INTRODUCTION

With a wealthy population of 7.3 million and a GDP of US$307 billion, Hong Kong is a large, high-value and expanding market for Australian products, including beauty and health products.

Hong Kong is the second largest export market for Australian perfumery and cosmetic products, representing more than 13 per cent of the total exports. Australian cosmetics exports to Hong Kong grew by 24 per cent to about A$87 million (approximately HK$522 million) in 2016. It has more than doubled in the last seven years from A$26 million since 2010. (Source: Australian Bureau of Statistics on Global Trade Atlas)

Australian cosmetic and skin care products have an international reputation for being safe, environmentally friendly and of high quality. Australia is also recognized as a quality, reliable source of cosmetics, skin care and health products, particularly in the natural and organic skincare categories.

Last year more than 56.7 million visitors, including over 42.8 million mainland Chinese, came to shop in Hong Kong, with cosmetics and skin care items a key focus. Hong Kong is a significant market and an excellent testing ground for international products entering the region.

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OVERVIEW OF HONG KONG DISTRIBUTION CHANNELS - BEAUTY AND HEALTH PRODUCT

With virtually no local manufacturing, Hong Kong’s beauty product needs are overwhelmingly met by imports. Hong Kong has a sophisticated retail sector for the sale and distribution of health and beauty products.

There are a number of different channels for Australian suppliers to access retail outlets depending on the type of product and the target consumer sector. While some high-end department stores and specialty stores are happy to deal directly with suppliers, these are usually in smaller quantities and are focused on specific target products to their demographics. Larger scale retail outlets traditionally rely on distributors and agents to help source and supply products.

- **Department stores**
  - High-end Beauty Counters: Stores normally stock international, high-end and branded products
  - Consignment counters: Majority of these are Japanese–style department stores, stock internal, medium to high end branded products

- **Beauty specialty stores** – for all price ranges. These stores are still selling parallel-imported brand name products, but are progressively seeking new and mass product lines to reduce their parallel imports

- **Pharmacy Stores**
  - Health & Beauty Care Chains (combined with pharmacies) – over 400 stores mainly for middle and mass-market products. However, these chains typically demand high listing fees and 35-50 per cent retail margin
  - Independent Pharmacy drug stores – for mass products. Conveniently located at the street level, these drug stores are primarily retailing personal care and pharmaceutical products

- **Supermarket chains** – low-end/mass products, tendency towards private labels

- **Multi-brand stores** – for middle to high-end ranges. They may also play the role as importers and also distributors to import products directly from suppliers

- **Health and Organic Stores** – medium-priced range. Focused on chemical-free and organic product lines, most of them meet international organic standards

- **Australian Concept stores** – standalone brand stores offering experiential aspects to consumer

- **B2C e-Commerce platforms** – local retailers deploying O2O and cross border e-commerce platforms for imported goods
DIAGRAM: HONG KONG DISTRIBUTION CHANNELS - BEAUTY AND HEALTH PRODUCT

Australian Suppliers

Distributors / Agents

e-Commerce platforms

Australian Concept Stores

Department Stores

Luxury Beauty Counters

- Facesss
- Harvey Nichols
- Joyce Beauty
- Lane Crawford

Consignment model

- AEON
- City Super/Logon
- Sogo
- UNY/APTA/PIAGO
- Wing On
- Yata

Beauty Specialty Stores

- Bonjour
- Sa Sa
- Angel / Aether / Colourmix

Pharmacy Stores

- Manners
- Watsons

Supermarkets

- PARKnSHOP
- Tast
- Su-PA-DE-PA
- Great
- Welcome
- Three Sixty
- MarketPlace

Multi-brand Shops

- A Beauty Bar
- BeyGir
- Mexim
- Nest Beauty

Health and Organic Stores

- Green dot dot
- O’berry Living Stores
- Organic Times
1. Department Stores

1.1 Department Stores – Luxury Beauty Counters

**FACESSS - [www.labconcepthk.com](http://www.labconcepthk.com)**

Nestled in Queensway Plaza (Admiralty) and Ocean Terminal (Tsim Sha Tsui), FACESSS features over 50 **internationally reputed make-up, skincare, body & hair and fragrance brands**. Being a one-stop beauty shopping heaven for the hipsters, FACESSS offers a contemporary and inviting beauty shopping environment where style meets accessibility.

At FACESSS, customers can enjoy the professional pampering services offered by different international beauty brands.

**Find FACESSS**

**Harvey Nichols Hong Kong - [www.harveynichols.com](http://www.harveynichols.com)**

Harvey Nichols Hong Kong is an **upscale luxury fashion outlet**. It offers many of the world’s most prestigious brands in womenswear, menswear, accessories and beauty.

It has 3 beauty locations in Hong Kong: Beyond Beauty located in the Landmark in Central, Pacific Place in Admiralty, as well as Beauty Bazaar by Harvey Nichols in Tsim Sha Tsui.

**Find Harvey Nichols**

**Joyce Beauty - [www.joyce.com](http://www.joyce.com)**

Joyce Beauty has established itself as a beauty destination in Asia featuring a portfolio of niche brands. Joyce Beauty offers exclusive skincare, hair and body care, makeup and fragrances and niche brands.

It currently has 10 locations (including 3 in Lane Crawford) in Hong Kong. It is continuing to expand its presence in Hong Kong and Mainland China.

**Find Joyce Beauty**

**Lane Crawford – [www.lanecrawford.com](http://www.lanecrawford.com)**

Lane Crawford and Joyce Beauty are part of the same group. Lane Crawford is Hong Kong’s **leading specialty store**, offering the largest assortment of designer brands in Asia.
Founded in 1850, Lane Crawford evolved from a department store to a beauty, fashion and lifestyle specialist, and stocks designers from around the world in womenswear, menswear, shoes and accessories, lingerie, jewellery, cosmetics and home and lifestyle.

It is located at 4 locations, ifc mall in Central, Canton Road in Tsim Sha Tsui, Times Square in Causeway Bay and Pacific Place in Admiralty with a dedicated home store.

Find Lane Crawford

1.2 Department Stores – Consignment Model


AEON (previous known as JUSCO), a Japanese-style general merchandise store was set up in December 1985 and listed on the Hong Kong Stock Exchange in February 1994.

AEON Stores mainly manages shopping malls and other retail shops such as supermarkets, discount shops, home places, convenience stores and department stores. They offer low-cost and convenient daily necessities to customers including food, clothes, household items and electrical appliances. Currently, it operates 9 AEON stores with beauty counters.

Find AEON


Founded in 1996 by a Japanese retail manager, City Super Group opened its first store in Times Square, in the Causeway Bay shopping hub with the plan of creating Hong Kong’s first-of-its-kind “Mega Lifestyle Specialty Store”.

Nineteen years on, City Super currently operates 20 Hong Kong stores, 6 Shanghai stores and 7 stores in Taiwan across the three store brands, namely, City'Super, LOG-ON and cookedDeli.

**CitySuper’s** core format is an upmarket supermarket. By offering specialist products and luxury imported goods, it successfully differentiates itself from other competitors. Some CitySuper retail outlets also offer household goods, stationery and cosmetics. There are currently 4 CitySuper stores in Hong Kong.

**LOG-ON** is a lifestyle store featuring trendy products from around the world including stationery, fun gadgets and photographic items, fashion, travel accessories, beauty and wellness products in their LOG-ON stores. There are currently 12 LOG-ON stores in Hong Kong.

Find CitySuper and LOG-ON

**Sogo -** [www.sogo.com.hk](http://www.sogo.com.hk)

Sogo commenced its operations in 1985, the largest Japanese-style department store. Sogo is one of the major shopping landmarks for Hong Kong people and tourists. Sogo is
characterized by the “one-stop shop”, “shop-in-shop”, “Japanese style” and “customer oriented” concepts, which offer quality goods and services, customer convenience, and comfortable and pleasurable shopping environment.

Sogo in Causeway Bay and Tsim Sha Tsui offers a wide selection of mid to high-end products from European to Japanese brands, from skincare to fashion, from jewellery to home and audio and entertainment.

### Find Sogo

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**UNY, APITA and PIAGO** - [www.unyhk.com](http://www.unyhk.com)

**UNY** is a Japanese-style retailer that specialises in unique merchandising with creative marketing concepts.

**Find UNY Lok Fu**

**APITA** is a Japanese style shop offering a diverse range of lifestyle and beauty products.

**Find APITA Taikoo**

**PIAGO** is a Japan living goods department store.

**Find PIAGO Kowloon Bay**

**Wing On** - [www.wingonet.com](http://www.wingonet.com)

Established in 1907, Wing On Department Store is the second Chinese-owned department stores, and is one of the largest and best known retailers in Hong Kong with 4 outlets. After a century, Wing On has become a firmly established household name and a leader in the department store business in Hong Kong. There are beauty counters located in all Wing On stores.

**Find Wing On**

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**YATA** – [www.yata.hk](http://www.yata.hk)

Set up in 1990 in Shatin, YATA Department Store (previously known as SEIYU) was rebranded in 2008. Adopting the concept of *Quality shopping at a Modern Japanese Lifestyle Department Store*, Yata is devoted to deliver fine and reliable commodities from Japan to Hong Kong.

There are beauty counters at their YATA department stores in Shatin, Taipo and Tsuen Wan.

**Find Yata**
2. Beauty Specialty Stores

**Bonjour** - [www.bonjourhk.com](http://www.bonjourhk.com)

Bonjour Holdings Limited is a leading cosmetics and beauty service company in Hong Kong and is widely recognized by citizens and tourists.

Bonjour was established in 1991 and owns **43 retail stores** in Hong Kong, Macau and Guangzhou. Bonjour carries over 25,000 beauty and healthcare products. Products are divided into five categories: skincare; make-up; fragrances; healthcare; hair care, personal care and accessories.

**Find Bonjour**

**Sa Sa** - [www.sasa.com](http://www.sasa.com)

Listed on The Stock Exchange of Hong Kong Limited in 1997, Sa Sa is the leading cosmetics retail chain in Asia and **one of the top ten retail groups** in Hong Kong (according to the “Retail Asia-Pacific Top 500” ranking of Retail Asia magazine and Euromonitor in 2016). Its regional retail network spread across Asia including Hong Kong, Macau, China, Singapore, Malaysia and Taiwan, as well as La Colline specialty stores and Suisse Programme specialty store/counters.

It has **280 multi-brand retail stores** in Asia stocking more than **700 brands**, covering over 17,000 skincare, fragrance, make-up, hair care and body care products, as well as health and beauty supplements. Sa Sa carries international brands as well as own-brands and exclusive products.

In addition to selling its own-brand products, Sa Sa is one of the largest cosmetics sole agent (>100 international cosmetics brands) in cosmetics in Hong Kong, with services that include brand management, marketing, sales and distribution to **111 outlets in Hong Kong**.

**Find Sa Sa**

The following beauty specialty chain stores are all like Bonjour and Sa Sa stores except they are smaller. They offer diverse range of branded products, including skin care, perfumery, make-up, personal care and trendy items.


**Find Angel Beauty Bar**


**Find Aster**
Colourmix Cosmetics - www.colourmix-cosmetics.com

Colourmix cosmetics retail outlets offer young women a diverse range of branded products, including skin care, perfumery, make-up, personal care and trendy items. In addition, Colourmix provide its exclusive cosmetics products, which are mainly brands from Switzerland, Italy, Japan and Korea.

Find Colourmix
3. Pharmacy Stores

3.1 Health and Beauty Care Chains

Mannings - www.mannings.com.hk

Mannings is one of the brands in Dairy Farm Group. With 335 outlets, Mannings is one of Hong Kong’s leading health and beauty retailers. It offers high quality, comprehensive range of healthcare, personal care, skincare and baby care products.

The chain has won numerous awards for its professional service, including ‘Service Retailers of the Year 2016” for No.1 Personal Care products by Hong Kong Retail Management Association Mystery Shoppers Programme.

Find Mannings

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Watsons - www.aswatson.com

Watsons is the health and beauty brand of A.S. Watson Group. In 2016, it marks the 175th Anniversary of Watsons established in Hong Kong.

Watsons is Asia’s leading health and beauty retailer, currently operating over 6,000 stores – more than 1,500 of which are pharmacies, in 11 Asian and European markets. Watsons operates over 220 stores in Hong Kong and Macau, of which over 50 have in-store pharmacies, making Watsons the No. 1 Pharmacy/Drug Store brand (source: “Asia’s Top 1,000 Brands” Online Study 2017).

Find Watsons

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3.2 Independent drug stores

Conveniently located at the street level, independent drug stores are usually small in scale and family owned. They are primarily retailing personal care and pharmaceutical products for local consumers. In recent years, there is a significant increase in the number of drug stores in Hong Kong to capture the growing demand of personal care products from Chinese consumers. Many of them are located in the prime locations such as Causeway Bay and Mongkok where most of the Chinese tourists are visiting.
4. Supermarkets

In Hong Kong there are two main supermarket chains, PARKnSHOP and Wellcome, plus a number of other stores that may be of interest to Australian suppliers.

4.1 A.S. Watson Group

**A. S. Watson Group**, has more than 300 distribution points in Hong Kong under different supermarket brand names, targeting different income groups.

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**PARKnSHOP**

PARKnSHOP started business in 1973, and is now the leading supermarket chain with more than 300 stores in Hong Kong. PARKnSHOP sells both Chinese merchandise and imported goods.

The first ParkNShop Superstore was opened in Hong Kong in 1996 with a floor space of 4,200 m², offering a large variety of imported goods, as well as fresh fruit and vegetables and many non-food items.

*Taste, Su-PA-DE-PA, Fusion, Great, One Gourmet, and International* by PARKnSHOP are other brand names under the same group target higher-income consumers. These supermarkets are billed as a "lifestyle" food stores and stock a large variety of imported goods, as well as fresh fruit and vegetables and many non-food items.

**Taste**

*Taste* is an international Asian superstore concept that provides customers with a "More than Food" shopping experience. Taste has bright and contemporary stores that reflect a commitment to deliver "More Than Food", with a range that spans fresh and ready-to-eat food, an in-store bakery, imported specialist items, a wine cellar, household goods and gifts, and even fashion and luxury accessories.

**SU-PA-DE-PA**

New concept destination store **SU-PA-DE-PA** is a unique name with SU-PA means supermarket and DE-PA means department store. The name itself is a cutting-edge concept combining supermarket and department store to cater for all customers’ daily needs: food, clothing, living and entertainment.

**Great / One Gourmet / Fusion / International by PARKnSHOP**

Great, One Gourmet and Fusion are international superstore concepts that combines the freshest produce with a wide selection of Asian and western delicacies, catering for International, Asian and Western customer segments.

**Find PARKnSHOP**
4.2 Dairy Farm Group

**Dairy Farm Group** operates a number of branded stores to appeal to different segments of the market.

- **Wellcome/Superstore**

  **Wellcome** has grown into the largest supermarket chain with the oldest heritage in Hong Kong in just a little over 70 years. With a network of over 280 stores and over 8,000 employees, Wellcome attracts over 16 million customers per month.

- **ThreeSixty**

  **ThreeSixty** is one of Asia’s destinations for organic, natural and wholesome food. It offers an extensive range of take-home and ready-to-eat food options, together with a large range of earth-friendly household products, non-chemically based personal care items and wellness-related lifestyle products.

- **MarketPlace**

  **MarketPlace by Jasons** was launched in Hong Kong in 2007 to offer consumers a combination of medium to high-end international and customised assortment of foods and non-food products.
5. Multi-brand Shops


With 4 stores operating in Hong Kong and 2 in Macau, A Beauty Bar is promoted as a one-stop wellness home. It promotes experiences of beauty services and shopping in a one-stop shop, providing a healthy and beautiful lifestyle.

A Beauty Bar is keen on investing their resources and marketing efforts to introduce and build new skin care, make up and beauty brands in the market.

Find A Beauty Bar

BEYØRG – www.beyorgbeauty.com

Founded in 2005, BEYØRG has created unique stores whose portfolio is distinguished by an exclusive selection of the most sought-after natural and organic beauty products, including the world’s most innovative and ground-breaking brands. Its products range from skin and body care items to make-up and accessories chosen especially for Asian skin. It owns 7 stores in Hong Kong, or which most of them are located at high-end shopping centres.

Find Beyorg

Mekim - www.meka.com.hk

Mekim first started in the 1980s distributing pharmaceutical and personal health care products. In 1995, Mekim set up Meka outlet, retailing personal health care products of well-known international brands. There are 53 stores Meka stores in Hong Kong.

Find Meka

Nest Beauty - www.nestbeauty.com

Launched in Hong Kong in 2008, Nest Beauty is a holistic wellness health and beauty concept store, with outlets located in Causeway Bay, Central, Tsim Sha Tsui. Nest Beauty sources internationally for high-quality certified organic skincare labels from Australia, France, Greece, Germany, the UK and the US.

Nest Beauty products undergo inspection and examination to ensure they meet standards in business ethics, environmental-friendly packaging, effectiveness and against animal testing. All their products are completely free from Parabens, SLS, artificial colorings, artificial preservatives, mineral oil and other harmful chemicals.

Find Nest Beauty online store
6. Health and Organic Stores

Green dot dot – [www.greendotdot.com](http://www.greendotdot.com)

Greendotdot.com Ltd., a subsidiary of Kampery Group, is engaging in the wholesale and retail of Greendotdot branded and other overseas' branded health and organic products in Hong Kong. Greendotdot is a brand name of food and non-food items that represent healthy, natural and environmentally friendly. Traditionally, its main product category is food items, the product line has lately extended to the non-food categories such as household products, detergent, cotton product, cosmetics, health tablets etc. There are 25 Green dot dot stores in Hong Kong.

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Glory Smart Trading Limited trading as O'Berry has been operating in Hong Kong since year 2001. They promote healthy products, supplementary food and personal care products which are mainly produced in Australia or with Australian concepts. Popular items include Emu oil bath gel, Telsa Vitamin E sorbolene cream, Australia Aussia supplementary food etc.

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Organic Times – [organictimes.hk](http://organictimes.hk)

Organic Times had been engaged in organic businesses since 2004, and provides over 1,000 certified organic and natural daily-necessity products from all over the world. It has been strictly following the highest quality, international organic standard. Only products with purest ingredients-organic certified by worldwide authorities, and natural products without harmful chemicals can be found in Organic Times. Organic Times operates 2 stores in Hong Kong.

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7. Australian Concept Stores

Aesop – www.aesop.com
Aesop was established in Melbourne in 1987 and has now opened 8 stores in Hong Kong since 2010.

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Anumi Skincare – www.anumiskincare.com
Anumi’s first launched in 2012 in Hong Kong. It currently has two stores and also stocks in some department stores and multi-brand stores.

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Jurlique – www.jurlique.hk
It is a well-established Australian beauty and skin care company exporting to Hong Kong for over 6 years. Jurlique has 15 stores in Hong Kong.

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8. B2C e-Commerce Platforms

E-commerce is increasingly becoming a popular way for Hong Kong retailers to transform their businesses. Key beauty and health retailers are making moves and scrambling to implement new e-commerce platforms to complement their business strategies. Watsons has launched their new online Watsonsmall recently.

Many Hong Kong companies have also expanded into online-to-offline commerce (O2O) and cross-border e-commerce to meet the demand of China’s large and growing middle class. Major Chinese retailers are establishing sourcing offices in Hong Kong to take advantage of international products available, ease of imports and general access to global suppliers.

Cross border e-commerce (CBEC) is a special import channel which allows products to be sold directly online sale to consumers (B2C). For more information about e-Commerce in China, please see the Guide for Australian Business.

Many international businesses went through e-Commerce channels to sell to Hong Kong and China. Tmall.com, JD.com and VIP.com are the major cross-border e-Commerce platforms in China.
**AUSTRADE CONTACTS**

If your company is looking to export from Australia and visit these markets, Austrade’s team of English and Chinese-speaking business advisers is ready to assist you.

**Please contact Austrade Hong Kong team:**

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<th>Name</th>
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<tbody>
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For more information about the dynamic Hong Kong and Macau beauty and health markets and how Austrade can help you, please visit our website: [www.austrade.hk](http://www.austrade.hk)