

Indonesia Beauty Care

With over 9,000 beauty products registered for sale by the government in 2012 from over 700 cosmetic companies



The beauty industry — from hair care, skincare and beauty products to treatments — is growing fast globally, including in Indonesia. Millions of women spend exorbitant amounts of money on cosmetic products and treatments as they become more widely available at general supermarkets and shopping malls.

Across Asia, almost 70 percent of women are in the work force, the largest proportion globally, making the region a growing possibility for increased product sales.

Seizing the moment, international cosmetic giant L’Oreal has seen the buzz and decided to join the action. In November, the brand conglomerate outgrew its factory in Indonesia built in 1986, and opened its biggest factory in the world in Java after experiencing 30 percent sales growth in Indonesia. The company reportedly has invested more than US\$125 million in the new factory that is set to quadruple production in Indonesia and boost Indonesian hair care sales by 39 percent and skincare sales by 32 percent in the coming years.



Head of communications for L’Oreal Indonesia, Melanie Kridaman, said that by 2025, approximately 90 million people would enter the consuming class — 20 to 40 years of age — in Indonesia, which will make it the biggest market in Asia.

Consumer demand will also change where the beauty industry is focused. “We can see that the classic notions of beauty, of fair skin and straight black hair, is evolving toward more diversity. The market trend is also dominated by the emerging middle class with a increased concern for appearance, rather than just cleanliness,” says Melanie.

“Consumers in Indonesia are still discovering [online buying]. They like to touch and feel the products at the point of sale,” says Melanie.

“But in the case of personal care, ecommerce can play an important role giving access to consumers in parts of the country where we may not have reached with traditional channels.” Yeny has seen a shift in consumer buying power back to more traditional in-store purchases.



Some women are willing to take the extra mile to achieve their standard of beauty. Using the Tripolar Body Treatment at Beauty Couture, for instance, clients undergo treatment using a machine that radiates small electrical pulses. The treatment is intended to rejuvenate skin cells, giving them a youthful look through slimming and tightening.

Indonesia is home to approximately 700 cosmetic companies in its 19 provinces. In 2007, total cosmetic production reached 372 tons, with an average 12.5% increase of production from 2003 to 2007. While cosmetic exports reached US\$ 122 million in 2007, cosmetic imports were estimated to reach US\$ 250 million in 2008.

