

SASA

# GOING PREMIUM

*Asia's largest beauty retailer SaSa has a new ambition: to become a key player in the luxury perfumery market. Annemarie Kruse reports*

**Hong Kong-based SaSa is the largest beauty retailer in Asia**, according to the Retail Asia-Pacific Top 500 ranking in 2013. The company was established in 1978 and quickly expanded beyond its home market. Today SaSa has 281 stores in Hong Kong, Macau, Taiwan, Singapore, Malaysia and mainland China. And business is going very well: group results for the second half of the fiscal year 2014/2015 grew 8.4% to HK\$4,226m. Retail sales in SaSa's home markets of Hong Kong and Macau, where the chain has 107 stores, grew 10.2% to HK\$3,073.8m.

The company's main focus lies in facial skin care, colour cosmetics and fragrances, and in these categories SaSa stores sell a very wide range of western and Asian trend-oriented mass market and masstige brands. However, body care, hair care and styling are also represented. SaSa also retails its own label range Sasatinnie which includes face care, body care and colour cosmetics, and it is also the exclusive Asian agent for a wide range of western luxury brands, including Nuxe, Caudalie, Elizabeth Arden, GoodSkin Labs, Pupa, Crabtree & Evelyn and Collistar as well as Asian premium labels Dr. Jart+ and Dr. G. For these brands, SaSa undertakes classic brand-building measures like promotion and distribution, a lucrative part of the business which accounts for over 40% of SaSa's group turnover.

Over the last decades SaSa has steadily built up a reputation for featuring trend products and cutting edge beauty brands. Even before the current popularity of Korean cosmetics, SaSa was stocking Korean and Japanese teen and trend beauty brands, and among Asian beauty bloggers SaSa is enjoying almost cult status.

Although many stores are of average size, the retail space is crammed with product shelves and display stands. SaSa's shopping environment tends



to be colourful, glittery and stylish. Each store has a special 'eyelash' area – an extremely important sub-category in the East Asian colour cosmetics market – featuring artificial lashes, mascaras and various eyelid tape products.

SaSa's main competitors include Hutchison Whampoa-owned Watsons and in its home market of Hong Kong, the Dairy Farm-owned Mannings drugstore chain which operates some 350 outlets across the city state. In Singapore, Malaysia and Indonesia, SaSa's competitors include the Dairy Farm-owned Guardian chain. However, these are all traditional drugstores with classic personal care portfolios which include less glamorous categories like baby care and oral care. SaSa stores, on the other hand, have a much stronger perfumery slant.

## Supreme distinction

In a bid to sharpen its profile as an upmarket perfumery, SaSa recently rolled out a premium store format in its home market. The first SaSa Supreme opened in one of Hong Kong's premier shopping districts, Causeway Bay. The luxurious and very spacious store carries a much larger selection of perfumes, skin care and colour cosmetics than in most other SaSa stores. It also includes MAC, Bobbi Brown and Anna Sui shop-in-shop areas as well as a Leighton Aveda hair salon and a salon area where customers can book skin and body care treatments with La Colline and Suisse Programme.

With SaSa Supreme, the company is squarely aiming to establish itself as a competitor to the beauty departments of the many premium malls that dominate the Causeway Bay area. If the new format becomes a success in Hong Kong, SaSa will likely open further stores in other luxury and retail city destinations, like Singapore or Kuala Lumpur.

SaSa's Asian business is going well and the company is currently stepping up its expansion in mainland China, especially in the south of the country. As of June 2015, the retailer has 58 stores in 32 cities across 16 Chinese provinces. Malaysia is the second-biggest market with 61 stores, followed by Taiwan with 34 and Singapore with 21 outlets.

SaSa has a total of 281 stores, focusing mainly on facial skin care, colour cosmetics and fragrances



## SaSa's dermo stars

Dermo-cosmetic brands are an important product category for SaSa. The retailer stocks brands from Europe such as Avène, Bioderma, Evian and La Roche-Posay. Swiss and French dermo brands are immensely popular among Asian customers since they are considered to be particularly high quality.

Two of the star brands in SaSa's line-up are La Colline and Suisse Programme. Swiss biotech brand La Colline offers a targeted range of face and body care formulated with CMAge Complex which includes microalgae extract, proteins, hyaluronic acid and botanical DNA. Although the brand has a salon in Paris and a spa in Switzerland, its biggest distribution is in Asia, with its own flagship store in Hong Kong. Suisse Programme is also primarily retailed in Asia, with a range focused on biotech-influenced anti-ageing products at an equally high end price point. SaSa also operates two La Colline speciality stores and four dedicated Suisse Programme stores and counters.

## Fact file: SaSa

**Founded** 1978

**Address** 8/F, Block B, MP Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong

**Contact telephone** +852 2889 2331

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