

A Critical Review of the Regulations of Cosmetics Advertising in S. Korea

Jae-Yung Cho¹

¹Department of Advertising and PR, Chungwoon University, Korea

Abstract. The purpose of this study is to review the regulations of cosmetic labeling or advertising in S. Korea, find the problems in applying and suggest the alternatives for the improvement. Cosmetic labeling or advertising is reviewed preliminarily by self-regulation and should be managed ex post facto by the Ministry of Food and Drug Safety. The guidelines on cosmetics labeling or advertising established by the Ministry should be improved in their clarity.

Keywords: Cosmetic advertising regulation, advertising regulation

1 Introduction

1.1 The Growth of Cosmetics Market

Recently, so-called *beauty industry* has been increasing in its size and categories in S. Korea. The beauty industry means a part of service industry to provide the service for managing human body healthily and beautifully including beauty service business such as caring hair, skin, nail and so on, manufacturing business such as beauty devices, instruments or supplies and medical care service such as cosmetic surgery.

As one of the businesses, cosmetics are the most popular part among ordinary consumers because they use them every day at least twice a day. The domestic actual output of cosmetics in 2014 was 8.97 trillion Korean won, which increased by 12.5% compared with 2013 [1]. The amount of production of cosmetics in 2011 was 6.4 trillion won with the increase of 6.1% over the previous year and its average annual increase rated from 2008 to 2011 was 10.6% [2]. Not only the export of cosmetics increased annually by average 29.5% in this period but also their import increased annually by average 11.2% [3].

The age using cosmetics is getting younger nowadays even the teenage elementary school students are highly interested in buying their own cosmetics. Specially, the social atmosphere of consumers' wants looking younger regardless of gender or age is making the increase of functional cosmetics such as whitening, sunscreen and wrinkle improvement. The actual output of functional cosmetics in 2014 was 2.97 trillion won which was 33.2% of the total compared with 32.2% in 2013, and their output and market share have been on the steady rise [4]. In this context, organic cosmetics have been attracting consumers' attention and being more in demand every year. This may be brought by the diffusion of the value of well-being, and the invigoration of green

industries and organic farming industry. The global market size of organic cosmetics was at approximately \$10 billion in 2010 and its growth in North America is about 20 percent annually. The domestic cosmetics market size was 8.9 trillion won in 2011 of which approximately 1% organic cosmetics were estimated at about 89 billion won. This is compared with the only 0.03% estimated at about 20 billion won of the domestic cosmetics market size of about 7.3 trillion in 2007 [5].

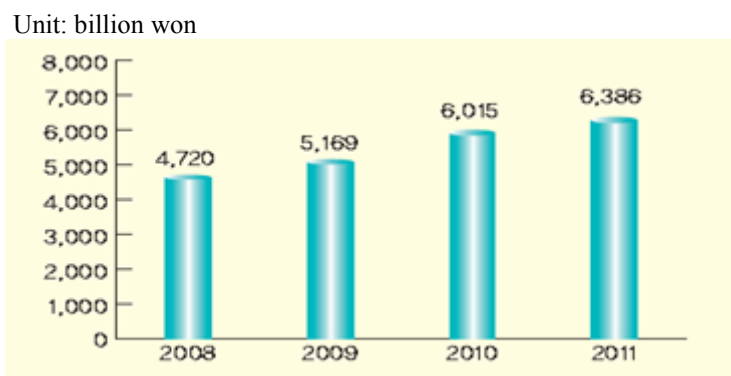


Fig. 1. The annual amount of cosmetics production in S. Korea
(Ministry of Food and Drug Safety, 2012 Food & Drug Statistical Yearbook)

1.2 Problems

Along with the quantitative growth of their market, the problems of cosmetics labeling or advertising have been arising. According to a survey in 2011 with 2,066 women consumers of 20 and over who experienced cosmetics, it was found that more than 90% of the respondents used basic cosmetics, 80.5% used regularly functional cosmetics and 79.3% used makeup cosmetics. The result of the places where the respondents purchased their cosmetics showed that general sales store of 63.1%, door-to-door sales of 18.2%, e-commerce of 10.0% and telecommunications sales of 6.1% such as home shopping by television. The degree of the difficulties of purchasing cosmetics appeared in order of 'price' and 'exaggerated advertising'. 74.7% of the respondents thought that cosmetics were expensive and 51% answered the quality of cosmetics was not good compared to their prices. The results showed that 80.8% of the respondents worried about the safety of the ingredients and 73.7% of consumer problems occurred in the process of dealing cosmetics. Also 75.5% of the respondents experienced side effects, 68.7% experienced false and exaggerated advertisements and the respondents' own side effects were only 17.1% [6].

Similarly, the seriousness of false or exaggerated advertising problems appeared in that the Ministry of Food and Drug Safety exposed 21,347 cases of false or exaggerated cosmetics advertising in 2013, took administrative measures, blocked the sites and accused them [7].

In spite of this situation, that is the market growth and the increase of unfair labeling or advertising in cosmetics industry, there were few or no researches about how cosmetics labeling or advertising was regulated. Almost all of the researches of

cosmetics advertising were related to its effect on consumers' buying behavior. And most of the researches of labeling or advertising regulations were approached by the general perspective not focused any specific business category but unfair labeling or advertising generally. In this context, it is valuable work to review the system regulating the cosmetics advertising and find the problems and the improvements for the future anticipating the rapider growth of the industry due to the expansion of the users including not only women but men, teenagers, children and elders.

2 Review of the Regulations of the Cosmetics Labeling or Advertising

2.1 The Review of the Cosmetics Labeling or Advertising

We are apt to overlook the importance of the cosmetics advertising review or regulations because they are daily consumer products frequently used. But, cosmetics are directly applied to human body, so if they cause troubles, they could bring serious damages. Recently, the increase in demand for functional or organic cosmetics makes us be concerned about how they are regulated since the greater advertising, the greater the unfair advertising will also be.

Cosmetic labeling or Advertising follows self-regulation system which it is reviewed preliminarily, before execution, by the Korea Cosmetic Association consisted of cosmetic company members [8] and follow-up management by the Ministry of Food and Drug Safety [9].

2.2 Definitions of Cosmetics, Functional Cosmetics and Organic Cosmetics

Cosmetics are managed by the Cosmetics Act [10]. This Act was established for the purpose of contributing to improving national health and developing the cosmetics industry by prescribing matters concerning the manufacture, importation, sale, etc. of cosmetics (Article 1 of the Act).

By the definition in this Act, the term *cosmetics* means goods used by applying, rubbing and spraying or in similar ways for the human body in order to increase attractiveness by cleaning and beautifying the human body, brightening appearance, or maintaining or improving the health of skin and hair, which have insignificant effects on the human body: Provided, that goods constituting medicines as defined in subparagraph 4 of Article 2 of the Pharmaceutical Affairs Act shall be excluded (subparagraph 1 of Article 2 of the Act). *Functional cosmetics* means cosmetics prescribed by Ordinance of the Ministry of Health and Welfare, falling under any of the following subparagraphs: (a) Products aiding in the whitening of the skin; (b) Products aiding in improving wrinkles in the skin; (c) Products aiding in tanning skin gently or protecting skin from ultraviolet rays (subparagraph 2 of Article 2 of the Act). And *organic cosmetics* means cosmetics manufactured by organic materials, plants and animals, or materials, etc. derived therefrom, which comply with standards prescribed by the Commissioner of the Korea Food and Drug Safety.

3 Conclusions

The essential matters in the review system of cosmetics labeling or advertising are: (a) Labeling or advertisements likely to mislead consumers into thinking the cosmetics are medicines; (b) Labeling or advertisements exceeding the scope of the examination undergone on the safety and effectiveness of functional cosmetics, or labeling or advertisements different from the outcomes of such examination; and (c) Labeling or advertisements likely to mislead consumers into thinking the cosmetics are functional cosmetics or organic cosmetics.

In the preliminary review, the guidelines on cosmetics labeling or advertising established by the Ministry are applied to the cases, but due to the lack of clarity they need to be improved for more specific and realistic direction.

References

1. Cosmetics Policy Division of the Ministry of Food and Drug Safety: The Press Release, May 7 (2015)
2. Ministry of Food and Drug Safety: 2012 Food & Drug Statistical Yearbook, Chungcheongbuk-do Province of Korea, 65 (2012)
3. Ministry of Food and Drug Safety: 2012 Food & Drug Statistical Yearbook, Chungcheongbuk-do Province of Korea, 67 (2012)
4. Cosmetics Policy Division of the Ministry of Food and Drug Safety: The Press Release, May 7 (2015)
5. Korean Consumer Agency: An Investigation of the Actual Safety Condition of Organic Cosmetics, Chungcheongbuk-do Province of Korea, (2013), p.1.
6. Green Consumer Network: Consumer Awareness and Education Programs Research and Development for the Correct Use of Cosmetics. Cosmetics Policy Division of the National Institute of Food and Drug Safety Evaluation, Chungcheongbuk-do Province of Korea, 11 (2011)
7. Cosmetics Policy Division of the Ministry of Food and Drug Safety: The Press Release for Explanation, May 22 (2014)
8. Korea Cosmetic Association, <https://www.kcia.or.kr/main.asp>
9. Ministry of Food and Drug Safety, <http://www.mfds.go.kr/index.do>
10. Cosmetics Act, <http://www.law.go.kr/lsSc.do?menuId=0&p1=&subMenu=1&nwYn=1§ion=&tabNo=&query=%ED%99%94%EC%9E%A5%ED%92%88%EB%B2%95#undefined>