Skin Care Opportunity Survey in Czech Republic

Prepare for INDUSTRIAL DEVELOPMENT BUREAU, MINISTRY OF ECONOMIC AFFAIRS 經濟部工業局

Conducted by 台灣經濟研究院 Taiwan Institute of Economic Research

深耕台灣·邁向國際

2019

OBJECTIVE

This study aims to reveal and deep dive into the Czech Republic consumers' U&A towards **skincare categories** and assists Taiwan brand companies to evaluate their business opportunities and strategies in this market.

The personal care, especially **facial** and **hair** products are selected as the targeted products because they are the fastest-growing categories among Taiwan's own brands business in recent years.

RESEARCH DESIGN

Methodology

- Online survey for 30 minutes self-completed
- FW duration– 2019.06.07-07.11

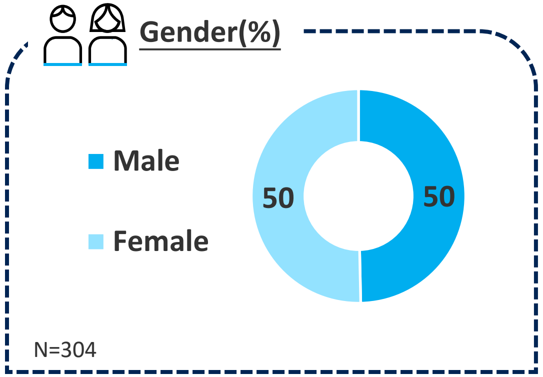
Target Respondents

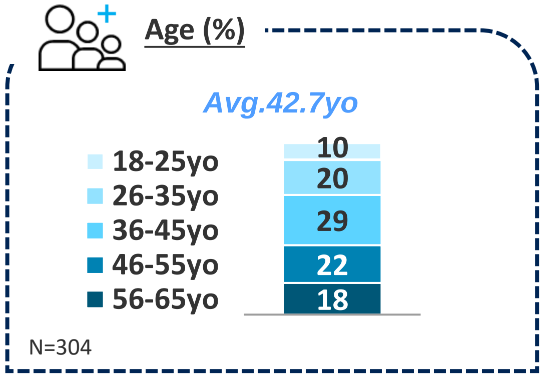
- Residents currently live in Czech Republic
- Area –Nationwide
- Gender – Male : Female
- Age – 18-65yo
- Ever purchased skin or hair products in P6M & Brand decision maker

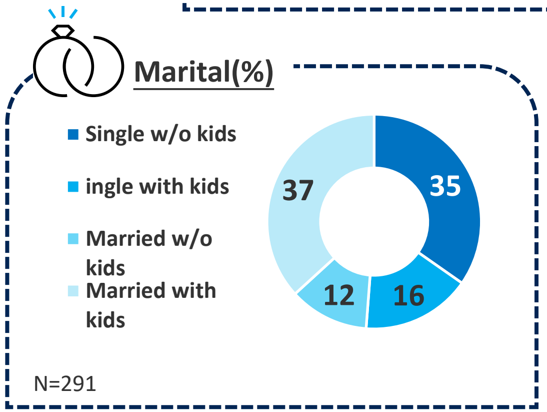
Sample size & quota

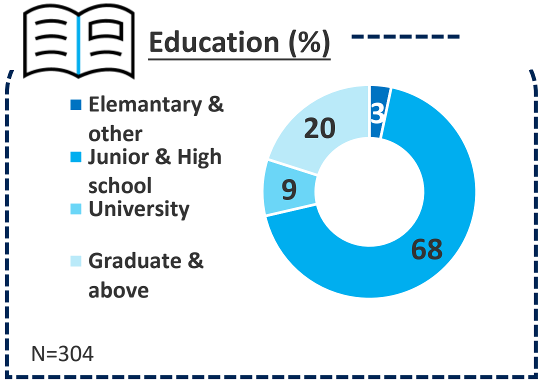
- Main sample: N=304
- Male : Female =50%:50%；18-25:26-35:36-45:46-55:56-65=10%:20%:29%:22%:18%

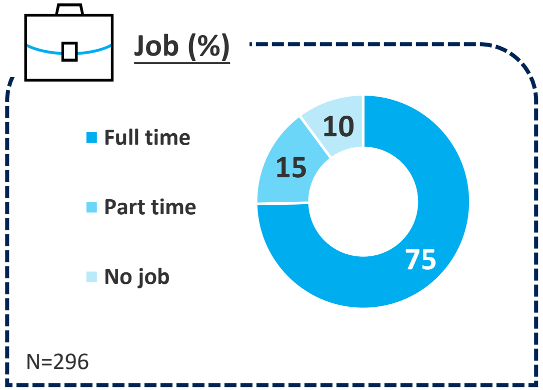
RESPONDENTS' PROFILE

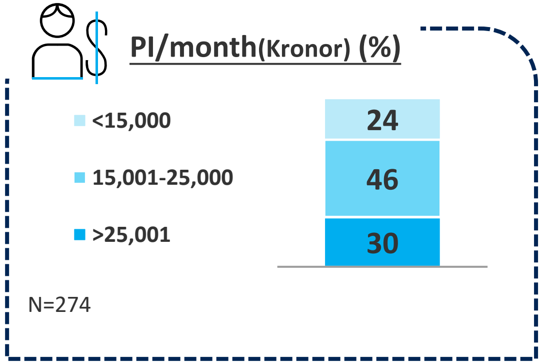


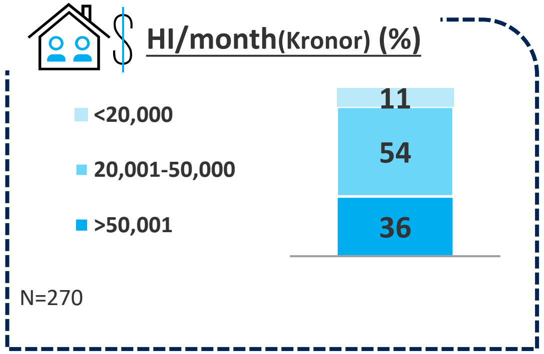








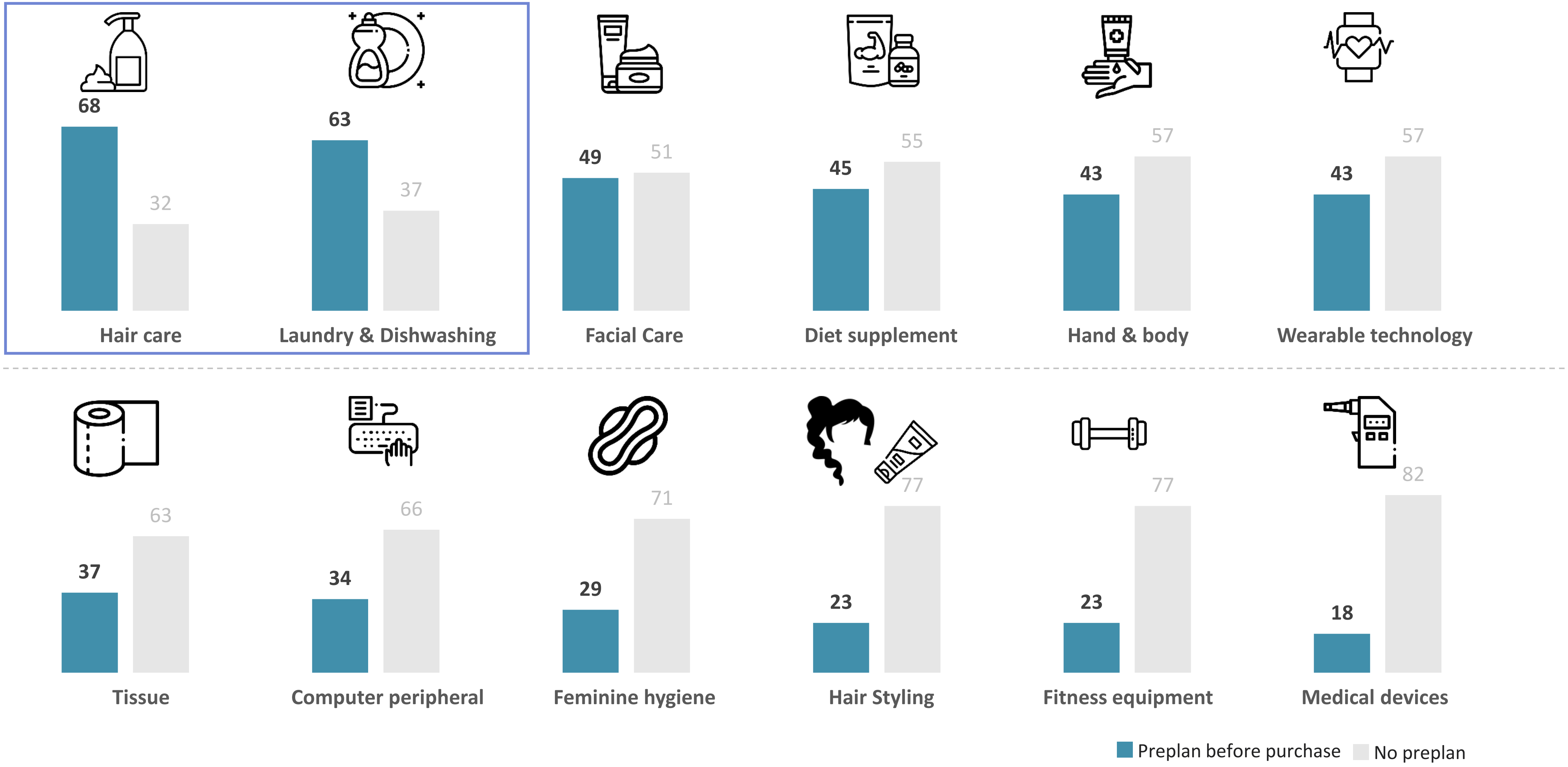




Personal Product Overlook

PREPLAN BRAND SET BEFORE PURCHASE

Consumers only have pre-plan brands list when buying hair care or laundry & dishwashing products, implying most consumers might be easily influenced and purchase other brands, not they planned to during their purchase journey.

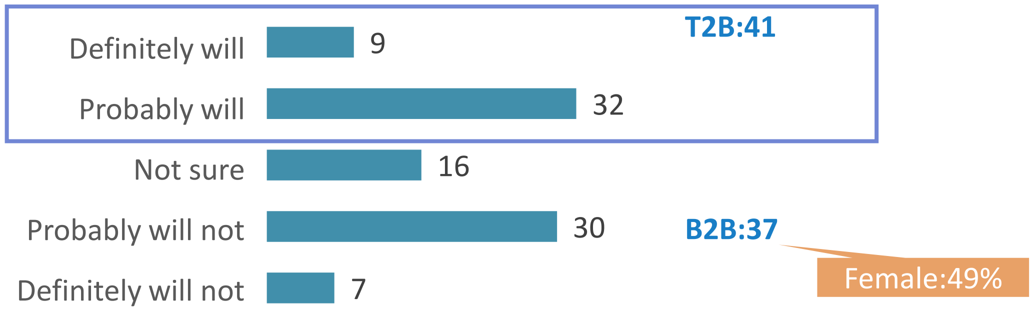


Base : N=304 Unit:% Which of the following product do you preplan the brand before you go shopping?

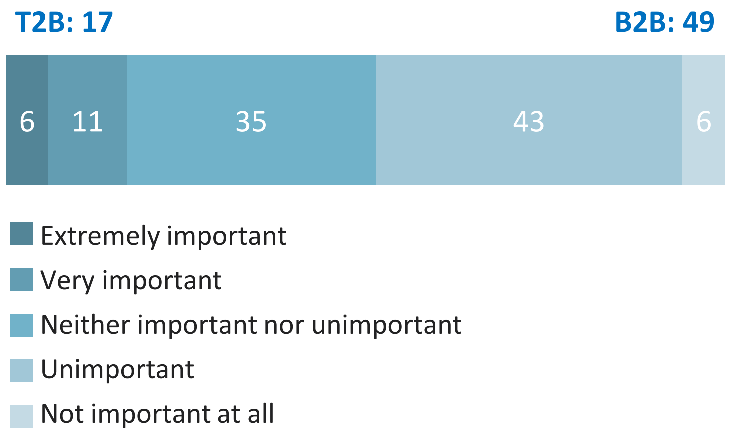
INFLUENTIAL FACTORS ON PERSONAL CARE PRODUCTS

- It is worth noting that consumers claim the brand is not very important when selecting personal care products, whereas 41% would pay notice to the country of the origin.
- Around 7-in-10 of consumers said they will pay attention to product ingredients and half of them prefer to use organic products, mainly for facial care.

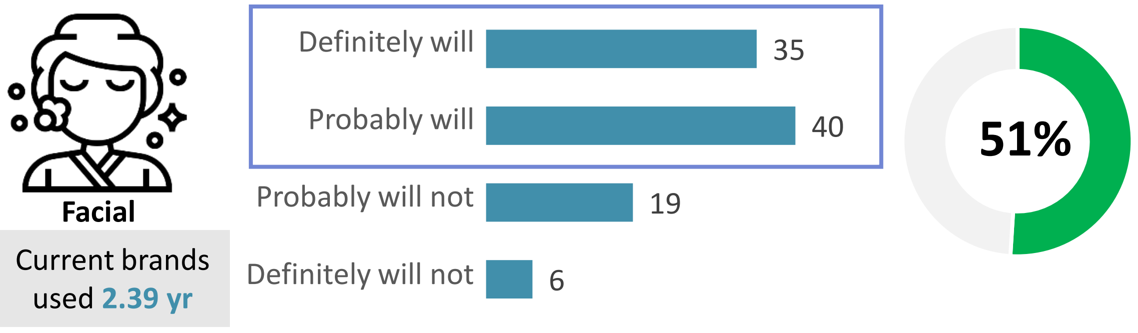
Country of origin



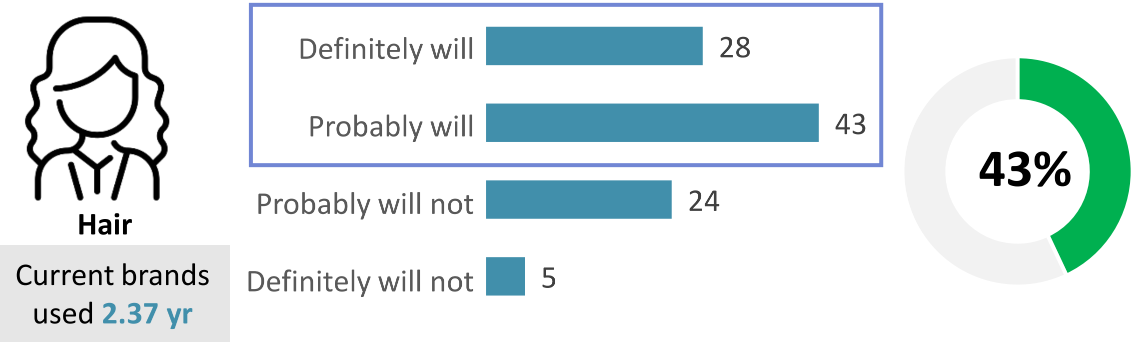
The role of the brand



Product Ingredient notice / Prefer /used organic product



Product Ingredient notice / Prefer /used organic product



Sig higher than other group at 95%c.l.

Base : N=304 Unit:% Does brand matter to you when choosing personal and skin care products? Do you usually take notice about the country of origin or manufacturers when choosing personal and skin care products? Would you pay notice to ingredient when selecting facial & hair products? Which can describe your preference upon organic products?

EXPENDITURE ON PERSONAL CARE PRODUCTS

There is an obvious different budget plan on personal care between gender. The female intends to spend more, around 526 kronor per month while the majority of the male spends less than 500 kronor.

	Total	Gender		Age					Monthly Personal Income		
		Male (b)	Female (c)	18-25 (d)	26-35 (e)	36-45 (f)	46-55 (g)	56-65 (h)	<15,000 (m)	15,001-25,000 (n)	>25,001 (o)
base	*304*	*151*	*153*	*30*	*62*	*89*	*67*	*56*	*67*	*126*	*81*
Below 250 kronor	25	25	25	30	19	25	25	29	30	25	21
251-500 kronor	40	49c	32	30	47	34	46	43	42	38	46
501-750 kronor	18	14	22	23	16	19	15	18	18	17	12
Above 751 kronor	17	13	21	17	18	22	13	11	10	19	21
Avg.	*486*	*445*	*526b*	*478*	*506*	*531*	*455*	*432*	*430*	*491*	*523*

(abc) means Sig higher at 95%c.l.

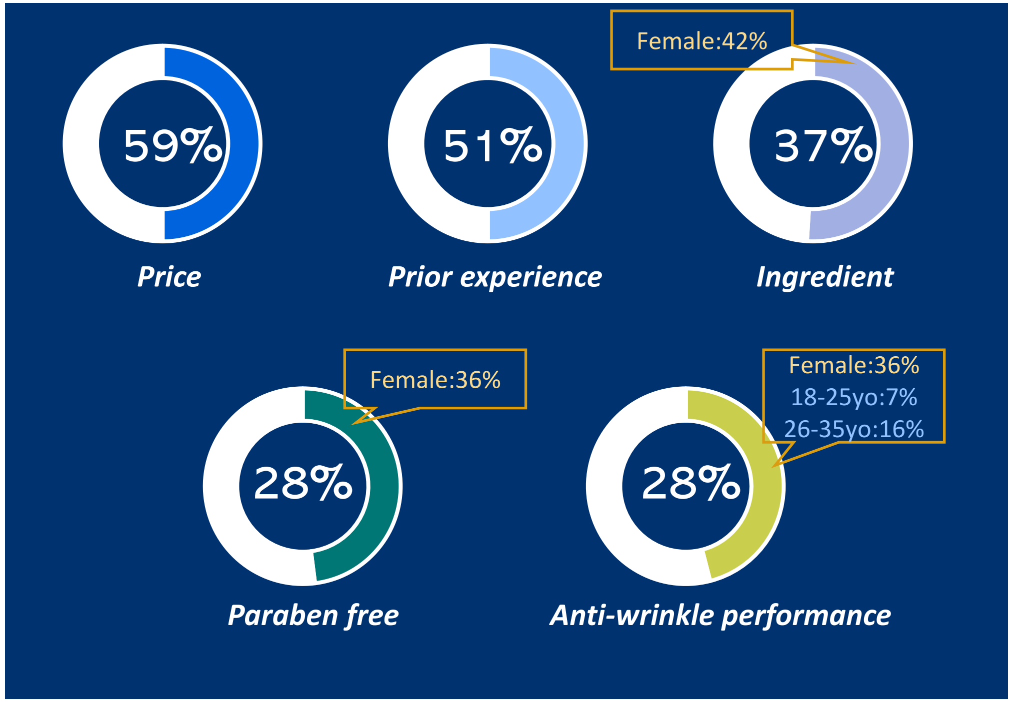
Base : N=304 Unit:% How much do you expend on personal care products on average every month?

Facial skin care

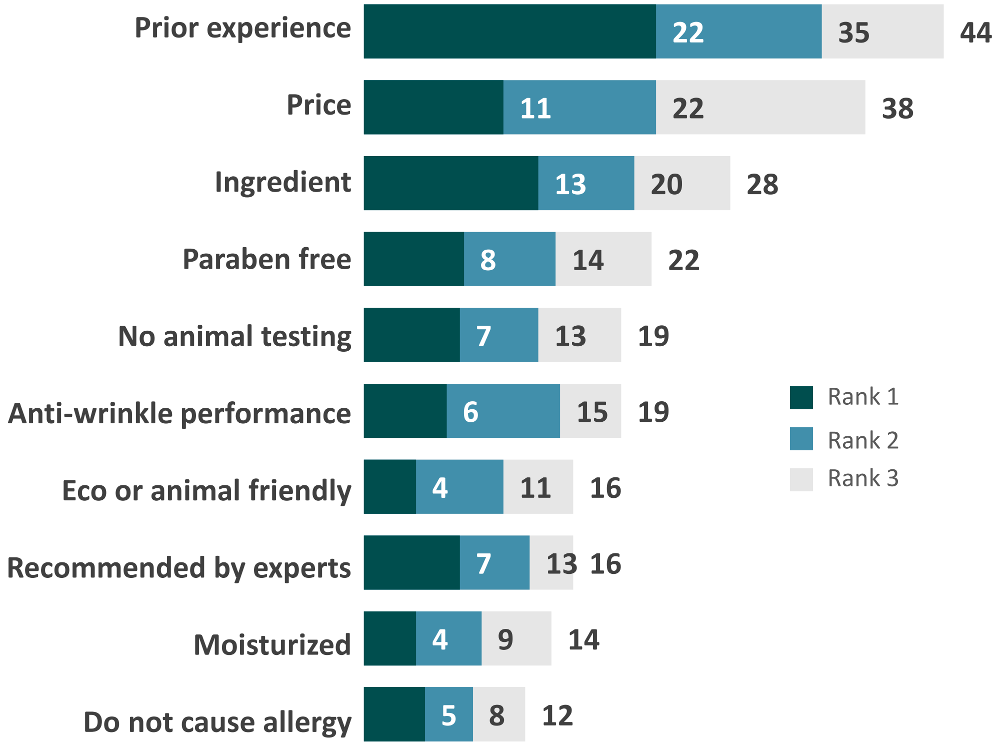
FACTORS FOR FACIAL PRODUCT SELECTION

- Price and prior experience are two common considered factors when purchasing facial products.
- 13% of consumers ranked "**ingredient**" as Top1 factor, mirroring the previous finding that the Czech usually will check the product ingredient.

Top 5



Ranking order



Sig higher than other group at 95%c.l.

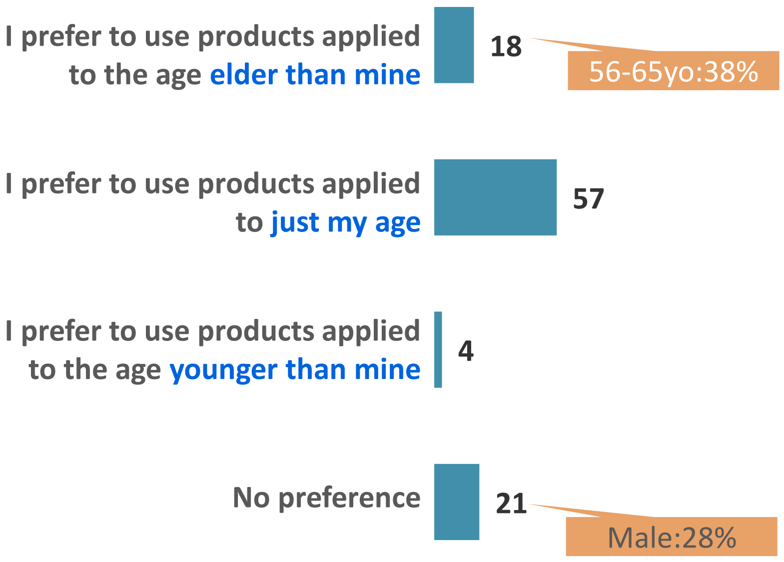
Sig lower than other group at 95%c.l.

Base : N=466 Unit:% Which of the following factors matter to you when choosing skin care products?

PRODUCTS APPLIED TO SPECIFIED AGE & ETHNICITY

- Over half of consumers still prefer to use products just applied to her/his ages.
- One-fifth of consumers ever purchased products designed to specified ethnicity, and 37% of consumers claim they will consider purchasing products applied to a specific ethnicity.

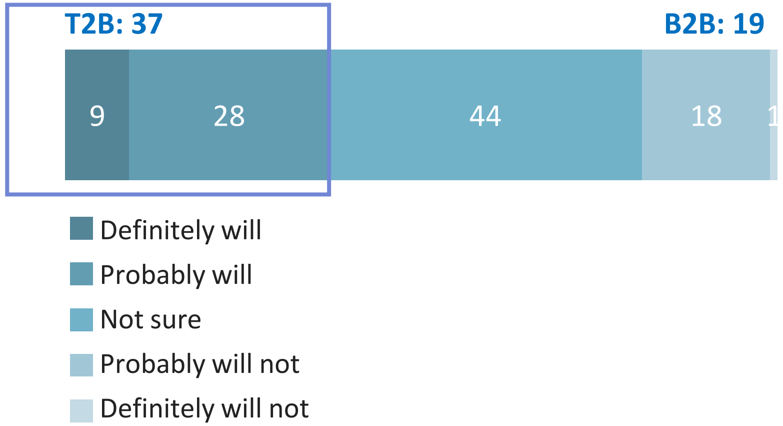
For specified age



For specified ethnicity

22% ever purchased

Future purchase intention



Base : N=304 Unit:% Which of the following statement describe you best? Have you ever purchased products designed to specified ethnicity? Will you consider purchasing products applied to specified ethnicity?

FACE MASK USAGE

- Over 2-in-5 of consumers claim that they aware face mask sheet product, with higher awareness level among females.
- Half of consumers used face masks in P6M, and they usually use at least once per month, with 40% & 32% using cream and gel types. Should note that the usage rate of the face mask sheet is still very low(7%).

Awareness

44%

Male : Female=30%:58%

Face mask type

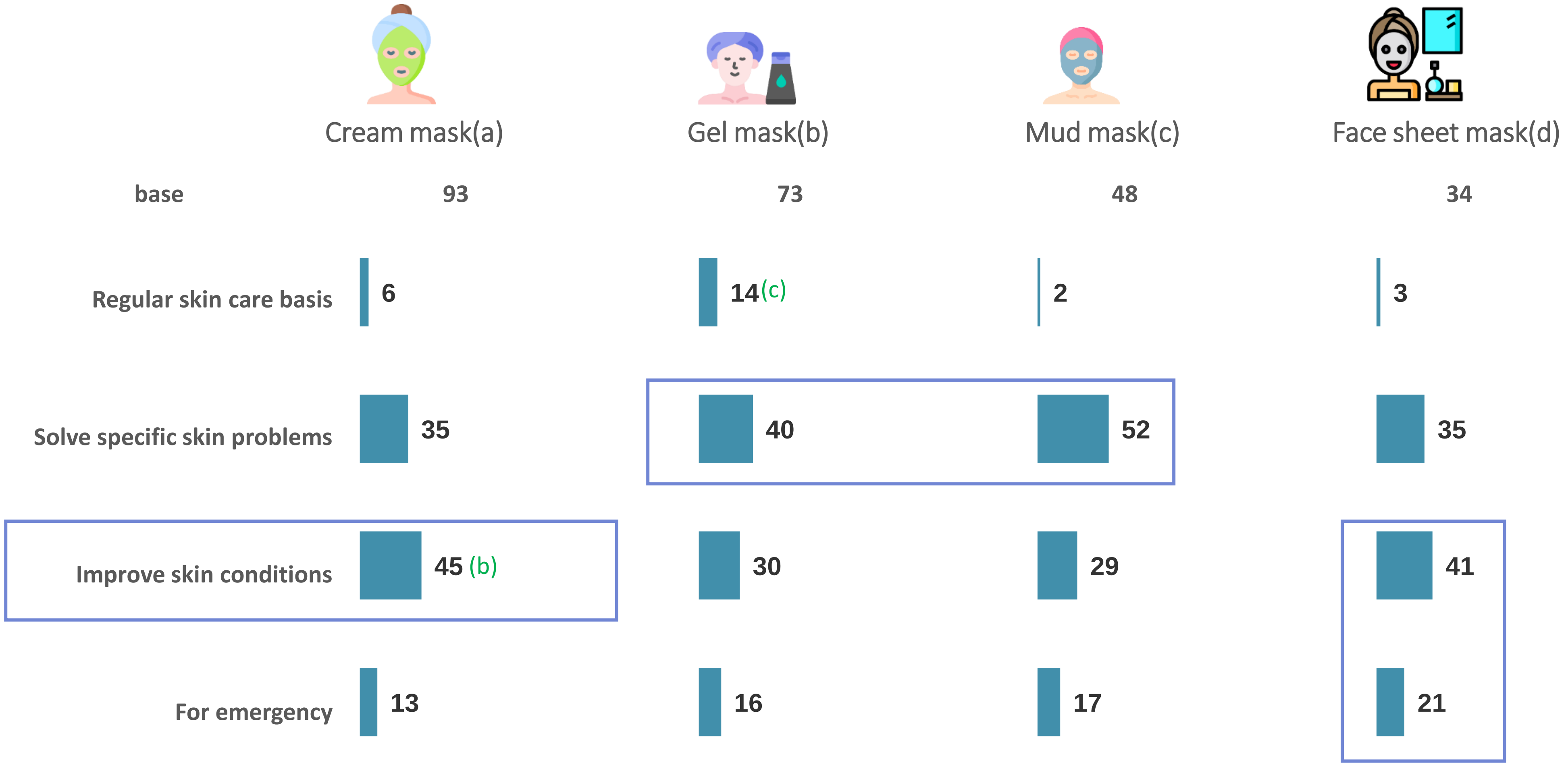
55% ever used face mask in P6M

	Usage rate	Frequency/month
Cream mask	40%	1.76
Gel mask	32%	1.73
Mud mask	17%	1.26
Face mask sheet	7%	1.12

Base : N=304 、Used face mask N=167 Unit:% Have you heard of face mask sheet product? Did you use face mask products in P6M? What kind of face mask did you use?

PURPOSE OF FACE MASK USAGE

Consumers mainly use gel & mud masks to solve specific skin problems, while cream and face sheet masks are used to improve skin conditions.

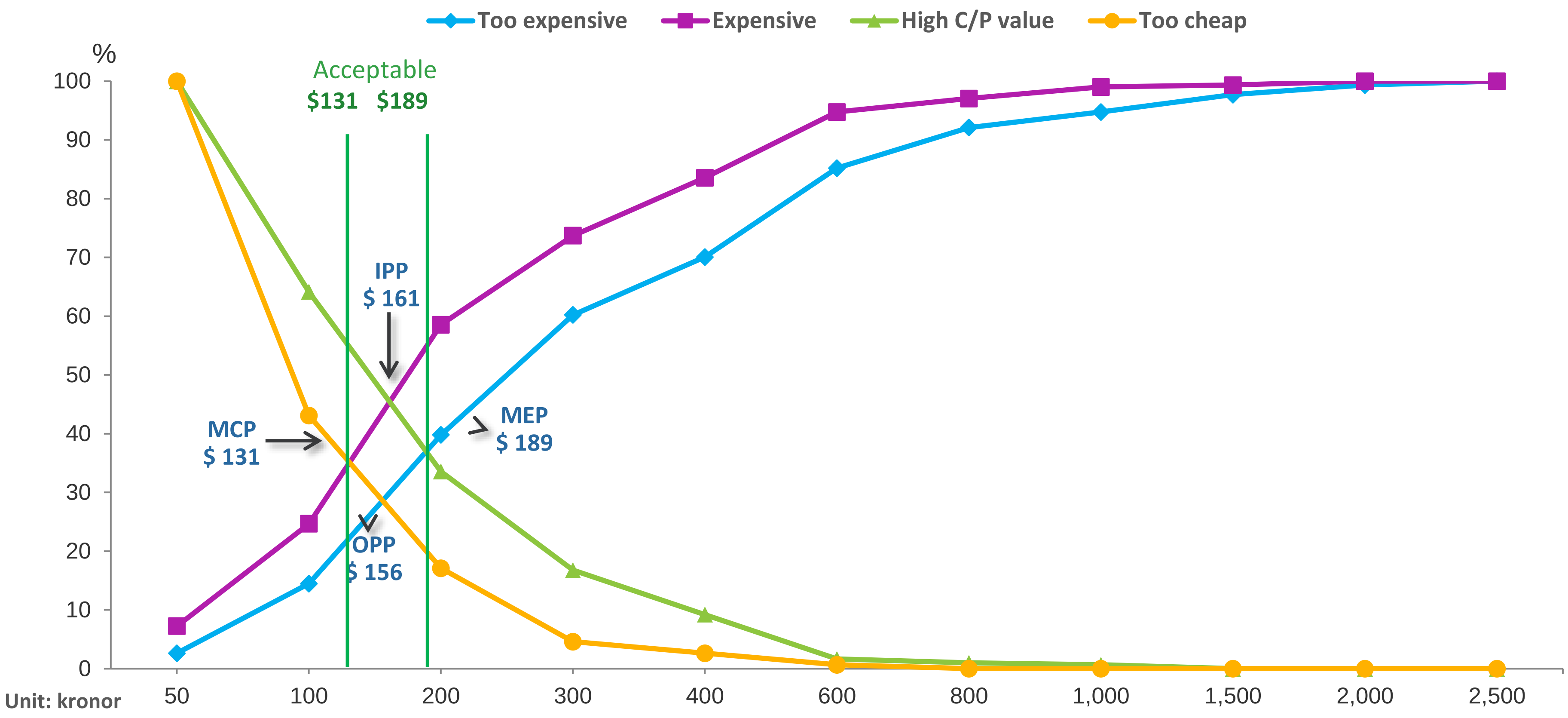


(abc) means Sig higher at 95%c.l.

Base : N=167 Unit:% Why would you use the face mask?

PRICE SENSITIVITY METER

131 to 189 kronor is recommended selling price range to entice the Czech for face sheet mask trial.

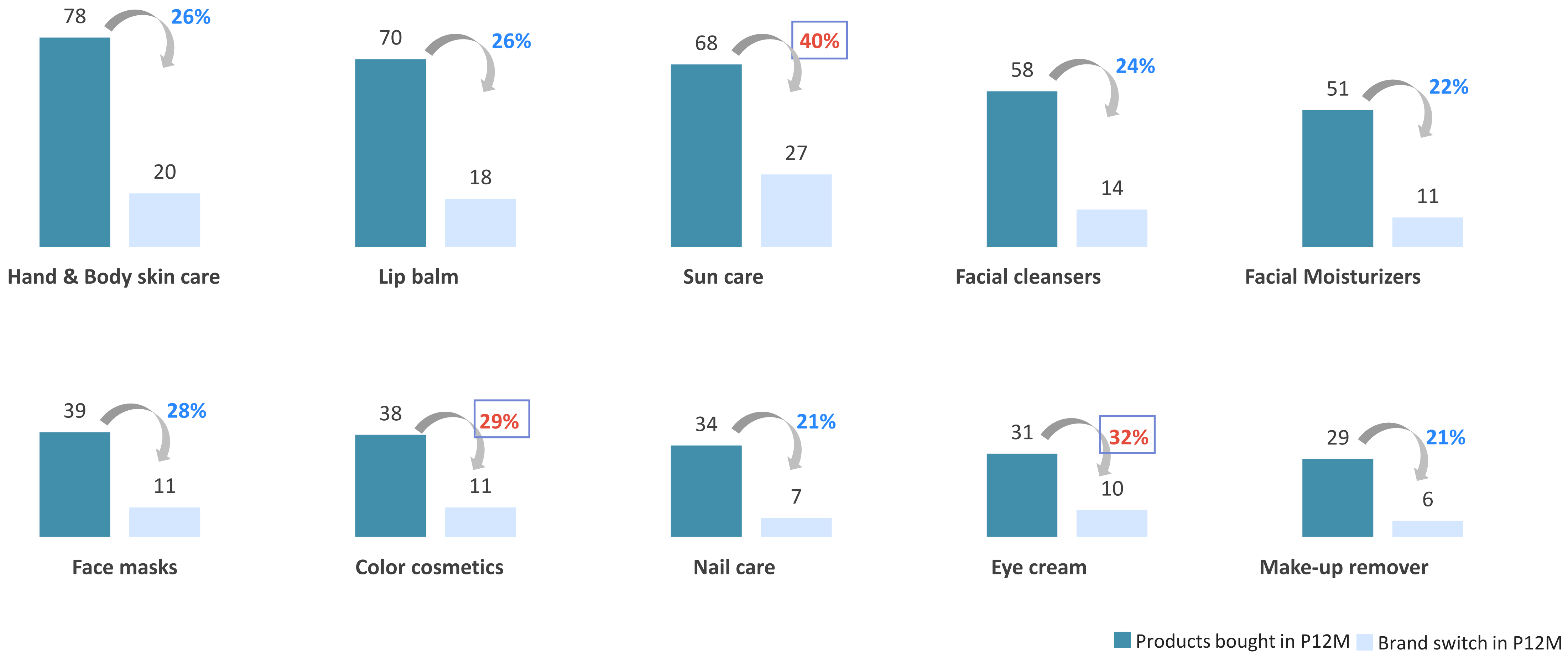


IPP(Indifference Price Point) = Prices that are not expensive or cheap
OPP(Optimal Price Point) = The price that consumers can't resist
MCP(Point of Marginal Cheapness) = Price goes lower will make consumers feel uneasy
MEP(Point of Marginal Expensiveness) = Price goes higher will decrease consumers' purchase willingness

Base : N=304 Unit:% 、kronor

PRODUCTS USAGE AND BRAND SWITCH IN P12M

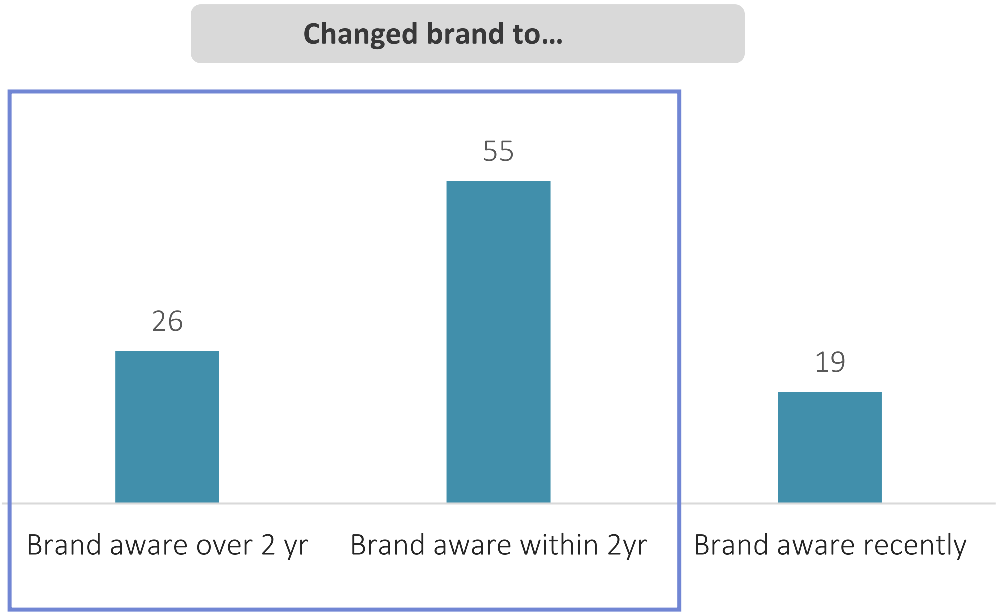
- Hand & body skin care and lip balm were main products ever purchased in P12M.
- According to the conversion rate, consumers have higher intention to buy new brands on sun care (40%), eye cream(32%) and color cosmetics(29%), whereas consumers show **loyalty** on **make-up remover**(21%) and **nail care**(21%).

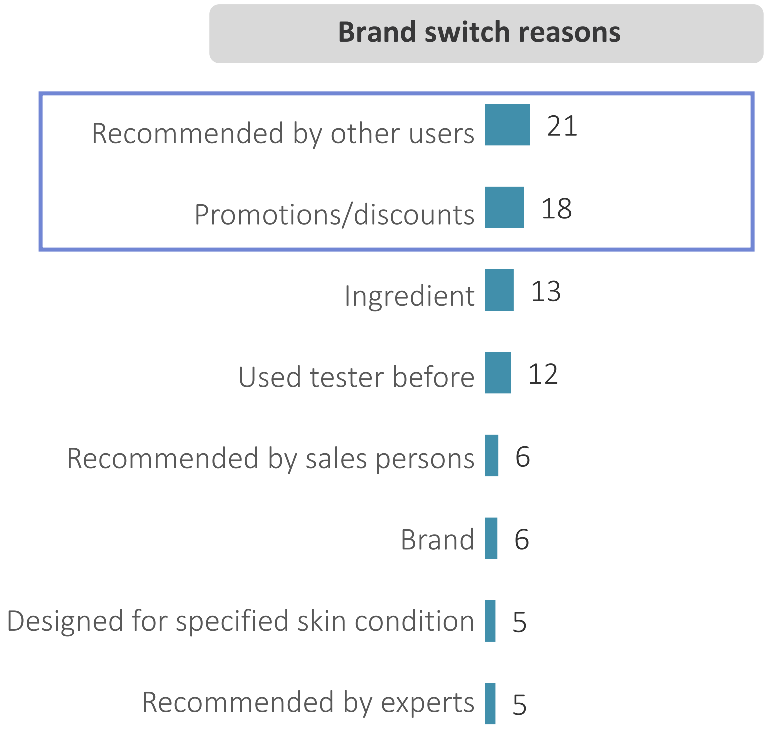


Base : N=304 Unit:% In the last 12 months, have you bought any of the following products? In the last 12 months, have you bought any brand you did not use before for the following products?

BRAND SWITCH BEHAVIOR

- Consumers mainly changed the brands of their products to what they were already familiar with, and less than one-fifth switched to the brands they were just aware recently.
- WOM and price are the top 2 reasons for brands change.

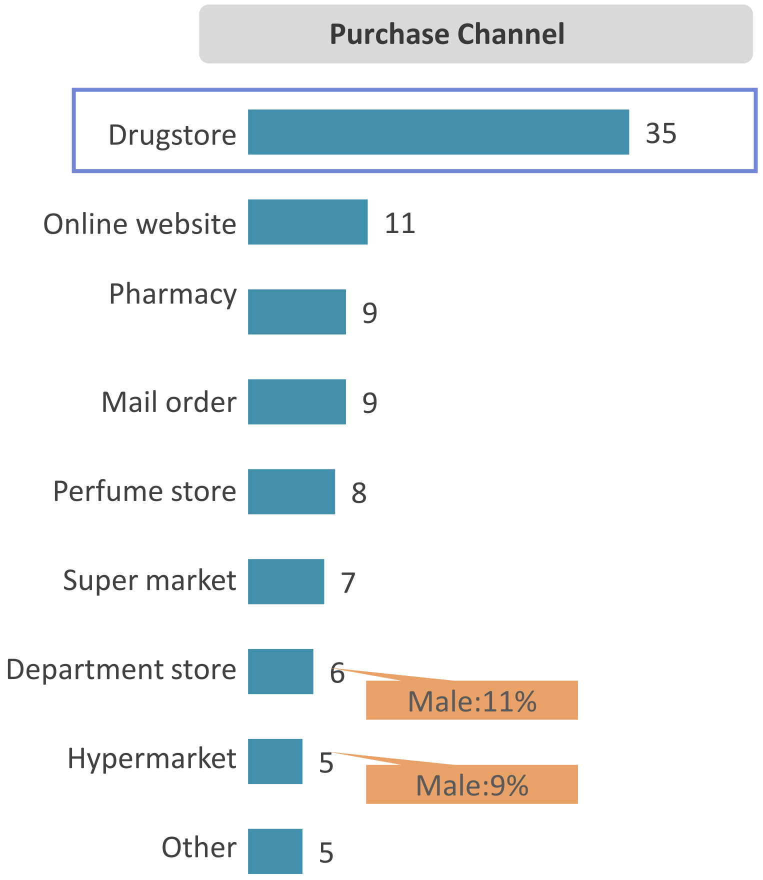


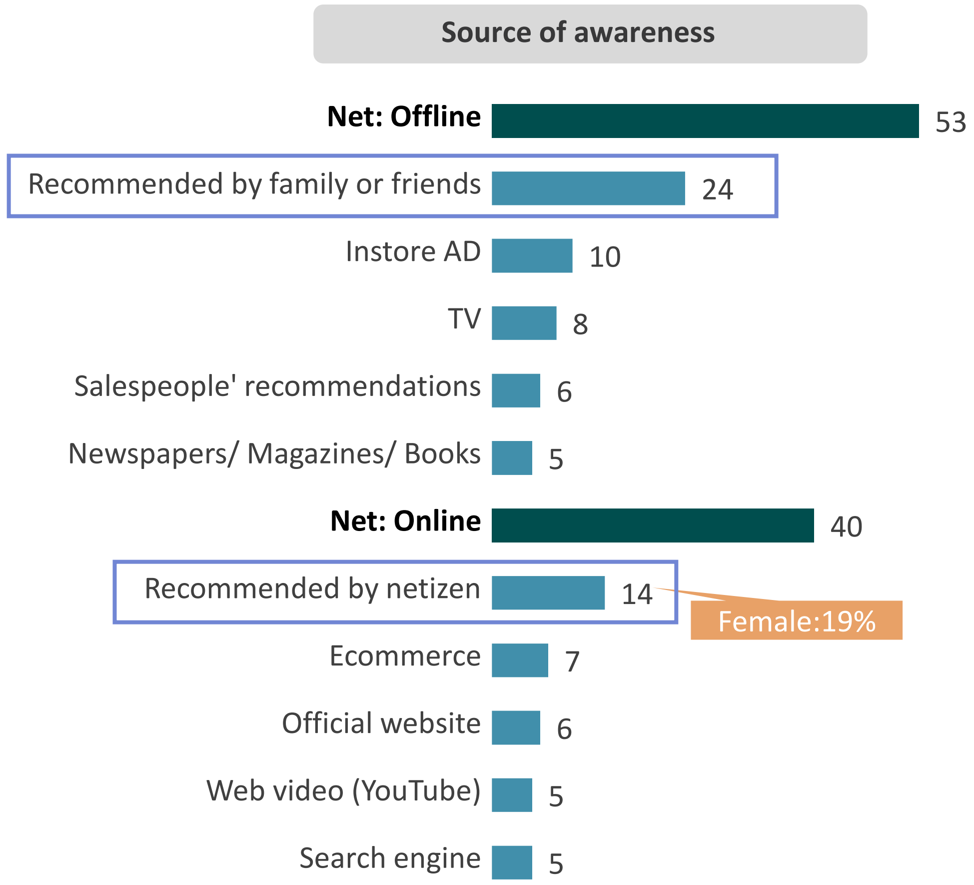


Base : N=225 Unit:% What kind of brand did you switch to? Why would you try the new brand product?

CHANNEL & SOURCE OF AWARENESS FOR NEW BRAND

- Consumers who purchased personal care products from the new brands and accessed the product information mainly via physical stores, like a drugstore.
- WOM has strong influence via both offline and online channels, especially on the females.





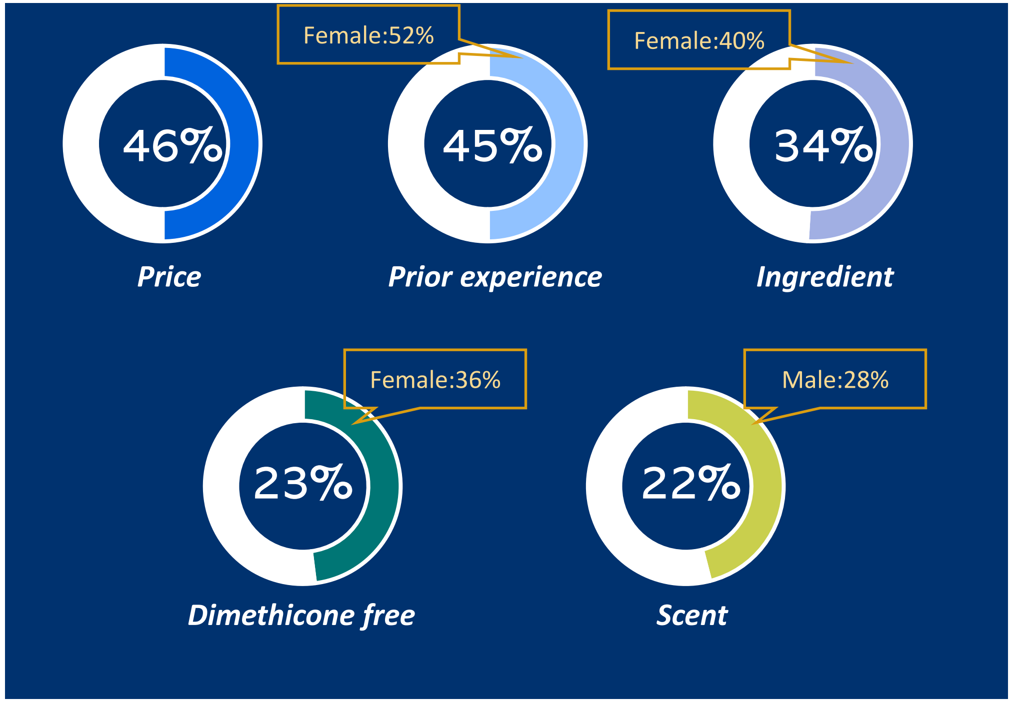
Base : N=225 Unit:% Which of the following sources did you learn about the brands you switched to? Where did you purchase the brand product you switched to?

Hair care

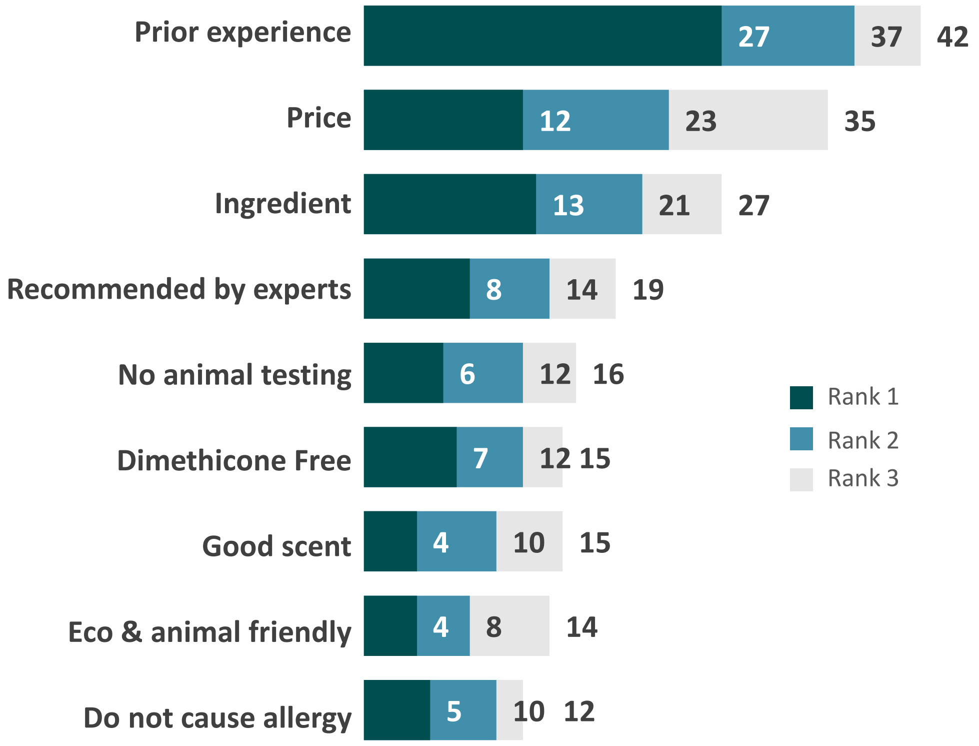
FACTORS FOR HAIR PRODUCT SELECTION

- Top 3 considerations upon hair products are identical to the facial products, including “**price**”, “**prior experience**” and “**ingredient**”.
- Pleasant scent can enhance purchase intention, especially for male consumers.

Top 5



Ranking order

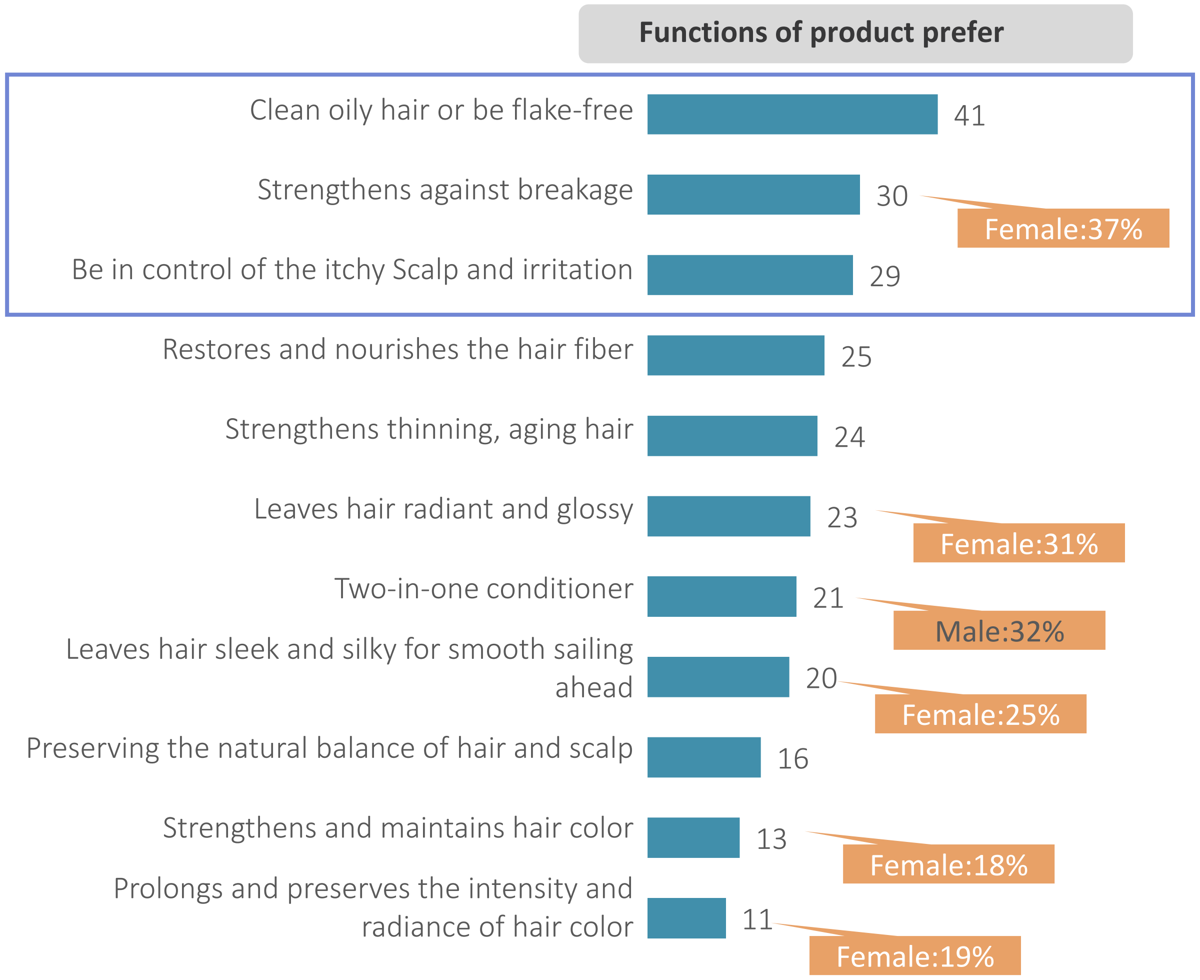


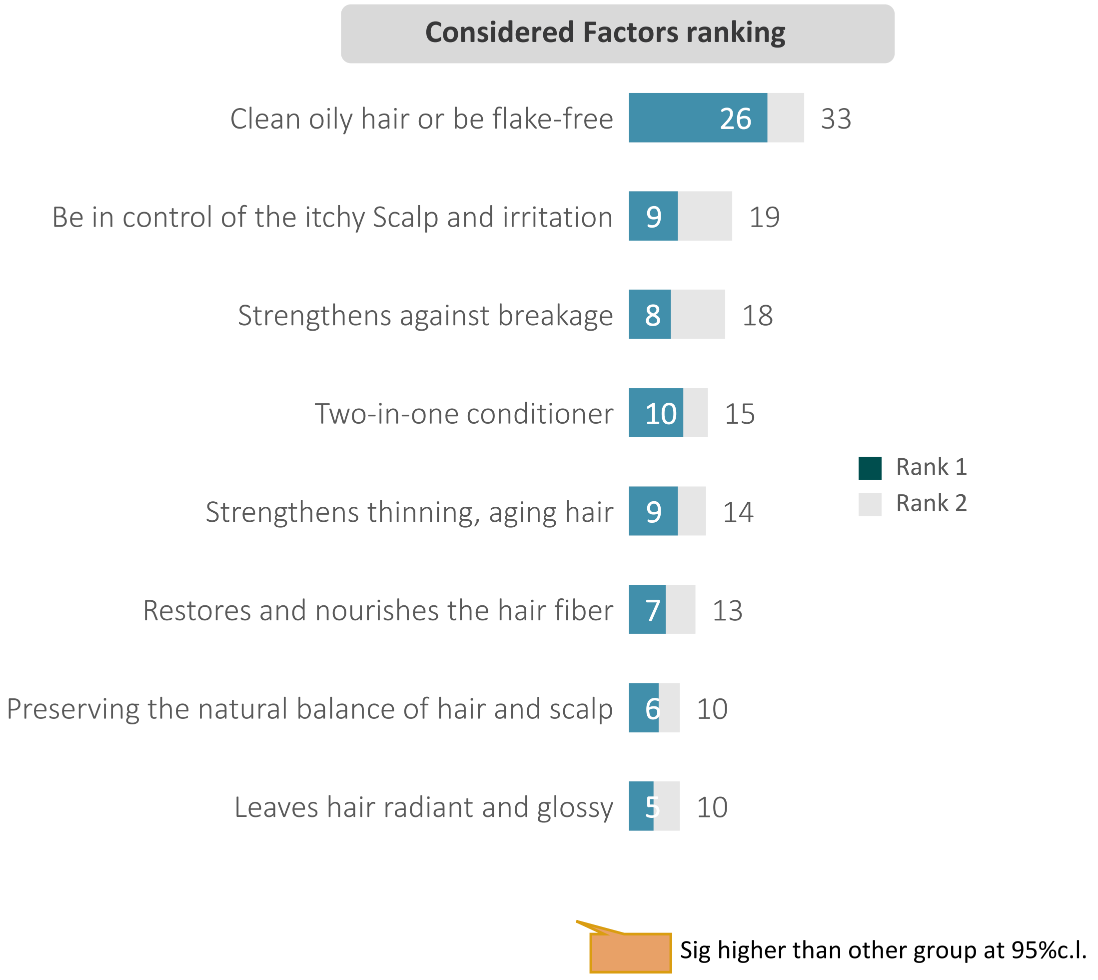
Sig higher than other group at 95%c.l.

Base : N=304 Unit:% Which of the following factors matter to you when choosing hair care products?

FUNCTIONS CONSIDERED FOR HAIR PRODUCTS PURCHASE

- Top 3 preferred functions of hair products are related to scalp issues, like oil-free, not itchy, or not irritated.
- The females value hair beauty performance, whereas the males care more on convenience, like two-in-one conditioner.



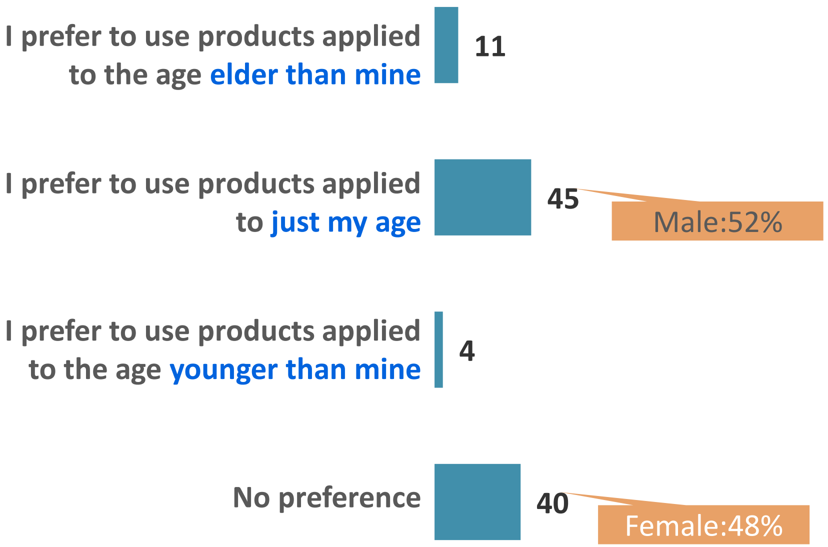


Base : N=304 Unit:% Which of the following functions would you consider when purchasing hair care products? Please rank Top1 & 2.

PRODUCTS APPLIED TO SPECIFIED AGE & ETHNICITY

- Apart from the result of facial care products, the male prefers to use hair care products fitting his age, while the female has no preference.
- Around one-fifth of consumers said they ever used hair products designed for specified ethnicity, and the T2B of PI reaches 41%, slightly higher than that in the facial product category.

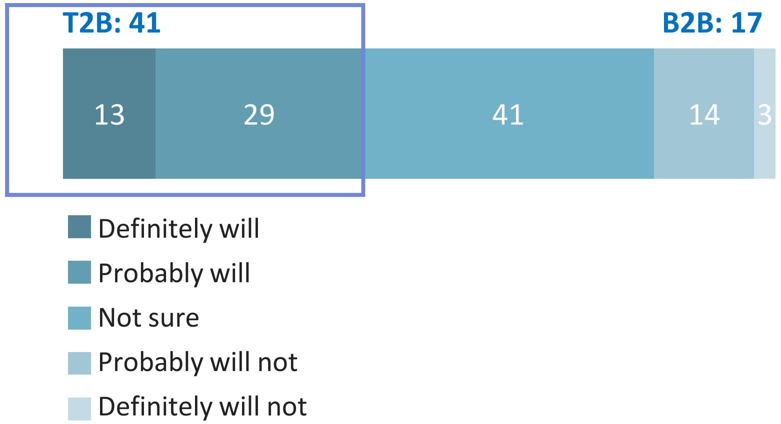
For specified age



For specified ethnicity

21% ever purchased

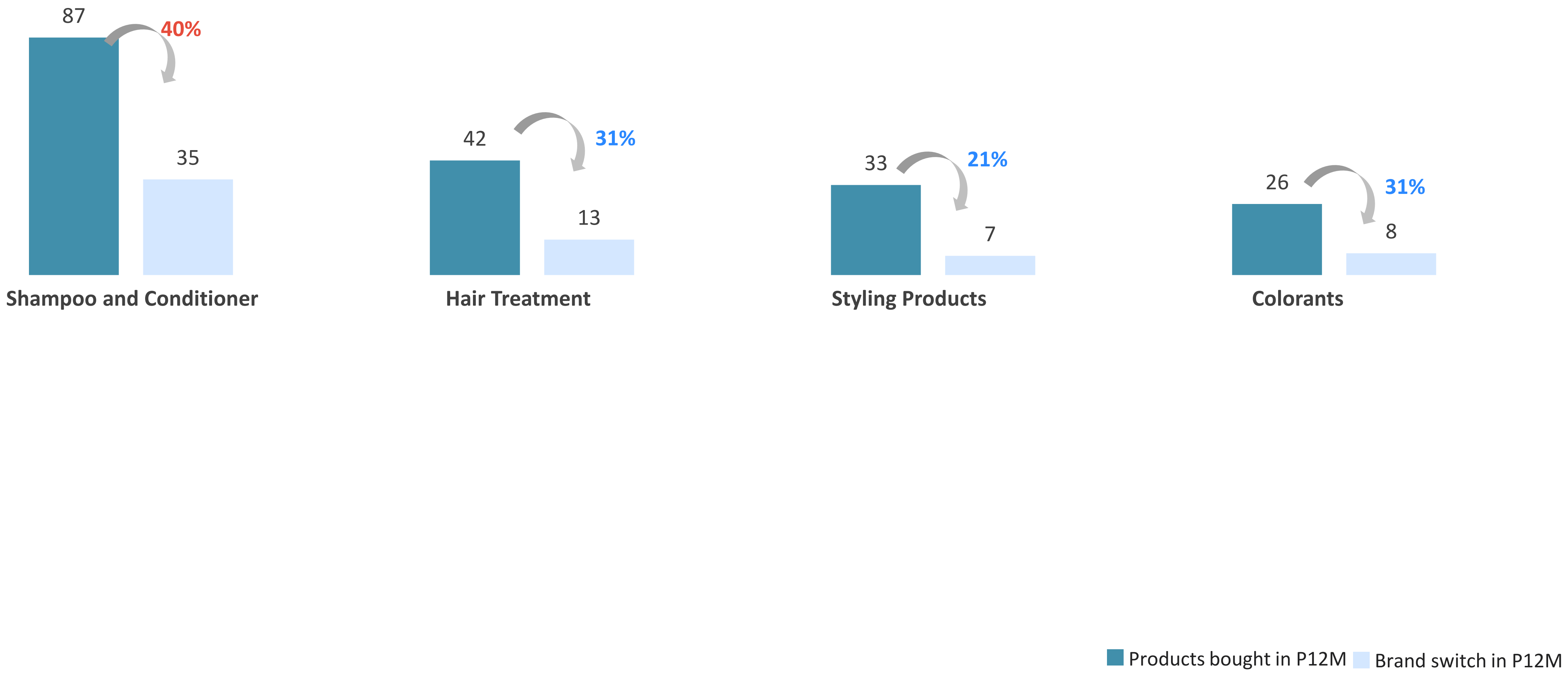
Future purchase intention



Base : N=304 Unit:% Which of the following statement describe you best? Have you ever purchased products designed to specified ethnicity? Will you consider purchasing products applied to specified ethnicity?

PRODUCTS USAGE AND BRAND SWITCH IN P12M

Consumers showed higher intention for new brand trials, especially shampoo and conditioner, followed by hair treatment, with 31% trial rate.

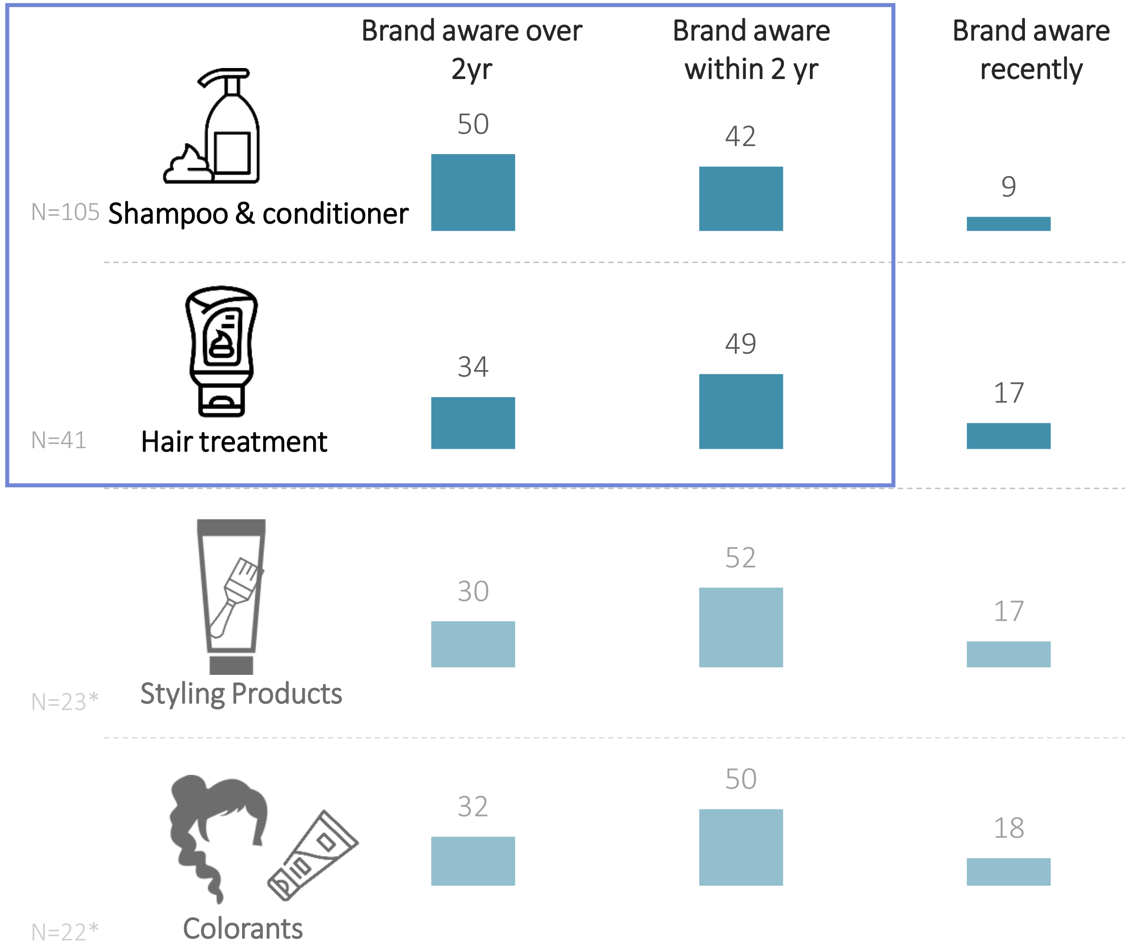


Base : N=304 Unit:% In the last 12 months, have you bought any of the following products? In the last 12 months, have you bought any brand you did not use before for the following products?

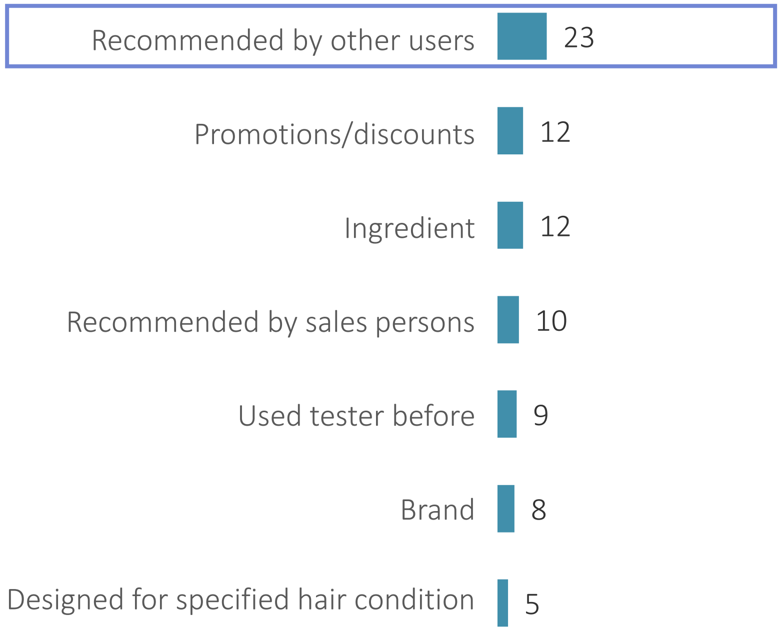
BRAND SWITCH BEHAVIOR

- Even though consumers show a high willingness to purchase new brands of their hair care products, they mainly switch to brands they already are aware, especially shampoo & conditioner.
- Recommendation and reviews from other users may trigger them to change brands.

Changed brand to…



Brand switch reasons

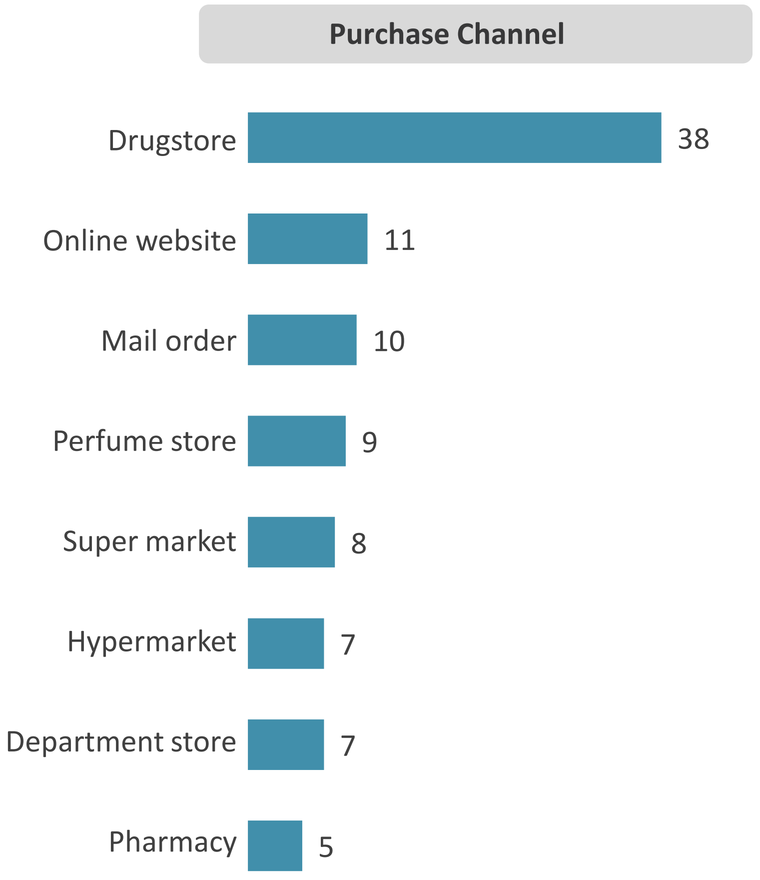


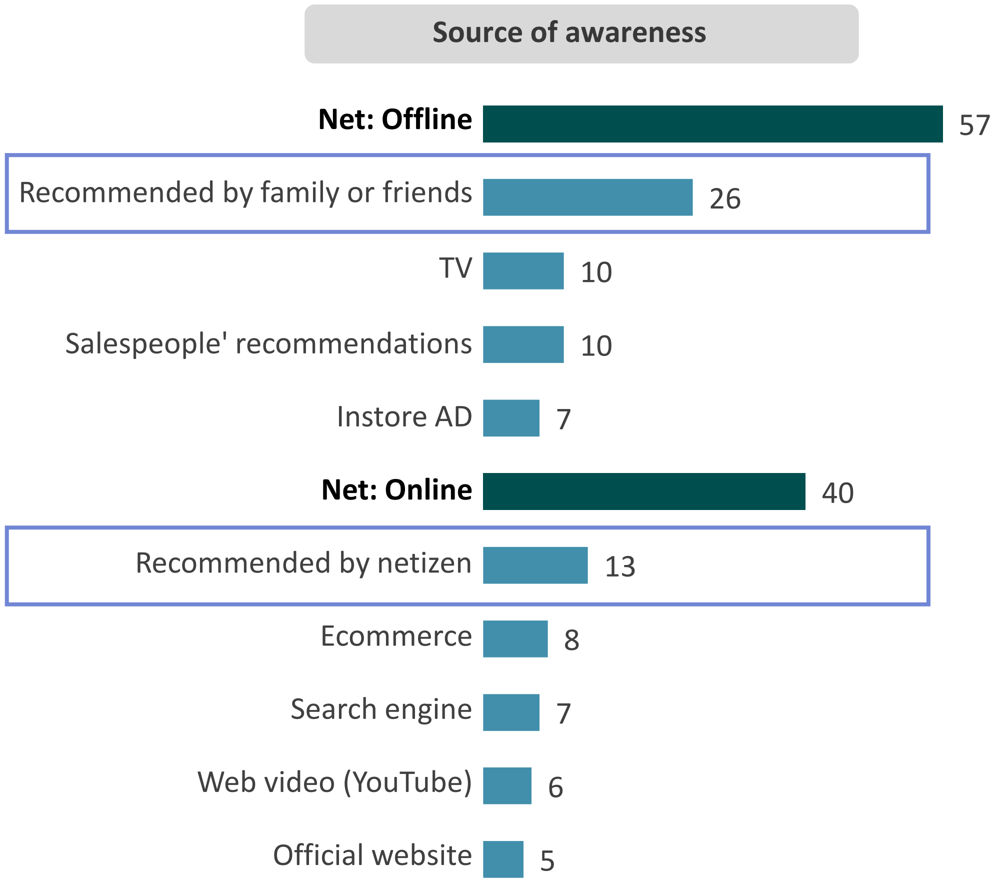
*small sample

Base : N=225 Unit:% What kind of brand did you switch to? Why would you try the new brand product?

CHANNEL & SOURCE OF AWARENESS FOR NEW BRAND

- Consumers who purchased hair care products from the new brands and accessed the product information mainly via physical stores, like a drugstore.
- WOM is the essential factor for the brand switch.





Base : N=225 Unit:% Which of the following sources did you learn about the brands you switched to? Where did you purchase the brand product you switched to?

Perceptions towards Taiwan

ATTITUDES TOWARDS PRODUCTS FROM TAIWAN

- Over two-fifth of consumers regard products from Taiwan as having high C/P value and claim they will consider purchasing skincare products from Taiwan, especially the male.
- Consumers agree that Chinese herbal has features like **good efficacy, acceptable aroma, mild and not irritated**, and ¼ of users claim that products containing Chinese herbal would uplift their purchase intention.

Attitudes towards skin care products from TW

	Total(T2B)	Male(a)		Female(b)	
		T2B (%)	Mean	T2B (%)	Mean
The **quality** of body and skin care products from Taiwan is **high**	19	25(b)	3.11(b)	14	2.95
I **would buy** body and skin care products from Taiwan	45	50	3.39(b)	40	3.15
Body and skin care products from Taiwan have a **good value for money**	46	48	3.44	45	3.44
Taiwanese brands of body and skin care products are **reliable**	25	31(b)	3.23(b)	18	3.01

Attitudes towards Chinese herbal

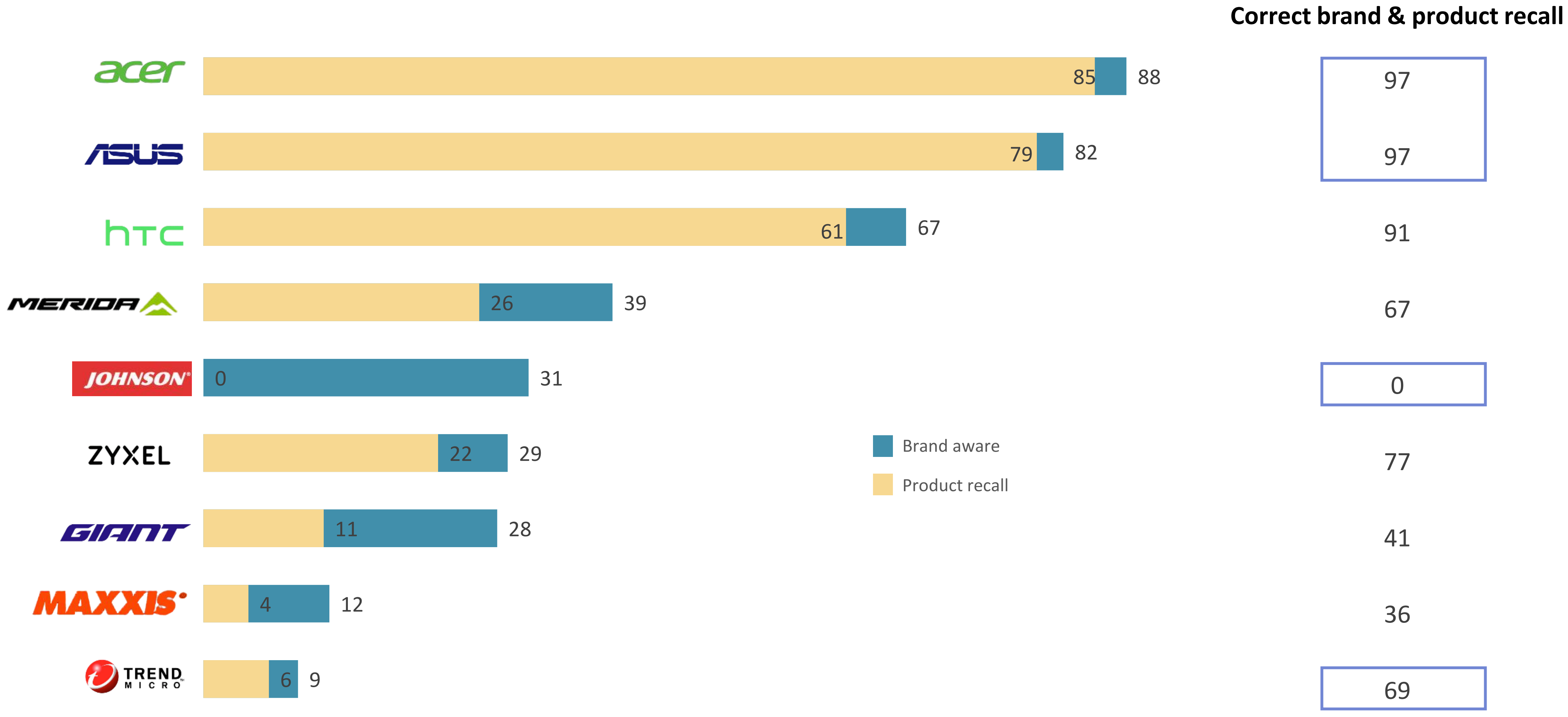
Effective treatments since the herbs are commonly used in the TCM.	43
The **aromas** of the herbs are **acceptable**	29
Ingredients are **mild** and **not irritating**	27
Increase the purchase **intentions** to try those products	25
Prefer products with **western** advanced technologies	22
Dislike the aromas of those herbs	9

How to calculate **Mean**: Completely agree:score5；Somewhat agree:score4；Neutral:score3；Somewhat disagree:score2；Completely disagree:score1

Base : Total 、Male 、Female, N=304 、151 、153 Unit:% Now please think about personal and skin care products which have been manufactured in Taiwan. In the following statements, which apply to you when you think of those products containing Chinese herbs?

TAIWAN BRAND AWARENESS

- The brand awareness and product recall of **Acer** dominates other brands, with 97% correct brand & product recall rate.
- JOHNSON, a fitness equipment brand, is mainly wrongly recognized as a skincare product, probably is confused with Johnson & Johnson by consumers.
- TREND, an antivirus software brand, owns low awareness but the correct brand & product recall rate reaches 69%, higher than MERIDA & GIANT.



Base : N=304 Unit:% Which of the following brands have you heard of? What kind of products does this brand provide?

Summary & Conclusion

CONCLUSION

Consumers rarely have a pre-plan brand set before shopping.

- Consumers only have pre-plan brand lists when purchasing hair care, laundry, and dishwashing products.
- The majority might be easily influenced and purchase other brands, not they planned to during their purchase journey, especially fitness equipment & medical device.

Good prior experience is the essential factor for personal care product selection.

- Prior experience, price, and ingredient are the main 3 considerations to select personal care products.
- Around 7-in-10 of consumers claim they will pay attention to product ingredients and half of them prefer to use organic products.
- Additive like paraben and dimethicone might decrease purchase intention.

The physical store is an essential touchpoint.

- Drug store dominates other channels as the key source to access products/brand info.
- WOM is impactful on brand and product selection, both in online and offline channels.

The face mask is used to solve or improve skin condition.

- Cream & gel face mask types have a higher usage rate and are used on a monthly basis.
- 44% of consumers aware face sheet mask but the popularity is still low.

The male show positive feedback on products from Taiwan.

- Products from Taiwan are regarded as having good C/P value, being reliable and PI reaches 40%, whereas consumers disagree product quality from Taiwan is high.
- Consumers agree that Chinese herbal has features like good efficacy, acceptable aroma, mild and not irritated, and ¼ of users claim that products containing Chinese herbal would uplift their purchase intention.
- Acer and ASUS enjoy high brand awareness & correct brand and product recall, while MERIDA owns higher brand recognition than GIANT.