

RESEARCH

Southeast Asia, India emerging as luxury beauty's golden ticket markets: Kearney

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Consumers residing in the region are turning out to be among the most lucrative in the world for prestige brands to focus advertising on. Image credit: Kearney/Luxasia

By EMILY IRIS DEGN

A new report from global managing consulting firm Kearney and omnichannel brand-builder Luxasia reveals that an emerging market is beginning to truly blossom.

The duo's "[Unlocking hyper-growth in Asia's luxury beauty landscape](#)" whitepaper shows that the region including of Southeast Asia and India is slated to reach a market potential of \$7.6 billion by 2026. As this growth is only ramping up, projected to nearly triple between 2021 and 2031, consumers residing in the area are turning out to be among the most lucrative in the world for prestige beauty brands to focus advertising on.

"Southeast Asia and India should be on the agenda of every global luxury beauty CEO as these markets are poised to lead the next stage of growth in luxury beauty," said Siddharth Pathak, senior partner and head of consumer industries and retail for Asia Pacific at Kearney, in a statement.

"To emerge successful in a competitive landscape, brands should have a cohesive strategy to cut through the noise and tap on the power of digitalization, data analytics, and ecosystem support to improve their offerings and overall resilience."

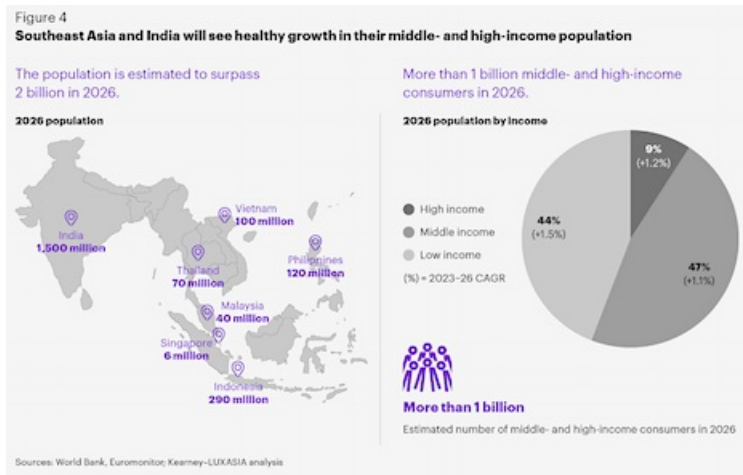
The report delves into the challenges, solutions and opportunities for luxury labels in Asia by drawing on the expertise of both involved parties, inclusive of Euromonitor data that is analyzed by the team. The authors include Siddharth Pathak, partner at Kearney; Tatiana Perim, partner at Kearney; Hemanth Peyyeti, partner at Kearney; Leona Tan, consultant at Kearney; Wolfgang Baier, group CEO of Luxasia; Jitha Thathachari, group head of business development and strategy at Luxasia; and Brynner Jananto, head of communications and CEO office at Luxasia.

Entering the chat

While China, Japan, South Korea and Singapore tend to have a large international luxury beauty presence, the report points out that many markets in Southeast Asia and India are unsaturated in comparison.

As these regions prosper economically, the upper and middle classes are expected to exceed 1 billion

people in 2026. Many of these citizens are predicted to shift from mass products to luxury, leaving the industry an opportunity with the trade-up.



People are projected to start rising in economic ranks in the region, making them emerging luxury consumers. Image credit: Kearney/Luxasia

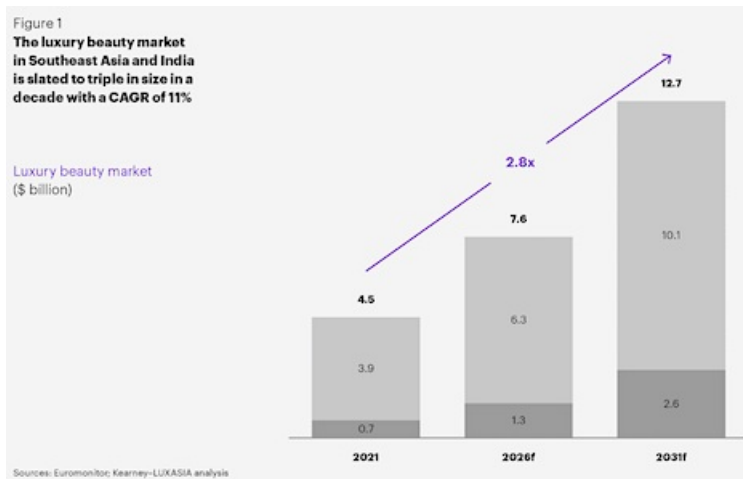
Kearney and Luxasia see upside potential for spending per capita as this reality comes to fruition, making it vital for brands to enter the market now before others do so.

While this sounds straightforward, the findings indicate six major challenges that luxury names face in this endeavor: multi-dimensional omni-retail networks, divergent marketing approaches, costly and idiosyncratic supply chain landscapes, heterogeneous local product preferences, challenging regulatory frameworks and partner selection amid information asymmetry.

To overcome these issues, solutions are outlined, including the optimization of the retail footprint.

Luxury beauty companies are urged to make "multi-touchpoint experience hubs," which could offer the most time possible with the customers and engaging interactions.

The need for ecommerce growth is also brought up, the report specifying that brands should keep in mind the unique nature of each market that they target. Social commerce acceleration and capabilities that enable that are also framed as opportunities to provide success in the region.



Southeast Asia and India are readying to become among the most lucrative areas in the world for luxury beauty. Image credit: Kearney/Luxasia

This idea of tailoring approaches to the local consumer is emphasized throughout, with the experts stating that data aggregation and analytics can help companies get to know who they are advertising to on a deeper level.

Flexibility and omnichannel marketing likewise receive buzz, as Kearney and Luxasia reveal that logistics partners and brand-building collaborators can help achieve both.

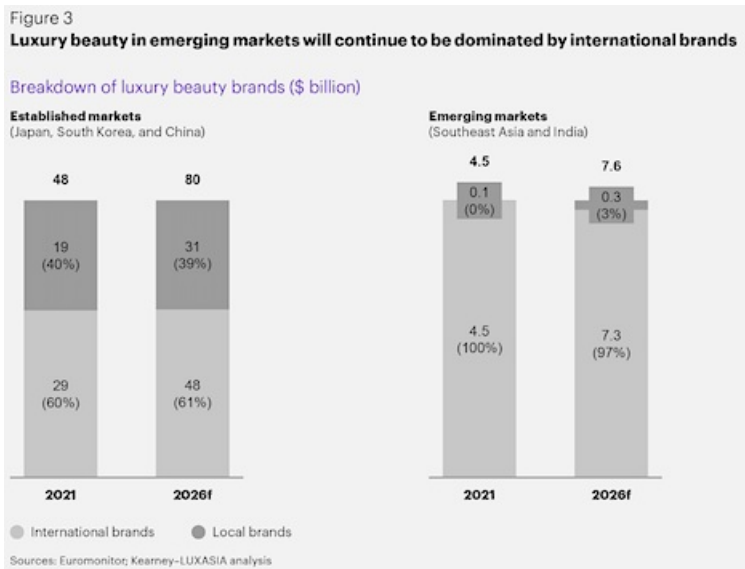
"This golden window to capture accelerated growth cannot be missed," said Wolfgang Baier, Group CEO of Luxasia, in a statement.

"New-entry brands need to act urgently to secure the platform to grow," Mr. Baier said. "Existing market brands ought to rejuvenate their omnichannel presence, adding greater operational agility, to better navigate market developments."

Asia blossoms

Urbanization and increasing disposable incomes are highlighting a new demand for high-end goods on the continent ([see story](#)).

As a result, many global luxury beauty brands are already activating.



International luxury brands are already taking note. Image credit: Kearney/Luxasia

India particularly is drawing in investment.

Japanese beauty group Shiseido is partnering with a Bollywood star, Indian actor Tamannaah Bhatia; she has a major presence throughout her home nature's movie and television industries ([see story](#)). Now, she is an ambassador for the cosmetics company and is the first-ever talent from the country to represent Shiseido, leading the way in the emerging luxury destination.

Meanwhile, beauty group Este Lauder Companies and Indian beauty and lifestyle retailer Nykaa launched an incubation program in 2022 ([see story](#)).