Cosmetics and Toiletries - Vietnam

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COSMETICS AND TOILETRIES IN VIETNAM

EXECUTIVE SUMMARY

Vietnamese Consumers Increasingly Sophisticated

In 2007 Vietnam's cosmetics and toiletries market continued to be stimulated by urbanisation in the country, as members of the rural population moved to urban areas, particularly Ho Chi Minh City and Hanoi, in search of work. The growing number of women in the formal workplace also represented a strong fillip to growth, as this consumer segment gained a greater measure of financial independence. As the lifestyles of urban consumers continued to accelerate and the country's economy remained buoyant, consumers demonstrated increasing interest in higher value products. Furthermore, consumers also became increasingly aware of the benefits offered by modern cosmetics and toiletries as a result of manufacturers' investment in advertising and promotional strategies. This was particularly true of multinational companies, which remain dominant due to the perceived higher quality of their products.

Urbanisation Continues, Middle-income Segment Expands

The urbanisation trend and increased employment resulted in a growing middle-income segment in the country. Low income consumers saw their spending power increase, which impacted their purchasing preferences with regard to cosmetics and toiletries. Such consumers were increasingly drawn to more modern products, often offering added value features. For example, the difference between skin care and sun protection products became increasingly blurred as products in each of these two niches included attributes from the other. Similarly, products such as skin care brands with skin whitening functions benefited from the traditional perception that a pale complexion is indicative of beauty. Consumers who previously used talcum powder as a deodorant traded up to modern antiperspirants.

Distribution Patterns Change in Line With Consumers' Lifestyles

The growing middle-income segment and rising income levels also had an impact on distribution patterns in Vietnam. Everyday goods such as bath and shower products and deodorants saw increased sales through supermarkets and hypermarkets, as many consumers began to purchase these products along with their everyday grocery items. However, rising incomes saw more affluent consumers increasing purchases through department stores, while consumers previously in the lower-income segment moved away from outdoor markets. While the latter channel was traditionally popular for purchases of products at low prices – and remains so for many rural and low income consumers – problems of counterfeit goods and increased awareness of the potential risks associated with use of such products raised concerns among consumers, and they moved to more modern channels. Increasing time constraints, particularly for women, also benefited the direct sales and Internet channels.

Vietnamese Men's Resistance To Cosmetics and Toiletries Begins To Wane

2007 saw Vietnamese men demonstrate increasing potential to become an important consumer group for cosmetics and toiletries in coming years. While at the end of the review period the majority of males in the country restricted their purchases to products such as razors and blades, more sophisticated, affluent men in the country's cities demonstrated a greater propensity to buy more modern products, such as men's skin care offerings. This was underpinned by manufacturers' investment in advertising and promotional support, particularly in upmarket magazines. However, the majority of men remained resistant to products with any hint of feminine connotations, with such products perceived as compromising their masculinity.

Urban Demand and Consumer Sophistication To Continue Rising

The forecast period is expected to see continued growth of the cosmetics and toiletries market in Vietnam. This will be underpinned by continued urbanisation and an increasing number of women in the formal workplace. Demand for products offering greater convenience and multiple benefits is expected to rise as consumer awareness of the attributes offered by many modern cosmetics and toiletries grows. However, demand for the majority products will remain limited to larger cities, with rural consumers either unable to afford the products on offer, or simply perceiving them as unnecessary. Busy working consumers will increasingly seek products offering both functional and indulgence properties. Goods such as long-lasting lipsticks, facial moisturisers with skin-whitening properties and sun protection functions are expected to see increased demand, along with pampering products such as upmarket shower gels.

KEY TRENDS AND DEVELOPMENTS

Local Manufacturers Play Minor Role in Vietnam's Cosmetics and Toiletries Market

Concerns regarding product quality among consumers, and greater confidence in the performance of imported products, mean that local producers of cosmetics and toiletries account for a relatively limited proportion of total sales in Vietnam. The limited production capacity of local producers also contributes to their position, underpinned by the perception among consumers that local manufacturers produce goods of low quality using outdated technologies and equipment.

Cosmetics and toiletries in Vietnam are imported from Korea, the EU, Japan and the USA, among others, and are perceived to offer a wide range of interesting products at attractive prices. However, counterfeit products are widely available, particularly in relation to high-end skin care products and fragrances.

Current Impact

Holding a very minor position, local manufacturer have never represented a threat for multinational players in Vietnam. The paradox is that local manufacturers are enjoying the attractive global market for export thanks to Vietnam's membership of the WTO. Local manufacturers are now trying to expand overseas, while international manufacturers enjoy demand in their country.

The other side of this is the growth of new local manufacturers which do not have long-term brands, such as Saigon Cosmetics Corporation, do not have wide a product line with traditional herbal ingredients, such as Lan Hao Thorakao, but have modern management and talented producers experienced in multinational companies, as in the case of International Consumer Products with X-Men. Such companies will eventually threaten the strong position held by multinationals in Vietnam.

Outlook

Thanks to a wide range of products covering most niches of the cosmetics and toiletries market, Unilever maintained its leading position with a value share of 23% in 2007. For the time being, multinational manufacturers are expected to remain dominant in Vietnam's cosmetics and toiletries market, leading sales with their wide range of products and the fact that their offerings are perceived to be of higher quality than local products.

The ability of foreign players to invest in advertising and promotional support for their products will further contribute to a strong performance in coming years, underpinned by their ability to leverage on products already available elsewhere in the world and present them to Vietnamese consumers.

Future Impact

While players such as Procter & Gamble and Unilever will remain strong in the cosmetics and toiletries market in Vietnam, new, local players may present increased competition in future.

In order to achieve notable positions local manufacturers will need to invest in controllable distribution systems and take advantage of their awareness of local consumers' requirements and preferences. In order to counter the growing potential of domestic producers, multinational companies will also need to invest in strong advertising and promotional strategies to support their products.

With an increasing number of consumers in large Vietnamese cities exposed to Western lifestyle trends, players will need to make their products increasingly appealing, and position them as aspirational.

Global Manufacturers Eye Vietnam Due To Economic Growth

Vietnam's economy remained strong in 2007, and the country is considered a market to watch in coming years as the impact of its accession to the World Trade Organisation becomes apparent.

Along with a rapidly growing workforce and rising income levels, particularly among urban consumers, another factor contributing to the huge growth potential of the country's cosmetics and toiletries market is that Vietnam has the world's 13th largest population, with over half of its population under the age of 30. The country's young population, with its increasing exposure to Western trends and lifestyles, will have an impact on shaping product demand in coming years.

Current Impact

Vietnam's economy saw growth averaging 8% over the review period, and it is estimated by the IMF and World Bank that this will rise to 8-8.25% in 2008 and 2009.

Economic growth and increased urbanisation are creating a new income segment who are young but affluent, aged 26-36, with a considerably higher level of income than their parents. A growing middle-income segment and increased employment are also contributing to sustainable growth. Furthermore, personal expenditure in Vietnam is strongly promoted through increased access to consumer credit, available with attractive terms from the banking sector.

This impressive economic performance has attracted most global manufacturers of cosmetics and toiletries to the country as they seek to take advantage of the opportunities it offers. As a result competition is increasing, and manufacturers' efforts in terms of advertising and promotional strategies have risen as a result.

Outlook

The rising value of exports and the development of both the private sector and agricultural production will continue to boost the disposable income levels of Vietnamese consumers across the country in coming years. Rising living standards and buying power, particularly in the country's large cities, will facilitate increased purchases of higher value cosmetics and toiletries, and also enable trial purchases of products previously perceived as non-essential. Consumers will also be able to make more trial purchases of products with which they are unfamiliar, or trade up to higher value products

Urbanisation will continue in Vietnam in coming years, and this will result not only in an increase in the average income level, but a particularly important trend will be the growing number of Vietnamese women in the formal workplace. These women will demand products that are long-lasting, and which also offer an increasing variety of value added benefits, such as moisturising properties or sun protection features in skin care products.

According to ACNielsen an estimated two million people in Hanoi and Ho Chi Minh City will earn more than VND7 million (US$430) a month by 2009. Furthermore, the ratio of households with a monthly income of VND4-7 million is expected to rise to 58%, with those earning over VND7 million increasing to 26%. Meanwhile, households earning less than VND2 million will drop sharply from 6% to 2%, and those earning VND2-4 million from 43% to 14%. This has obvious implications for demand for cosmetics and toiletries, particularly in these two large cities, as consumers' disposable income levels increase, and their demands develop along with their awareness of the range of products on offer, and their benefits.

Future Impact

The penetration of premium brands into Vietnam has just started, and is forecast to increase strongly over the forecast period. Continued urbanisation will increasingly focus demand into the countries cities and tourist areas, despite the high proportion of the population living in rural areas.

In order to take advantage of these trends manufacturers will need to position their products carefully, maintaining the prestige of foreign offerings while ensuring that prices remain attractive to Vietnamese consumers, particularly the growing middle-income segment. Rural consumers are unlikely to achieve the disposable income levels necessary to purchase products perceived as non-essential, such as colour cosmetics.

Even products such as deodorants are generally eschewed in favour of traditional and low-cost alternatives such as talcum powder.

With increasing urbanisation, products in smaller, more convenient packaging formats are likely to appeal to the growing number of working women as they seek products that enable them to maintain their personal appearance throughout the day. Long-lasting lip products, for example, are likely to prove popular, as are more advanced skin care products offering anti-ageing functions, or hair care products such as styling agents. Greater exposure to modern fashion trends and a desire to maintain personal appearance are also likely to stimulate demand for depilatories.

As a result manufacturers will need to offer products aimed at meeting the increasingly sophisticated demands of consumers and support them with considerable investments in advertising and promotion. Offers of trial packs with popular existing brands could well stimulate repeat purchases. Furthermore, as consumers buy many of their cosmetics and toiletries through supermarkets and hypermarkets on a regular basis, engaging in sampling sessions will also enable manufacturers to reach a growing number of consumers.

Modern Distribution Channels Increase Share

With growing urbanisation and an increasing number of consumers, particularly women, employed in large cities, modern and more regulated distribution channels are becoming increasingly important in sales of cosmetics and toiletries. Supermarkets and department stores, for example, are gaining share from less formal channels such as outdoor markets. Consumers are attracted to the modern channels by the wide range of products they offer, their high quality, and the fact that the products sold are guaranteed to be genuine, where products in outdoor markets are often cheap counterfeits. The additional services provided in department stores, such as specialist advice available from staff, also enables consumers to choose the right cosmetics and toiletries for their personal needs.

The direct sales channel continued to gain attention at the end of the review period, seeing particularly strong value share increases in sales of fragrances and skin care, as well as colour cosmetics. The overall value share held by the direct sales channel in the distribution of cosmetics and toiletries in Vietnam consequently increased by almost one percentage point to approaching 3% in 2007. While this channel's share remains rather moderate, it is increasing steadily following the entrance of Oriflame and Avon. The Internet is also growing in importance, although its share remains marginal.

Current Impact

Direct sales players present in Vietnam's cosmetics and toiletries market have quickly developed and recruited sales teams and penetrated both Vietnam's cities and many rural areas, where they appeal to consumers with a wide range of products at low prices.

The ability of these companies to reach rural consumers is a particular advantage over traditional bricks and mortar retailers. The direct sales channel is particularly popular among working women due to the convenience it offers, enabling them to make purchases in their own home. The ability to try products and receive recommendations from direct sales staff also contributes to the popularity of this format.

While Internet retailing remained a marginal channel for sales of cosmetics and toiletries in 2007, it nonetheless saw increases in share, particularly in fragrances, although the rise in value share was constrained by heavy price cuts implemented by players in order to stimulate purchases.

Outlook

Towards the end of the review period all supermarket chains increased their outlet sizes and the number of outlets. The convenience of supermarkets, offering all consumers' requirements in a single location, and the higher disposable incomes enjoyed by consumers at the end of the review period, will continue to fuel the development of this channel in coming years. This supermarkets and hypermarkets channel will particularly benefit from consumers in the growing middle-income segment seeking products at competitive prices.

More affluent consumers are likely to increase their purchases of cosmetics and toiletries through more upmarket channels such as department stores and specialist outlets. Consumers visiting such outlets will seek a broader range of products offering more advanced features, and will be keen to try products prior to making purchasing decisions.

Direct sales companies and the Internet are expected to continue to gain distribution share thanks to increased expenditure on website development by retail operators such as Saigon Coop Mart, as well as leading manufacturers such as Unilever, Procter & Gamble, Oriflame and Avon. Sales will be boosted by the wealth of information available online, coupled with the trend towards electronic payment methods. The direct sales channel is particularly expected to gain share in sales of colour cosmetics, for example, due to the social event this format offers. This will particularly appeal to the growing number of working women in Vietnam.

Future Impact

As urbanisation continues and consumers' incomes rise, resulting in increased sales through modern distribution channels, there is likely to be a reduction in the proportion of sales held by counterfeit products. This is particularly likely to contribute to growth in colour cosmetics, fragrances and skin care.

Counterfeit products are usually sold through outdoor markets to low-income consumers, but the share held by this channel is declining. Some specialist outlets also sold counterfeit products at wide margins during the review period, but increasing awareness of this issue among Vietnamese consumers, and the potential risks associated with use of counterfeit products of unknown origin and content, will lead to an increasing number of seeking out genuine products despite their higher prices.

However, the channel likely to see the greatest increase in distribution value share over the forecast period is supermarkets and hypermarkets. This will be underpinned by the convenience offered by this channel, with a wide variety of products at competitive prices. Less affluent consumers can afford to buy quality branded goods, while their more affluent counterparts make trial purchases of products they have not previously used. It is also likely to facilitate more frequent toothbrush replacement, for example, or increased purchases of depilatories.

Men's grooming products are also likely to benefit from the increased popularity of the supermarkets and hypermarkets channel due to the relative anonymity of making purchases through such establishments. However, as many men are self-conscious when buying such products, they often use local small independent grocery outlets where they are known to the owner. Men are also less likely to visit supermarkets and hypermarkets, as women in Vietnam still account for the bulk of grocery shopping. Purchases by women for their male friends and relatives will represent an important factor contributing to increased sales through supermarkets and hypermarkets, being made along with everyday household groceries.

Multifunctional Products Well Received in 2007

With consumer lifestyles increasingly busy, particularly in urban areas, there is growing demand for products offering added value benefits and time-saving features. This was particularly evident in the performance of 2-in-1 shampoo products over the review period, although consumer interest in this particular product type has waned somewhat, as rising income levels have enabled many consumers to buy separate shampoos and conditioners.

The niches in which the multifunctional trend is most evident are sun care and skin care. Furthermore, the products in these two niches are increasingly interchangeable. The bath and shower products niche also shows signs of this trend, as does colour cosmetics.

Current Impact

Skin care products with sun protection features generated notable interest among consumers at the end of the review period as they became increasingly aware of the potentially harmful effects of prolonged exposure to the sun without adequate protection. While it is often inconvenient to apply sun protection products during the day, especially when working, products such as facial moisturisers with SPF attributes appeal to the growing number of working women in Vietnam.

With a pale complexion considered particularly desirable as a sign of beauty, some bath and shower products saw the addition of whitening functions. Even anti-ageing features were added to products, including hair or skin, lip or face care offerings. Sun protection attributes were also added to lipsticks, hair care products and colour cosmetics, while sun care products saw the addition of moisturising functions.

Outlook

As consumer lifestyles continue to accelerate and become increasingly busy in urban areas, demand for multifunctional products is likely to continue to grow. Products that offer convenience through combining a variety of functions will particularly appeal to busy working women, the number of which is expected to continue rising.

However, as consumers in Vietnam become increasingly sophisticated in terms of demand for cosmetics and toiletries, and their affluence rises, with the expansion of the middle-income segment, consumers will be increasingly unwilling to compromise in terms of product performance.

Multifunctional products which were perceived as offering reduced effectiveness, as in the case of 2-in-1 hair care products, are likely to appeal to only low income consumers seeking to save money by minimising their purchases.

Future Impact

In order for multifunctional products to succeed in coming years manufacturers will need to promote their products based on a high level of effectiveness. Ares in which multifunctional products are likely to see most success are sun care, colour cosmetics and skin care products with sun protection features. Similarly, sun care products with moisturising benefits are likely to appeal.

Bath and shower products may prove popular with consumers, particularly products positioned as offering “pampering”, “calming” or “relaxing” formulations. Such products will appeal to increasingly busy urban consumers seeking to relax and indulge themselves.

The multifunctional trend could be stimulated by combining innovative products with new packaging formats. Sun protection products aimed at children with water-resistant benefits in spray presentation are likely to prove popular in tourist locations, minimising the need for re-application while also offering multiple benefits.

MARKET DATA

Table 1 Sales of Cosmetics and Toiletries by Sector: Value 2002-2007

VND billion

	2002	2003	2004	2005	2006	2007
Baby care	128.6	150.0	163.2	176.7	190.4	206.2
Bath and shower products	786.2	866.6	944.9	1,020.4	1,091.3	1,166.9
Deodorants	47.4	52.4	59.0	66.4	73.6	81.1
Hair care	1,538.9	1,788.4	1,936.4	2,074.4	2,209.3	2,323.5
Colour cosmetics	109.6	125.5	153.1	185.4	223.1	261.7
Men's grooming products	172.1	211.7	238.8	264.6	295.5	326.3
Oral hygiene	1,572.2	2,035.0	2,267.1	2,525.5	2,824.0	3,108.1
Fragrances	120.8	146.1	166.7	189.0	213.9	242.4
Skin care	396.9	492.9	566.0	638.2	737.8	850.8
Depilatories	3.3	3.8	4.2	4.6	5.0	5.5
Sun care	30.4	38.9	46.8	55.7	67.2	81.7
Cosmetics and toiletries	4,889.4	5,891.6	6,516.1	7,163.5	7,883.5	8,595.4

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 2 Sales of Cosmetics and Toiletries by Sector: % Value Growth 2002-2007

% current value growth

	2006/07	2002-07 CAGR	2002/07 TOTAL
Baby care	8.2	9.9	60.3
Bath and shower products	6.9	8.2	48.4
Deodorants	10.2	11.3	71.0
Hair care	5.2	8.6	51.0
Colour cosmetics	17.3	19.0	138.9
Men's grooming products	10.4	13.7	89.6
Oral hygiene	10.1	14.6	97.7
Fragrances	13.4	15.0	100.7
Skin care	15.3	16.5	114.4
Depilatories	9.4	10.5	64.6
Sun care	21.6	21.9	169.3
Cosmetics and toiletries	9.0	11.9	75.8

Source: *Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates*

Table 3 Sales of Premium Cosmetics by Sector: Value 2002-2007

VND billion

	2002	2003	2004	2005	2006	2007
Premium baby care	-	0.8	0.8	1.4	1.9	2.5
Premium bath and shower	3.9	5.2	11.3	15.3	18.6	19.8
Premium deodorants	0.2	1.6	3.5	4.0	4.4	4.9
Premium colour cosmetics	34.4	38.4	44.9	52.6	65.8	85.6
Premium fragrances	38.7	49.1	57.5	68.4	81.7	96.8
Premium skin care	99.2	125.7	147.2	165.9	195.5	225.5
Premium sun care	2.6	3.3	4.2	5.0	6.4	7.8
Premium hair care	15.4	17.9	23.2	27.0	33.1	41.8
Premium cosmetics	194.4	241.9	292.7	339.6	407.4	484.7

Source: *Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates*

Table 4 Sales of Premium Cosmetics by Sector: % Value Growth 2002-2007

% current value growth

	2006/07	2002-07 CAGR	2002/07 TOTAL
Premium baby care	29.9	-	-
Premium bath and shower	6.9	38.2	404.6
Premium deodorants	10.2	83.0	1,951.8
Premium colour cosmetics	30.1	20.0	148.8
Premium fragrances	18.6	20.2	150.5
Premium skin care	15.3	17.8	127.2
Premium sun care	21.6	24.7	201.0
Premium hair care	26.2	22.1	171.8
Premium cosmetics	19.0	20.0	149.3

Source: *Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates*

Table 5 Cosmetics and Toiletries Company Shares by NBO Retail Value 2003-2007

% retail value rsp

Company	2003	2004	2005	2006	2007
Unilever Vietnam	24.9	22.3	23.0	23.7	23.1
Colgate-Palmolive (Vietnam) Co Ltd	15.2	14.4	14.3	13.9	14.4
Procter & Gamble Vietnam Ltd	12.1	11.6	11.8	12.0	12.0

Oral-B (Vietnam) Ltd	4.1	4.2	4.8	4.5	4.7
Gannon Vietnam Ltd	1.0	3.2	3.4	3.4	3.6
LG Vina Cosmetics Co Ltd	3.1	3.6	3.5	3.5	3.3
Unza Vietnam Co Ltd	3.6	2.9	3.1	3.1	2.9
Johnson & Johnson Vietnam Co Ltd	2.6	2.5	2.4	2.4	2.4
Beiersdorf AG	1.5	1.6	1.7	1.9	2.1
Oriflame Vietnam Ltd	0.4	1.2	0.9	1.3	1.9
Henkel Vietnam Co Ltd	1.5	2.0	2.5	2.3	1.9
GlaxoSmithKline Vietnam	1.6	1.5	1.5	1.4	1.6
Shiseido Co Ltd	0.9	1.0	1.1	1.2	1.4
Daso Group	1.8	2.2	1.8	1.3	0.9
Saigon Cosmetics Corp	1.4	1.8	0.9	1.0	0.8
Lion Corp	0.8	0.8	0.7	0.7	0.6
Croma Pharma GmbH	0.8	0.8	0.7	0.6	0.5
Pfizer Vietnam Co Ltd	0.4	0.4	0.4	0.4	0.5
Avon Cosmetics Vietnam Ltd	-	0.1	0.3	0.4	0.4
Revlon Inc	0.5	0.5	0.5	0.5	0.4
Ascendia Brands Inc	-	-	-	0.4	0.4
Rohto Mentholatum (Vietnam) Co Ltd	0.3	0.3	0.3	0.4	0.4
Lana Cosmetics	0.3	0.6	0.5	0.4	0.4
Kao Vietnam Ltd	1.3	0.8	0.7	0.3	0.3
Freeman Cosmetics Corp	0.4	0.3	0.3	0.3	0.3
Bübchen-Werk Ewald Hermes Pharmazeutische Fabrik GmbH	0.1	0.2	0.3	0.3	0.3
Jordan AS	0.6	0.6	0.4	0.3	0.3
Kanebo Cosmetics Inc	-	0.2	0.2	0.2	0.3
Pigeon Corp	0.3	0.3	0.3	0.3	0.3
Summit Co (M) Sdn Bhd	0.2	0.2	0.2	0.2	0.2
Lander Co Inc	0.5	0.5	0.5	-	-
Sanofi-Synthélabo SA	0.4	-	-	-	-
Others	17.3	17.5	17.1	17.4	17.2
Total	100.0	100.0	100.0	100.0	100.0

Source: *Trade associations, trade press, company research, trade interviews, Euromonitor International estimates*

Table 6 Cosmetics and Toiletries Company Shares by GBO Retail Value 2003-2007

% retail value rsp

Company	2003	2004	2005	2006	2007
Unilever Group	25.0	22.3	23.0	23.7	23.1
Procter & Gamble Co, The	12.0	11.5	16.8	15.7	15.8
Colgate-Palmolive Co	15.2	14.4	14.3	13.9	14.4
L'Oréal Groupe	1.2	3.3	3.5	3.5	3.8
LG Group	3.1	3.6	3.5	3.5	3.3
Unza Nusantara Sdn Bhd	-	2.9	3.1	3.1	2.9
Johnson & Johnson Inc	2.6	2.5	2.4	2.7	2.7
Henkel KGaA	1.6	2.3	2.8	2.7	2.3
Beiersdorf AG	1.5	1.6	1.7	1.9	2.1
Oriflame Cosmetics AB	0.4	1.2	0.9	1.3	1.9
GlaxoSmithKline Plc	1.6	1.5	1.5	1.4	1.6
Shiseido Co Ltd	0.9	1.0	1.1	1.2	1.4
Innovative Brands LLC	-	-	-	0.9	1.1
Daso Group	1.8	2.2	1.8	1.3	0.9
Saigon Cosmetics Corp	1.4	1.8	0.9	1.0	0.8
Lion Corp	0.8	0.8	0.7	0.7	0.6
Kao Corp	1.3	0.8	0.7	0.6	0.6
Croma Pharma GmbH	0.8	0.8	0.7	0.6	0.5
Avon Products Inc	-	0.1	0.3	0.4	0.4
Pure Labs Inc	0.4	0.4	0.4	0.4	0.4
Revlon Inc	0.5	0.5	0.5	0.5	0.4

Ascendia Brands Inc	-	-	-	0.4	0.4
Rohto Pharmaceutical Co Ltd	0.3	0.3	0.3	0.4	0.4
Lana Cosmetics SAE	0.3	0.6	0.5	0.4	0.4
Nestlé SA	0.1	0.2	0.3	0.3	0.3
Jordan AS	0.6	0.6	0.4	0.3	0.3
Pigeon Corp	0.3	0.3	0.3	0.3	0.3
Coty Inc	0.2	0.2	0.2	0.2	0.2
pH Beauty Labs LLC	0.3	0.3	0.3	0.3	0.2
Elizabeth Arden Inc	0.1	0.1	0.1	0.2	0.2
Others	25.7	22.0	17.0	16.3	16.1
Total	100.0	100.0	100.0	100.0	100.0

Source: Trade associations, trade press, company research, trade interviews, Euromonitor International estimates

Table 7 Cosmetics and Toiletries Brand Shares by Retail Value 2004-2007

% retail value rsp

Brand	Company	2004	2005	2006	2007
Colgate	Colgate-Palmolive (Vietnam) Co Ltd	9.0	9.1	9.3	10.0
P/S	Unilever Vietnam	5.1	5.4	5.9	5.7
Close-Up	Unilever Vietnam	4.8	5.1	5.5	5.3
Oral-B	Oral-B (Vietnam) Ltd	3.1	3.5	3.1	3.3
Dove	Unilever Vietnam	2.9	3.2	3.0	3.2
Sunsilk	Unilever Vietnam	3.7	3.6	3.6	3.1
Pantene Pro-V	Procter & Gamble Vietnam Ltd	2.0	2.4	2.9	3.0
Garnier Fructis	Gannon Vietnam Ltd	2.1	2.2	2.1	2.2
Head & Shoulders	Procter & Gamble Vietnam Ltd	2.3	2.3	2.4	2.0
Colgate Herbal	Colgate-Palmolive (Vietnam) Co Ltd	1.8	2.0	1.9	1.9
Oriflame	Oriflame Vietnam Ltd	1.2	0.9	1.3	1.9
Rejoice	Procter & Gamble Vietnam Ltd	1.9	1.8	1.8	1.9
Lux	Unilever Vietnam	1.5	1.6	1.7	1.8
Aquafresh	GlaxoSmithKline Vietnam	1.5	1.5	1.4	1.6
Enchanteur	Unza Vietnam Co Ltd	1.3	1.5	1.5	1.5
Johnson's Baby	Johnson & Johnson Vietnam Co Ltd	1.6	1.5	1.5	1.4
Lifebuoy	Unilever Vietnam	1.5	1.5	1.5	1.4
Olay	Procter & Gamble Vietnam Ltd	0.7	0.9	1.0	1.2
Double Rich	LG Vina Cosmetics Co Ltd	1.1	0.9	1.0	1.2
Clear	Unilever Vietnam	1.5	1.2	1.1	1.2
Pert Plus	Procter & Gamble Vietnam Ltd	0.6	0.9	0.9	1.1
Nivea Visage	Beiersdorf AG	0.8	0.9	1.0	1.1
Debon	LG Vina Cosmetics Co Ltd	1.3	1.5	1.4	1.1
Shiseido	Shiseido Co Ltd	0.7	0.8	0.8	1.0
Palmolive	Colgate-Palmolive (Vietnam) Co Ltd	2.0	1.7	1.3	1.0
Fa	Henkel Vietnam Co Ltd	1.2	1.2	1.1	0.9
Safeguard	Procter & Gamble Vietnam Ltd	1.1	1.1	0.9	0.9
Schauma	Henkel Vietnam Co Ltd	0.6	1.1	1.0	0.9
Eversoft	Unza Vietnam Co Ltd	0.7	0.8	0.8	0.7
Dacco	Daso Group	0.9	0.8	0.7	0.7
Others		39.4	37.1	36.6	35.8
Total		100.0	100.0	100.0	100.0

Source: Trade associations, trade press, company research, trade interviews, Euromonitor International estimates

Table 8 Sales of Cosmetics and Toiletries by Distribution Format: % Analysis 2002-2007

% retail value rsp

	2002	2003	2004	2005	2006	2007
Store-based retailing	100.0	99.3	98.6	97.8	97.2	96.6
Supermarkets/hypermarkets	22.1	22.8	23.2	24.8	25.6	26.4
Discounters	0.0	0.0	0.0	0.0	0.0	0.0
Small grocery retailers	33.6	32.5	31.3	30.4	31.5	32.0
Convenience stores	0.0	0.0	0.0	0.0	2.6	4.1
Independent small grocers	33.6	32.5	31.3	30.4	28.9	27.8
Forecourt retailers	0.0	0.0	0.0	0.0	0.0	0.0
Mixed retailers	1.5	3.0	3.1	3.6	3.8	4.5
Department stores	1.4	3.0	3.0	3.6	3.7	4.4
Mass merchandisers	0.0	0.0	0.0	0.1	0.1	0.1
Variety stores	0.0	0.0	0.0	0.0	0.0	0.0
Health and beauty retailers	21.5	21.6	22.0	22.3	21.1	20.3
Chemists/pharmacies	7.0	7.4	7.2	7.4	7.1	6.7
Parapharmacies/drugstores	1.6	1.8	1.8	2.0	2.0	2.2
Perfumeries	12.4	11.7	12.4	12.2	11.3	10.7
Other health and beauty retailers	0.5	0.6	0.6	0.6	0.6	0.7
Outdoor markets	15.8	14.7	13.8	13.1	12.3	11.5
Other store-based retailing	5.5	4.8	5.2	3.7	2.9	1.9
Other grocery retailers	2.1	1.7	2.4	1.7	1.8	0.9
Other non-grocery retailers	3.5	3.1	2.8	2.0	1.1	1.0
Non-store retailing	0.0	0.7	1.4	2.2	2.8	3.4
Vending	0.0	0.0	0.0	0.0	0.0	0.0
Homeshopping	0.0	0.0	0.0	0.0	0.0	0.0
Internet	0.0	0.0	0.0	0.8	0.9	0.9
Direct selling	0.0	0.7	1.4	1.4	1.8	2.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Table 9 Sales of Cosmetics and Toiletries by Sector and by Distribution Format: % Analysis 2007

% retail value rsp

	BC	BS	D	HC	CC	MG
Store-based retailing	99.0	98.9	94.6	98.8	80.0	98.5
Supermarkets/hypermarkets	31.0	34.0	34.0	33.0	20.0	32.2
Discounters	0.0	0.0	0.0	0.0	0.0	0.0
Small grocery retailers	25.5	31.5	5.0	38.0	2.8	35.8
Convenience stores	3.5	5.0	0.0	5.0	0.0	4.6
Independent small grocers	22.0	26.5	5.0	33.0	2.8	31.3
Forecourt retailers	0.0	0.0	0.0	0.0	0.0	0.0
Mixed retailers	4.5	5.0	11.5	5.0	13.2	5.6
Department stores	4.5	5.0	11.5	5.0	11.2	5.6
Mass merchandisers	0.0	0.0	0.0	0.0	2.0	0.0
Variety stores	0.0	0.0	0.0	0.0	0.0	0.0
Health and beauty retailers	25.5	20.4	31.1	14.3	30.0	10.7
Chemists/pharmacies	9.0	0.0	0.3	0.8	0.0	0.1
Parapharmacies/drugstores	0.0	0.0	0.0	0.0	0.0	6.6
Perfumeries	5.0	20.4	30.8	12.0	30.0	4.0
Other health and beauty retailers	11.5	0.0	0.0	1.5	0.0	0.1
Outdoor markets	10.0	8.0	9.0	8.0	12.0	11.4
Other store-based	2.5	0.0	4.0	0.5	2.0	2.8

retailing						
Other grocery retailers	0.0	0.0	0.0	0.0	0.0	0.0
Other non-grocery retailers	2.5	0.0	4.0	0.5	2.0	2.8
Non-store retailing	1.0	1.1	5.4	1.2	20.0	1.5
Vending	0.0	0.0	0.0	0.0	0.0	0.0
Homeshopping	0.0	0.0	0.0	0.0	0.0	0.0
Internet	0.2	0.0	0.4	0.5	3.0	0.4
Direct selling	0.8	1.1	5.0	0.7	17.0	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

	OH	F	SK	DP	SU
Store-based retailing	100.0	73.8	85.5	100.0	98.0
Supermarkets/hypermarkets	21.0	16.0	19.0	19.0	31.5
Discounters	0.0	0.0	0.0	0.0	0.0
Small grocery retailers	39.5	0.0	10.0	33.0	19.5
Convenience stores	4.5	0.0	2.0	2.0	5.0
Independent small grocers	35.0	0.0	8.0	31.0	14.5
Forecourt retailers	0.0	0.0	0.0	0.0	0.0
Mixed retailers	0.0	16.0	11.0	9.0	15.0
Department stores	0.0	16.0	11.0	9.0	15.0
Mass merchandisers	0.0	0.0	0.0	0.0	0.0
Variety stores	0.0	0.0	0.0	0.0	0.0
Health and beauty retailers	22.0	16.8	30.0	0.0	26.0
Chemists/pharmacies	16.5	0.0	3.0	0.0	2.0
Parapharmacies/drugstores	5.5	0.0	0.0	0.0	0.0
Perfumeries	0.0	16.8	27.0	0.0	24.0
Other health and beauty retailers	0.0	0.0	0.0	0.0	0.0
Outdoor markets	15.0	18.0	12.0	39.0	1.5
Other store-based retailing	2.5	7.0	3.5	0.0	4.5
Other grocery retailers	2.5	0.0	0.0	0.0	0.0
Other non-grocery retailers	0.0	7.0	3.5	0.0	4.5
Non-store retailing	0.0	26.2	14.5	0.0	2.0
Vending	0.0	0.0	0.0	0.0	0.0
Homeshopping	0.0	0.0	0.0	0.0	0.0
Internet	0.0	7.5	4.0	0.0	1.0
Direct selling	0.0	18.7	10.5	0.0	1.0
Total	100.0	100.0	100.0	100.0	100.0

Source: *Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates*

Key: *BC = Baby care; BS = Bath and shower products; D = Deodorants; HC = Hair care; CC = Colour cosmetics; MG = Men's grooming products; OH = Oral hygiene; F = Fragrances; SK = Skin care; DP = Depilatories; SU = Sun care*

Table 10 Forecast Sales of Cosmetics and Toiletries by Sector: Value 2007-2012

VND billion

	2007	2008	2009	2010	2011	2012
Baby care	206.2	218.8	233.4	249.4	267.3	287.6
Bath and shower products	1,166.9	1,236.4	1,305.0	1,372.1	1,436.2	1,497.4
Deodorants	81.1	88.3	96.2	104.5	113.0	121.7
Hair care	2,323.5	2,421.5	2,551.7	2,728.9	2,938.4	3,196.5
Colour cosmetics	261.7	298.2	340.9	391.0	449.3	517.5
Men's grooming products	326.3	357.1	390.7	429.0	471.4	518.8
Oral hygiene	3,108.1	3,358.6	3,570.1	3,759.5	3,907.7	4,037.1
Fragrances	242.4	269.5	299.4	332.0	367.4	405.8
Skin care	850.8	960.0	1,080.8	1,214.4	1,363.8	1,531.0
Depilatories	5.5	5.8	6.3	6.9	7.4	7.9
Sun care	81.7	94.6	110.4	129.7	153.6	183.4

Cosmetics and toiletries	8,595.4	9,238.1	9,901.0	10,618.8	11,362.0	12,176.0

Source: *Official statistics, trade associations, trade press, company research, trade interviews, Euromonitor International estimates*

Table 11 Forecast Sales of Cosmetics and Toiletries by Sector: % Value Growth 2007-2012

% constant value growth

	2007-12 CAGR	2007/12 TOTAL
Baby care	6.9	39.5
Bath and shower products	5.1	28.3
Deodorants	8.5	50.1
Hair care	6.6	37.6
Colour cosmetics	14.6	97.7
Men's grooming products	9.7	59.0
Oral hygiene	5.4	29.9
Fragrances	10.9	67.4
Skin care	12.5	79.9
Depilatories	7.5	43.7
Sun care	17.5	124.4
Cosmetics and toiletries	7.2	41.7

Source: *Official statistics, trade associations, trade press, company research, trade interviews, Euromonitor International estimates*

Table 12 Forecast Sales of Premium Cosmetics by Sector: Value 2007-2012

VND billion

	2007	2008	2009	2010	2011	2012
Premium baby care	2.5	3.3	3.7	4.2	4.8	5.8
Premium bath and shower	19.8	22.3	23.5	27.4	28.7	32.9
Premium deodorants	4.9	5.4	6.0	6.6	7.1	7.9
Premium colour cosmetics	85.6	98.4	112.2	129.0	148.7	171.8
Premium fragrances	96.8	111.9	128.3	145.5	163.5	182.0
Premium skin care	225.5	254.4	291.8	327.9	375.1	421.0
Premium sun care	7.8	9.5	11.0	13.6	16.1	20.2
Premium hair care	41.8	43.6	51.0	60.0	64.6	79.9
Premium cosmetics	484.7	548.7	627.6	714.4	808.7	921.5

Source: *Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates*

Table 13 Forecast Sales of Premium Cosmetics by Sector: % Value Growth 2007-2012

% constant value growth

	2007-12 CAGR	2007/12 TOTAL
Premium baby care	18.4	132.5
Premium bath and shower	10.7	66.1
Premium deodorants	10.2	62.6
Premium colour cosmetics	15.0	100.7
Premium fragrances	13.4	87.9
Premium skin care	13.3	86.7
Premium sun care	21.0	159.8
Premium hair care	13.8	91.1
Premium cosmetics	13.7	90.1

Source: *Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates*

APPENDIX

Gift Sets

- Gifts sets are excluded from Euromonitor International data on the cosmetics and toiletries market. 2007 saw manufacturers introduce gift sets for infants in the baby care environment as it was the Year of the Pig, which is traditionally considered auspicious for newborn babies among Chinese consumers. Rather than selections of a variety of products in a single presentation, manufacturers generally offered larger sizes of popular products.

DEFINITIONS

This report analyses the market for cosmetics and toiletries in Vietnam. For the purposes of the study, the market has been defined as follows:

- Baby care
- Bath and shower products
- Deodorants
- Hair care
- Colour cosmetics
- Men's grooming products
- Oral hygiene
- Fragrances
- Skin care
- Depilatories
- Sun care

Sources used during research include the following:

Summary 1 Research Sources

Official Sources	American Chamber of Commerce
	Australia Embassy
	General Statistic Office
	Hanoi Tax Office
	Hochiminh Tax Office
	Ministry of Health
	Ministry of Information
	MOT
	Statistics Bereau
	Viet Trade
	Vietnam Chamber of Commerce & Industry
	Vietnam Custom
	Vietnam General Statistic Office
	Vietnam Trade Fair
Trade Associations	Cosmetics, Toiletries & Fragrances Association (CTFA)

	Vietnam National Essential Oils, Aromatic & Cosmetics
Trade Press	Beauty Business News
	Cam Nang Mua Sam
	Cosmade.com
	Cosmetique News
	Dep magazine
	European Cosmetic Markets
	Financial Times
	Forbes
	Happi Magazine
	International Cosmetique News
	My Pham - Cosmetics
	Sai Gon Tiep Thi - Saigon Marketing
	Saigon Times Weekly
	Soap Perfumery & Cosmetics
	South Information Net
	Thoi bao kinh te VN
	Tuoi tre newspaper
	Vietnam Agency
	Vietnam News
	Vietnamnet

Source: *Euromonitor International*