

Cosmetics for men a booming market

Major firms bank on trend toward male feminization

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Bloomberg

Mitsuru Yonekawa, named one of Tokyo's most handsome men by a lifestyle magazine, has added a step to his morning grooming ritual to combat flaky skin.

Yonekawa, 32, uses a ¥1,890 bottle of Otsuka Pharmaceutical Co.'s UL-OS skin milk before heading to Nissan Motor Co., where he is a spokesman. Otsuka sold \$11.1 million of UL-OS in the first six months it was on the shelves.



Skin care: Mitsuru Yonekawa, a spokesman for Nissan Motor Co., poses with a car in Zama, Kanagawa Prefecture, recently. Yonekawa, named one of Tokyo's most handsome men by a lifestyle magazine, uses skin milk before heading to his office. BLOOMBERG

"I try to look neat so I won't give a bad impression," said Yonekawa, one of 82 men featured in Hanako magazine last year. "My skin is losing moisture. I didn't need anything when I was in my 20s."

Japanese men are buying more cosmetics made specifically for them even as salaries fall, unemployment rises and the population shrinks in Asia's largest market for beauty products. Sales of men's skin-care products jumped 17 percent to \$196 million in 2008, compared with a 0.2 percent drop industrywide, according to the most recent trade ministry data.

Japan accounted for about 10 percent of the \$333.7 billion global market for cosmetics and toiletries in 2008, London-based researcher Euromonitor said.

Japanese college students are more interested in moisturizers, cleansing scrubs and beauty salons than they are in cars, according to a 2009 survey of 1,600 men and women by the Japan Automobile Manufacturers Association, which wanted to find out why sales last year plunged 9.3 percent to 4.6 million vehicles, the lowest level since 1977.

"More and more men are becoming feminized," said Koichi Ogawa, chief portfolio manager at Daiwa SB Investments Ltd. "Their desire for better looks is getting stronger."

"It's going to be hard for companies to grow unless they target male customers in Japan," said Toshihiro Nagahama, chief economist at Dai-ichi Life Research Institute. "More and more men from their teens to their 30s are making a fashion statement."

Otsuka, known for its Pocari Sweat sports drink and Oronamin C energy drink, entered the men's skin-care market in September 2008 with UL-OS, pronounced "uruosu," Japanese for "moisturize."

The closely held company hired Keisuke Kuwata, 53, vocalist for the best-selling Southern All Stars band, to promote its products to his generation.

"We aim to lure the middle-aged men who aren't used to skin-care products," spokesman Tadashi Kirai said. "There is more potential for the men's skin-care market because more than two-thirds of men have never done any care."

Rohto Pharmaceutical Co. introduced Cream-in-Lotion Vital Tank under the Oxy brand last year, saying research showed that men's skin is more oily and acne-prone than women's. Kao Corp. added Body Milk lotion to its Nivea for Men brand.

Toshitaka Kobayashi, 34, who works for a Tokyo machinery maker, uses DHC Corp.'s DHC for Men lotion.

"A skin lotion is a must item for me to keep my skin moist," Kobayashi said. "My wife buys it for me when she buys hers."

More products are coming. Kose Corp. has partnered with Coty Inc. to produce and sell Adidas-brand men's skin-care products in Japan by March 31.

"The men's market has a huge potential, domestically and globally," Kao Executive Vice President Hiroshi Kanda said. "We need to offer more choices for male customers as they are starting to make their own decisions to buy products."

The department store chain Matsuya Co. sells Shiseido Men, Estee Lauder Cos.' Clinique Skin Supplies for Men and Clarins SA's Clarins Men at its flagship store in Tokyo's Ginza district. The Shiseido Men products include facial cleansing foam and lip treatment.

"Sales are faring well for men's brands," Matsuya spokeswoman Naoko Yabuki said. "They never flirt with other brands. They stick with the same products, unlike women."

Euromonitor forecasts that global sales of men's grooming products, including shaving lotions and hair care, will grow 12 percent to \$29.3 billion between 2008 and 2013, with higher demand in emerging markets China and Brazil.

That is compared with its estimate of 9.1 percent growth to \$364 billion for the entire cosmetics and toiletries industry by 2013.

Zas International, which specializes in men's cosmetics, saw sales of its foundation grow by more than 20 percent last year, said Kazumi Nonoshita, an advertisement planner at Zas. It says the \$45 product contains no oil and has antibacterial properties to prevent irritation.

"There is a desire among men to look more beautiful," she said.

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