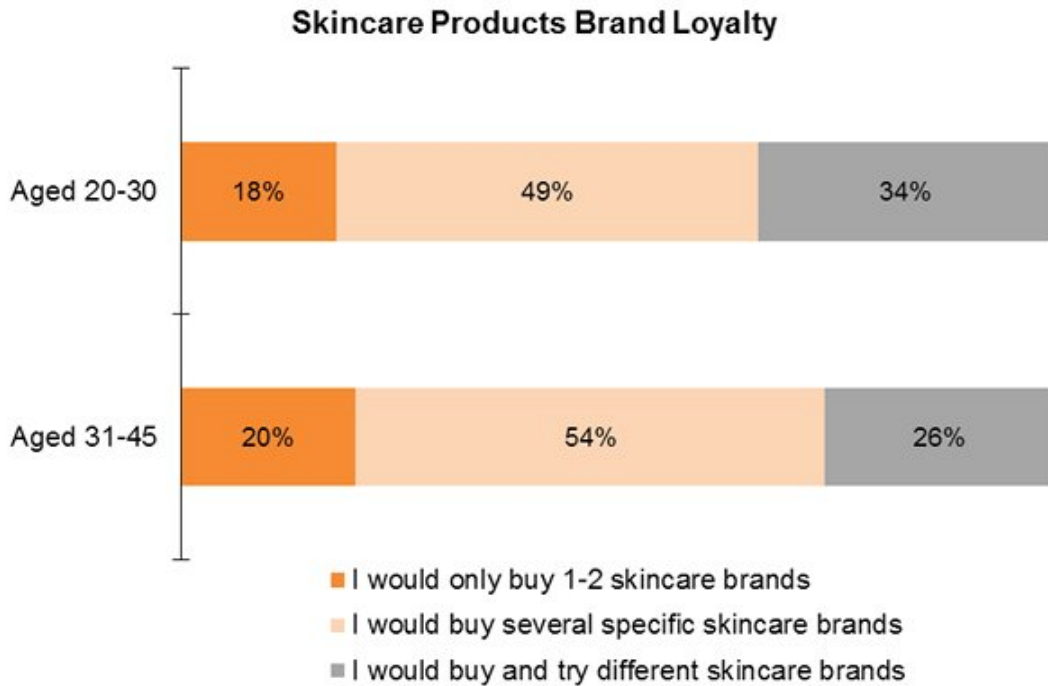
Skincare Sets Well Received

Overall, 37% of the respondents prefer using skincare sets of the same brand mainly because they can use the whole set of products and follow the steps suggested by the brand directly. They also believe that this is likely to produce better results. A high proportion of respondents (46%) would, on the basis of using skincare sets of a certain brand, add other products of the same brand. Only 17% of the respondents like to mix and match products of different brands and different sets. This shows that most respondents have a preference for certain skincare product brands and brand loyalty is high.

The survey also finds that about half of the respondents would stick to several specific brands when it comes to buying and using skincare products. Among the young respondents, 34% indicate that they would buy and try different brands of skincare products in order to find products that better suit their skin and offer value for money. Since young consumers generally do not have a high income, they are easily persuaded or attracted to make purchases and stock up on products when there are promotional offers. As for the more mature respondents, usually after they have identified a brand that suits them, they are less eager to try other brands. Some mature respondents participating in the focus group discussions pointed out that the skincare products they use are famous global brands or considered to be among the best products of their kind,



so they do not feel the need to look for or try other brands.



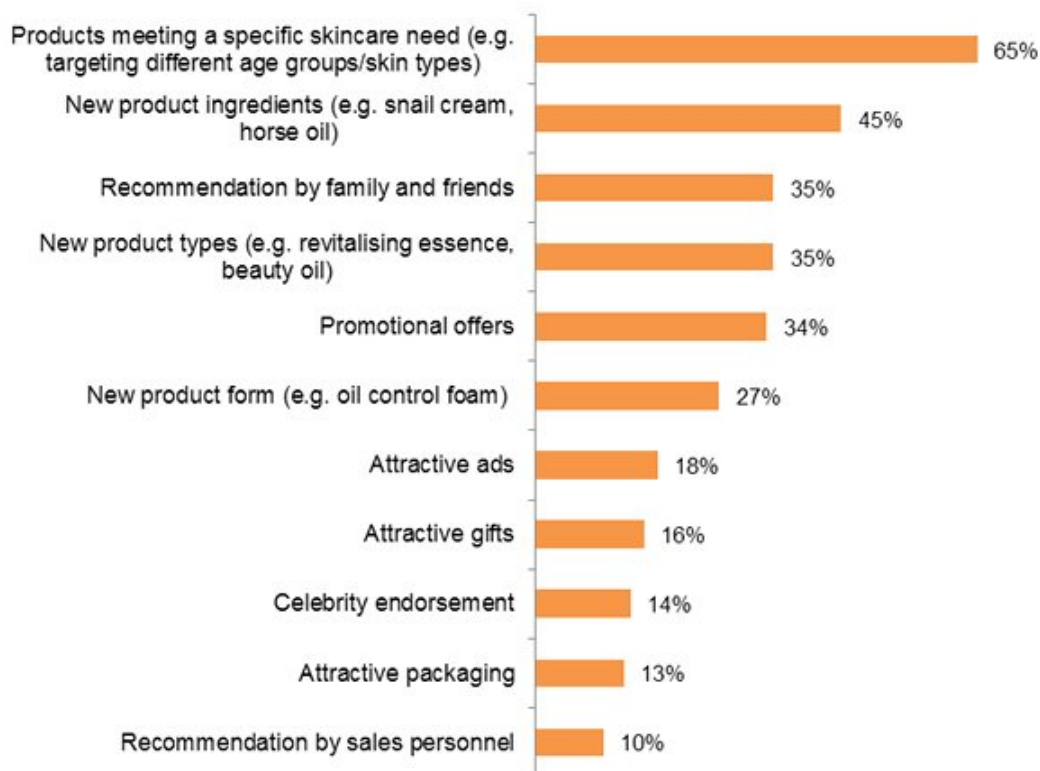
Base: All female respondents (2,400)

Offering Unique Products Can Help New Brands Attract Consumers

Generally speaking, the brand loyalty of respondents for skincare products is high, while benefit-based product segmentation is increasingly evident. Therefore, when a new brand enters the mainland market, offering unique products is the only way it can attract consumers to try and buy. The factor that most attracts respondents to buy a new brand is “products meeting a specific skincare need” (65%), such as targeting different age groups, different skin types, and with specific benefits (such as anti-aging, anti-wrinkle actions or stimulating collagen production). Coming second is “new product ingredients” (45%), such as snail cream, horse oil or lanolin.



Considerations When Buying New Skincare Brands



Base: All female respondents (2,400)

Mainland and Korean Skincare Brands Are Most Popular

Skincare product brands in the China market are becoming increasingly diversified. Apart from mainland brands, a great number of foreign brands have made their way onto the mainland market. In recent years, Korean culture and trends have proved immensely popular in the mainland. Among the young respondents, 31% say they mostly purchase Korean skincare brands, followed by mainland brands (30%). But for the more mature respondents, it is the other way round: they mostly buy mainland brands (29%), followed by Korean brands (23%). It is interesting to note that mature respondents buy considerably more European (18%), Japanese (16%) and US (11%) brands than young respondents.



Origin of Most Purchased Skincare Product Brands

City	China	South Korea	Europe	Japan	US	Others
Overall	29%	27%	16%	16%	9%	3%
Beijing	<i>31%</i>	21%	12%	<i>17%</i>	<i>18%</i>	1%
Shanghai	11%	16%	<i>27%</i>	<i>23%</i>	<i>20%</i>	3%
Guangzhou	19%	26%	<i>20%</i>	<i>21%</i>	9%	<i>5%</i>
Chengdu	24%	25%	<i>23%</i>	<i>18%</i>	<i>10%</i>	-
Shenyang	<i>31%</i>	25%	<i>19%</i>	<i>17%</i>	4%	<i>4%</i>
Wuhan	28%	26%	<i>24%</i>	12%	9%	1%
Nanjing	27%	23%	<i>17%</i>	<i>24%</i>	7%	2%
Changsha	<i>35%</i>	<i>31%</i>	11%	10%	9%	<i>4%</i>
Chongqing	<i>40%</i>	26%	15%	9%	7%	3%
Xi'an	<i>34%</i>	<i>32%</i>	<i>18%</i>	9%	4%	3%
Harbin	<i>33%</i>	<i>33%</i>	12%	13%	5%	<i>4%</i>
Hangzhou	27%	21%	<i>21%</i>	<i>21%</i>	7%	3%
Qingdao	29%	<i>36%</i>	8%	15%	<i>10%</i>	2%
Changzhou	<i>30%</i>	24%	10%	<i>21%</i>	9%	<i>6%</i>
Zhengzhou	<i>39%</i>	<i>37%</i>	7%	5%	<i>10%</i>	2%
Wuxi	<i>31%</i>	<i>29%</i>	15%	<i>20%</i>	3%	2%

Remarks: Figures in red italics denote percentages that are higher than overall average
Base: All female respondents (2,400)

The price of imported skincare brands is higher than that of mainland brands. In other words, the purchasing power of a consumer affects her choice to a certain extent. In terms of income, the proportion of respondents with a monthly household income of under RMB 20,000 buying mainland skincare brands is higher than the average, as is the proportion of respondents with a monthly household income of over RMB 20,000 buying European brands. Meanwhile, in terms of price, the average price paid by respondents with a monthly household income of less than RMB 20,000 is about RMB 212 for toner and RMB 235 for face cream, compared to the average RMB 354 and RMB 382 paid for those products, respectively, by respondents with a monthly household income of over RMB 20,000.

Origin of Most Purchased Skincare Product Brands

Origin of Brand	Overall	Monthly Household Income				
		Below Rmb10,000	Rmb10,000-12,000	Rmb12,000-20,000	Rmb20,000-40,000	Over Rmb40,000
China	29%	<i>46%</i>	<i>36%</i>	26%	18%	20%
South Korea	27%	23%	<i>28%</i>	25%	<i>31%</i>	<i>30%</i>
Europe	16%	11%	14%	16%	<i>21%</i>	<i>22%</i>
Japan	16%	12%	15%	<i>19%</i>	<i>18%</i>	15%
US	9%	6%	7%	<i>11%</i>	9%	<i>10%</i>
Others	3%	2%	-	3%	3%	3%

Remarks: Figures in red italics denote percentages that are higher than overall average
Base: All female respondents (2,400)



According to interviews with mainland skincare and cosmetics products distributors (for details, please see our article [Tapping China’s Skincare and Cosmetics Market through Cross-Border E-Commerce](#)), mainland consumers have formed a certain impression of skincare and cosmetics product brands from different countries or regions even if they have not actually used these products themselves. For instance, consumers generally have the perception that Swiss brands focus on medical cosmetology, US brand products have more advanced formulae and that Japanese brands specialise in whitening and are more suitable for the skin of Asians.

Overall, female consumers’ three main considerations when buying skincare products are: guaranteed quality / positive word-of-mouth reputation (67%), good value for money (51%), and natural ingredients (49%). Among the respondents who mostly purchase mainland skincare brands, 64% indicate that mainland brands are good value for money and are more suitable for Asians (57%). Among respondents who mostly purchase European brands, 80% say that skincare products from European brands offer guaranteed quality and that their ingredients are natural (51%).

The Brand Origin Factor of Most Purchased Skincare Brands

Base: Respondents who mostly purchase brands from that country/region	Overall (n =2,400)	Origin of Most Purchased Skincare Brands				
		China (n = 704)	South Korea (n = 649)	Europe (n = 390)	Japan (n = 382)	USA (n = 212)
Guaranteed quality/ good word-of-mouth	67%	56%	66%	<i>80%</i>	<i>72%</i>	<i>78%</i>
Good value-for-money	51%	<i>64%</i>	<i>54%</i>	36%	47%	36%
Natural ingredients	49%	48%	<i>55%</i>	<i>51%</i>	48%	33%
Suitable for Asians	45%	<i>57%</i>	<i>49%</i>	15%	<i>65%</i>	13%
Special formula/unique product	28%	18%	27%	<i>42%</i>	<i>31%</i>	<i>31%</i>
Advanced technology	25%	8%	<i>29%</i>	<i>44%</i>	<i>30%</i>	<i>30%</i>
Choice of product grades and price points	18%	<i>20%</i>	<i>22%</i>	17%	15%	14%
High grade	18%	10%	16%	<i>33%</i>	<i>18%</i>	<i>29%</i>
Lots of promotional offers	11%	11%	<i>12%</i>	10%	7%	8%
Attractive packaging and design	8%	5%	<i>13%</i>	8%	<i>9%</i>	6%

Remark: Figures in red italics denote percentages that are higher than overall average

Conclusions

The survey shows that skincare has become a daily habit of mainland female consumers, who use different skincare products and have different routines in the morning and



evening. Young and mature respondents have different skin quality and hence different skincare needs, with mature women looking significantly more for product benefits targeting specific areas or conditions than the younger women. It is worth noting that young respondents will purchase and try different skincare brands in order to find the brands and products that suit them, yet the majority of mature respondents tend to stick to several specific brands. Among imported skincare product brands, Korean brands are more popular with young respondents, while mature consumers favour European and US brands. However, the major considerations when buying skincare products are still product quality, ingredients and value for money.

Appendix:

Focus Group Discussions:

City	Shanghai	Chengdu
Respondent Profile	Monthly household income: RMB 20,000 or above Monthly personal income: RMB 10,000 or above	Monthly household income: RMB 10,000 or above Monthly personal income: RMB 5,000 or above
	Bought skincare or cosmetics products in last 3 months Have habit of daily skincare or make-up	
Sampling Distribution	4 groups in each city (a total of 8 groups): Group 1: females aged 20-30 Group 2: females aged 31-45 Group 3: males aged 20-30 Group 4: males aged 31-45	

Online Questionnaire Survey:

City	Beijing, Shanghai, Guangzhou	Chengdu, Shenyang, Wuhan, Nanjing, Changsha, Chongqing, Xi'an, Harbin, Hangzhou, Qingdao	Changzhou, Zhengzhou, Wuxi
Respondent Profile	Minimum monthly household income: RMB 12,000	Minimum monthly household income: RMB 7,500	Minimum monthly household income: RMB 6,500
	Bought skincare or cosmetics products in last 3 months Have habit of daily skincare or make-up		
Age Distribution	Sampling in each city: Aged 20-30: 75 females and 25 males Aged 31-45: 75 females and 25 males Total 3,200 respondents: 2,400 females and 800 males		


Average Monthly Household Income of Female Respondents:

City	Average Monthly Household Income (Rmb)	City	Average Monthly Household Income (Rmb)
Overall	20,140	Chongqing	17,965
Beijing	26,800	Xi'an	19,475
Shanghai	27,247	Harbin	19,780
Guangzhou	26,667	Hangzhou	22,008
Chengdu	19,892	Qingdao	17,293
Shenyang	18,025	Changzhou	14,065
Wuhan	20,497	Zhengzhou	15,553
Nanjing	19,337	Wuxi	18,345
Changsha	19,288	-	-

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