Myung-Kyu Lee – Vice President, Korea Cosmetic Association



Korean companies' consistent investment in R&D over the past two decades has enabled them to have world-class quality

11.04.2019

Tags: Korea, Cosmetics, KCA, Association, Dermocosmetics

Myung-

Kyu Lee, vice president of the Korea Cosmetic Association, explains how the association helps its member companies both at home and abroad, breaks down the implications of new local and international regulations and explains how the association is adapting to new trends such as customized cosmetic. Lee also points out the main peculiarities of Korean consumers and lays down the main challenges and opportunities for Korean companies wishing to increase their global presence.

How has the Korean cosmetics industry known as K-Beauty grown?

In the past, Korean cosmetics were considered to have lower product quality and brand awareness compared to Western competitors. However, Korean companies' consistent investment in R&D over the past two decades has enabled them to have world-class quality.

In addition, thanks to the Korean Wave, Korea's reputation has been raised globally. The high-quality Korean cosmetics synergized with the popularity of Korean culture and is expanding globally from Asian regions such as China to matured cosmetic market such as Europe and the US. Last year, Korea exported 6.2 billion USD of cosmetics to 130 countries, the 4th largest exporting country in the world after France, the US, and Germany.

One of the most innovative Korean cosmetics is the air cushion foundation. The product shortened makeup stages and made makeup process much easier. Another item that has gained huge popularity is BB Cream. It was first invented in Korea but has been recognized as a highly functional cosmetic in Asian and European market so luxury cosmetic brands such as Estee Lauder and Lancôme started to produce BB Cream as if there was a competition.

Korean mask sheet products have also been very successful. This market was dying in the US and Europe, but it is growing again after Korean innovations were launched.

In addition, Korean cosmetic industry has brought sensation by marketing products made of unique ingredients such as aloe, snail secretion, and lava.

We have developed a lot of products using ingredients that nobody had ever attempted to utilize for developing cosmetics.

Another characteristic that differentiates Korean cosmetics from Western cosmetics is Korean herbal medicinal cosmetics which is based on Korean medicine theory and Korean herbal medicinal ingredients.

Likewise, Korean cosmetics are intriguing overseas customers by using Korean herbal medicinal ingredients such as ginseng, red ginseng, and Dong Quai that are known to be helpful through thorough research and understanding of ingredients, and also natural ingredients after revealing its efficacy.

However, it is true though that a lot of Korean cosmetic companies still have low brand awareness in the global market. Some brands held by big companies such as AMOREPACIFIC and LG Household & Health Care are gradually raising their brand awareness in overseas markets.

What services do you provide for your member companies for their success in global markets such as the US and Europe?

We usually collect regulatory information on our members' exporting destinations, and we provide this information to our member companies through a seminar. Moreover, we help our members navigate local and foreign regulations. We share market trends and regulatory change in different countries. We assist local companies with export by studying the regulations and exporting processes and share this information on our website so that our member companies can have access to them. As the MFDS' educational institute, we educate the industry about policies, quality

assurance and safety assurance, as well as advertising and ingredients labelling regulations. We also collaborate with overseas associations to tackle issues together and to learn their legislative changes so that our members will not experience difficulties in expanding their markets.

Recently, the MFDS announced the implementation of the natural and organic cosmetics certification system, could you describe the key points of this legislation and how it will affect the industry?

Following the global trend of natural and organic products, Korean consumers have also shown more interest in this field. To meet the increasing interest in the field, MFDS made an official announcement of “Natural cosmetics” and “Organic cosmetics” referring to the global standards. The announcement will be covering “The range of usable ingredients”, “Standards for natural cosmetics and organic cosmetics”, “Allowed synthetic raw materials”.

For this reason, in order to be labelled as “Natural cosmetics” and “Organic cosmetics” products should meet the MFDS’ standards. However, getting MFDS’ certification is not mandatory but an option for companies. Certifications obtained from foreign private organizations can still be put on as a display advertisement if it meets the MFDS’ standards.

What has been the impact of Nagoya Protocol on the industry so far?

In Korea, we have been prepared for Nagoya Protocol for a long period of time. As a preparation for the protocol, we have grasped the raw materials used in Korean cosmetics and proposed the guideline for the protocol.

Meanwhile, we have been requesting the government’s support to develop biological resources naturally grown in Korea so that we can use them in manufacturing cosmetic products.

What regulatory changes would you like to see in the future?

The recent trends in the global cosmetic industry can be summarized with the following three keywords: customization, well-being, and digital. Customized cosmetics industry supplies cosmetics serving each customer’s preference and skin type, natural cosmetics help to realize a healthy skin and protecting skin from pollution, and a scientific approach to cosmetics combined with various

devices will be new trends in both the domestic and global cosmetics market.

Korea is planning to introduce customized cosmetics. Companies are currently developing ways to deliver cosmetics customized to customers' skin profile, using a combination of skin diagnosis, AI, Big Data and 3D printing technologies. The government, companies and the KCA are collaborating to set up the regulatory framework for these new technologies to be implemented safely.

Which company is the most advanced in this field?

In the future, it is expected to have new types of cosmetics made through collaborating with skin diagnostic device manufacturers or 3D printing companies.

As an example of this, recently AMOREPACIFIC launched 3D mask sheet fit perfectly to each individual customer's skin type and facial size, and Kolmar Korea invented an essence using 3D printing technology.

AMOREPACIFIC has organized a service that allows customers can have firsthand experience with different kinds of customized cosmetics. Proposing an optimized colour for a customer after analyzing their skin tone or creating mask sheets utilizing a 3D printer on the spot based on a 3D image of a customer's face.

In addition, Kolmar Korea is the first company that invented a skincare product using high concentration essence with a cream printed using 3D printing technology. The product contains both essence and cream in one bottle, which maximizes the moisturizing effect.

According to Kolmar Korea, "usually mixing essence and cream in one bottle causes distortion as the two ingredients mix up, however we developed a product that can keep its shape regardless of constant push of the cap" and "the shape of the essence in the bottle can be customized in different shapes such as that of a flower or a logo depending on the request.

What are the other trends in consumer behaviour in Korea?

Korean consumers are very picky, and they always have a thirst for novelty. They want quick changes and I personally believe that this moves the Korean cosmetics industry forward. Korean consumers complain a lot and the feedback is quickly integrated into new product innovation. They also get bored easily. This consumer behaviour is apparent in other sectors as well such as the

mobile phone industry. This characteristic is very different from European culture that cherishes heritage. However, this distinctive cultural characteristic pushes us to grow fast in many industries and be a constant innovator.

Korean consumers are wary of cosmetic ingredients. How do you work on to change this or help consumers?

Korean consumers are wary about cosmetic ingredients, and they absorb the newest information from all over the world through online or social media and share it. Among the information they share, of course, there are many cases that the information is misleading and causes distrust of the safety of cosmetics.

To tackle this issue, we have posted infographics, explaining material related to cosmetic ingredients so that consumers can have access to correct information.

Furthermore, we have been collaborating with foreign associations regarding issues such as the cosmetics ingredients and their safety.

For instance, despite the environmental pollution caused by the cosmetic use of microbeads being only 0.3 percent, the general public perceives microbeads used in cosmetics as one of the main causes of pollution. To correct this misunderstanding, we are providing factual information such as in infographic style in collaboration with global associations.

What are your other priorities for the next five years?

We are going to promote K-Beauty and support Korean cosmetic brands to expand significantly into the global market. MFDS Korea will hold ‘K-Cosmetic World Roadshow’, which is tied in with Korean Wave such as K-POP. The show supports Korean cosmetics to enter emerging markets such as the Middle East and South America. KCA will provide as much support as it can through working closely with the governmental agencies for the success of the event.

See more interviews