2022 Skincare Industry Trends

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Over the past two years, the skincare industry has proven its ability to adapt to the disruption and change brought about by the COVID-19 pandemic, particularly as it relates to prioritizing the ever-changing wants and needs of the consumer. The industry has seen the evolution of a number of trends among its consumers, such as their increased emphasis on self-care and wellness, or demand for product sustainability and brand transparency.

Simply put, consumers have become more aware of how their skincare products not only affect their personal lives, but how those products affect the environment, too. As a result, consumers in the skincare industry have taken a 'less-is-more' approach in all aspects of their skincare, from formulation to packaging, and are prioritizing at-home care and personalization in their routines.

As we step into 2022, these are the top five skincare industry trends business should consider:

TREND #1

Consumers are demanding brands minimize their carbon footprint.

In the past year, consumers have become more environmentally conscious and continue to hold businesses accountable for their carbon footprint. Research shows that Americans are showing greater concern about the environmental products they purchase; 75% of Millennials stated they are willing to pay more for an environmentally sustainable product, compared to Gen Z (63%), Gen X (64%) and Boomers (57%). As this awareness continues to grow, so will the financial incentive and competitive advantage capabilities for companies to comply with sustainability standards. Within the skincare industry, we have already begun to see a shift in packaging choices by companies as a response to this trend.

In a move toward global sustainable packaging, Estée Lauder joined the Pulpex partner consortium to support the development and implementation of recyclable paper bottle technology for its products - an effort reflecting the company's commitment to reduce the amount of virgin petroleum plastic in its products to 50% or less by the end of 2030. Dr. Barb Paldus, founder of Codex Beauty, reported that by 2021, Codex will be shifting entirely to mono-material packaging, which can reduce its carbon footprint by a negative 100%.

This sustainability trend has the possibility to be a massive competitive advantage and revenue driver for companies. Not surprisingly, companies have caught on to these advantages so, as the year goes on, expect to see more companies developing recyclable, refillable, and mono-material packaging to capitalize on this growing sustainability interest.

TREND #2

Natural and plant-based ingredients are on the rise.

The growing awareness amongst consumers has led to an all-natural approach to skincare ingredients. Consumers have now realized how ingredients affect their overall health and well-being, with a deeper knowledge influencing their buying decisions. The days of consumers not reading the labels or choosing skincare products with a host of harsh chemicals are slowly coming to an end, and the era of introducing natural ingredients into their daily skincare routines will continue to rise.

Approximately 70% of US consumers aged 18–29 would rather use natural, organic cosmetics." (Statista)

Based on reports, 70% of consumers aged 18 to 29 prefer natural skincare products, and it is estimated that by 2024, the global organic beauty product market will be worth over $22 billion. Even though the efficacy of natural and organic products is still in question for some, companies must focus on incorporating certain plant-based and natural ingredients into formulation going forward. Product lines that boast ingredients like Aloe Vera, hemp, or CBD, for example, are more likely to catch the attention of consumers and are worth the extra interest of major companies. In 2022, this trend will continue to develop, and we can expect to see more companies developing products to capture this consumer interest.

TREND #3

Probiotics are taking a more prominent role in formulation.

The skincare industry has seen its consumers placing a greater value on the health of their skin, not just simply the aesthetic or overall appearance of their skin. Looking at the potential health benefits that can come from formulation, consumers have become increasingly aware of what affects their skin health and more cognizant of the overall health benefits of a strong skin barrier.

Products that can provide both the benefit of protecting and healing the skin while improving its overall appearance will receive increased interest from consumers. This interest has led to a rise in "microbiome skincare," skincare products that claim to focus on non-disruption of the healthy bacteria that live on the skin's surface. Microbiome skincare has seen growth based on consumers' increased ability to research their skin health, along with the realization that many of the skincare issues they've previously experienced are due to harsh chemicals in products that have disrupted their microbiome.

"The global probiotic skincare cosmetic product market was valued at 1.92 Million USD in 2020 and will grow with a CAGR of 19.62% from 2020 to 2027." (360 Research Reports)

This trend isn't new, beginning in 2017, and will only continue to grow in the coming years. According to 360 Research Reports, the global probiotic skincare product market was valued at $1.92 million in 2020, and it is expected to grow with a CAGR of 19.62% from 2020 to 2027. For companies to capitalize on this trend, we can expect to see major skincare brands adding probiotics into product ingredients to capture this interest from consumers.

TREND #4

Diversify your consumer base by offering personalized skincare.

Within the realm of formulation, there will be a continued growth of diversity within skincare. Previously, consumers have demanded that companies take a public stance and make a declaration in support of its diversity and inclusion efforts. This trend is now extending and taking a more demonstrative turn from marketing to overall skincare formulation. Personalized, custom, and DNA-based skincare, as it is often referred to, focus on products with one or few active ingredients made to target specific skin types or skincare conditions.

"Personalized skincare relies heavily on research, .strong data bases for capturing and analyzing customer data, and recommendations."

The consumers who understand skin care is not a “one size fits all” solution are now gravitating toward custom skincare solutions to solve their underlying skin issues. The challenge here for companies is that personalized skincare relies heavily on research, strong databases for capturing and analyzing customer data, and recommendations. Companies who would like to enter this space need to invest heavily in these processes to become leaders. Also, the rate at which companies can scale will possibly be constrained by their capability to be flexible within their manufacturing processes as demand naturally fluctuates. For companies that can demonstrate this flexibility and want to diversify their consumer base, they will be pleased that this trend has a projected CAGR of 6.6% from 2021 to 2028.

TREND #5

The beauty device industry shows no signs of slowing down.

The coronavirus pandemic has caused lasting effects on consumers’ skincare routines. Being stuck at home and forced to forgo beauty treatments performed by dermatologists and aestheticians for more than a year, coupled with the increased time spent on camera, forced consumers to take action into their own hands. At-home face masks, digital LED masks, microdermabrasion, and other skincare devices became increasingly popular throughout 2020.

"Reports show a CAGR of 18.3% from 2018-2023 in the beauty device industry." (P&S Intelligence)

Reports show a CAGR of 18.3% from 2018-2023 in the beauty device industry. More specifically, increased screen time has led to a bloom of LED therapy photo-rejuvenation beauty devices to counteract the effects of extended time in front of screens. Many brands have seized the opportunity to launch personal skincare gadgets to carry out these beauty regimes at home, easily and comfortably.

There is also potential here for companies to capture the budget-conscious consumer. Beauty treatments are often expensive but have become more affordable and accessible for the average consumer with the introduction of at-home skincare devices. As this trend develops, we will continue to see companies roll out at-home skincare lines, and there will be continued competitiveness in attracting budget-conscious consumers.

Conclusion

While the pandemic has had lasting effects on the skincare industry and its consumers, the skincare industry continues to grow and evolve each year. A year at home has changed consumer behavior, leading consumers to become more health and environmentally conscious, while asking brands to do the same. In this age, companies must remember that many consumers are stuck at home and have become self-taught experts in the skincare field. So, to capture customer interest as the year progresses, companies will have to gain a deeper understanding of customer needs related to formulation and sustainable packaging.

The days of labels with long, complicated ingredients are fading out, and a new age of natural and plant-based skincare is starting to gain more traction. Consumers are stepping away from harsh chemicals in skincare and focusing on overall health and balance in their regimes, and they are actively seeking out products containing probiotics and advanced skincare devices at-home to properly care for their skin. By ramping up product innovation to roll out new devices and introducing new formulations within their product lines, companies can capitalize on these skincare industry trends in the coming year, and as a result, gain new customers, increase revenue, and boost their competitive advantage.