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2024 INDUSTRY TRENDS:

SKINCARE



The skincare industry has continued to grow at impressive rates [over the last few years](#), with a continuing popularity that reflects a shift in beauty standards favoring natural looks over elaborate makeup. As we enter 2024, the industry is leveraging technology and personalization to drive rapid innovation and capitalize on the rise of skincare. Projections indicate that the global skincare market is on track to reach a substantial value of [\\$167.22 billion by 2030](#), with a commendable 6.21% annual growth rate during the forecast period.

This evolution is defined by several key trends reshaping the skincare landscape. From the move toward minimalism, which encourages more straightforward skincare routines, to the advanced capabilities of AI-driven data analysis, to the growing prominence of disruptive ingredients that capture attention in the media and on store shelves - the skincare field is more dynamic than ever.

To keep up with the industry's steadfast commitment to DE&I, there's also an emphasis on catering to a more diverse and representative audience against a backdrop of ongoing innovation. As the global skincare market prepares for expansion, well-informed brands have a unique opportunity to capture value in the skincare industry, where adaptability

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CONSUMERS ARE EMBRACING SIMPLICITY WITH THE RISE OF "QUIET BEAUTY"

2

AI ALLOWS COMPANIES TO UNDERSTAND THEIR CUSTOMERS "SKIN DEEP"

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DISRUPTIVE INGREDIENTS ARE BECOMING THE FOREFRONT OF SKINCARE INNOVATION

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INCLUSIVITY BROADENS: SKINCARE IS FOR EVERYONE

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SKINCARE INNOVATION MOVES INTO UNTAPPED AREAS

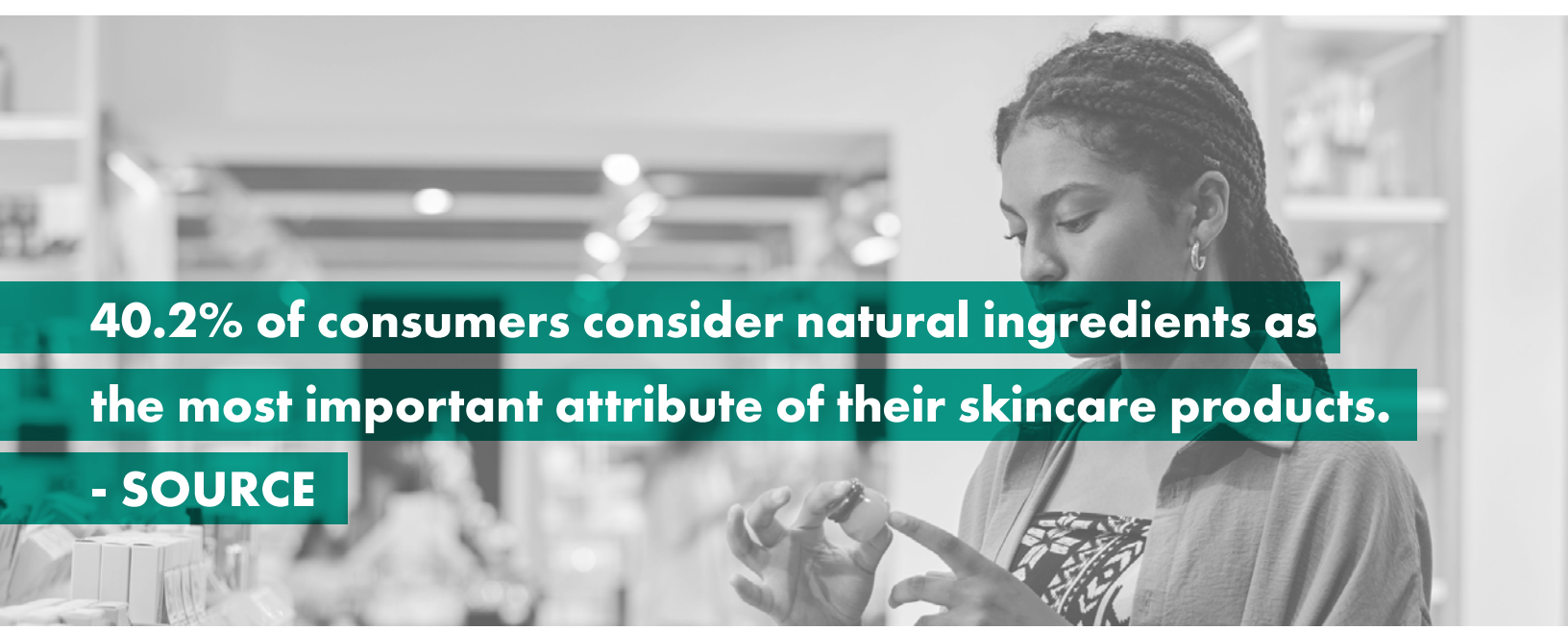


1 CONSUMERS ARE EMBRACING SIMPLICITY WITH THE RISE OF “QUIET BEAUTY”

The common saying “Less is more” is prevalent in the skincare industry as consumers increasingly embrace natural skin. Minimalism can be interpreted in multiple ways, from simplifying the number of routine steps to opting for products with fewer ingredients.

The shift toward “quiet beauty” began when influencers and media figures transitioned from bold, dramatic makeup looks to a more natural “no-makeup makeup” appearance. This shift in the makeup industry has reverberated [into the skincare industry](#), as consumers highlight their natural beauty through their product choices. According to [one study](#), skincare dominates the beauty industry, claiming a substantial 42% market share, whereas makeup only commands 18%. This shows how people are veering away from the elaborate 10-step skincare routines that gained popularity during the pandemic, now finding better results from streamlined routines. Estheticians and dermatologists [recommend using fewer products](#) for better results and reducing the likelihood of redness and irritation.

In addition to using fewer products, there is a growing emphasis on “free-from” products that avoid harmful ingredients, as [40.2% of consumers](#) consider natural ingredients as the most important attribute of their skincare products. The Ordinary, a brand known for its minimalist approach, offers vegan products with very few ingredients and is considered [Sephora’s leading brand](#) in 2023. Skinimalism is a trend that shows no signs of waning, as brands increasingly make products with fewer ingredients more affordable. This underscores the industry’s anticipation of a lasting trend towards simplicity and purity.



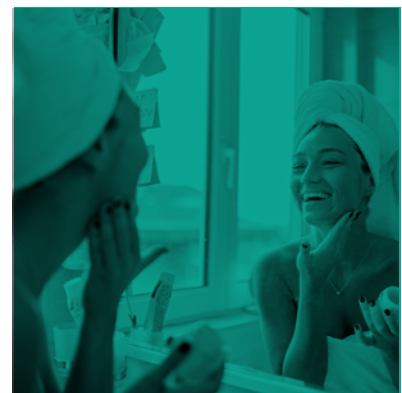
40.2% of consumers consider natural ingredients as the most important attribute of their skincare products.

- SOURCE

2 AI ALLOWS COMPANIES TO UNDERSTAND THEIR CUSTOMERS “SKIN DEEP”

Recent years have seen many companies lean on technology, like virtual reality and Artificial Intelligence (AI), to engage with their consumers through virtual try-on features and product quizzes. However, the era of categorizing skin into only four types – dry, oily, sensitive, and normal – is fading away. AI databases have been able to recognize [20,000 different skin profiles](#) derived from consumer data, enabling companies to tailor their products more precisely. AI is becoming better at selecting products and [creating new personalized products](#) for their customers, and its ability to rapidly process intricate and specific data enables companies to draw nuanced conclusions about their customers’ skincare needs. For example, AI can identify [the direct factor in the human body that leads to the formation of a minor blemish](#). This level of detail allows companies to create more effective skincare products.

Similarly to how AI is used in detecting skin, hair, and nail conditions from smartphone cameras, skincare companies are also using this technology to make recommendations on products that would fulfill the requirements of different skincare product consumers. Ulta employs a custom Machine Learning framework to create dynamic beauty graphs for customized suggestions and guided discovery of Ulta products. These are the ways AI gives an avenue for further innovation in the personalization of skincare product offerings.



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3 DISRUPTIVE INGREDIENTS ARE BECOMING THE FOREFRONT OF SKINCARE INNOVATION

The skincare industry has greatly advanced product formulation as disruptive ingredients are taking center stage and influencing consumer preferences. Hyaluronic acid, retinol, and vitamin C were prominent skincare ingredients in the past, but the current buzz surrounds ingredients like [snail mucin](#), [mushrooms](#), [niacinamide](#), and much more.

In alignment with the minimalist trend, skincare products with fewer ingredients are emphasizing the [benefits of key components](#). The popularity of K-beauty (Korean Beauty) and ancient Chinese skincare ingredients seen in the media have influenced many mainstream skincare brands to incorporate these ingredients into their products. Niacinamide, for example, has seen a remarkable [220% growth](#) in the beauty industry over the past two years, and The Ordinary has experienced a [216% growth](#) over five years by introducing products with these emerging ingredients including their [Niacinamide 10% + Zinc 1% serum](#) and [Azelaic Acid Suspension 10% cream](#). Companies like [OSEA](#) and [MISSHA](#) are using algae in a variety of their products, tapping into the consumer's desire to have effective results with ingredients they perceive as safe.

Although these ingredients seem unconventional, they are considered “[clean](#)” due to their lack of parabens or sulfates, coupled with the scientifically backed research on their efficacy. To stay current with the skincare trends, companies must understand the way different ingredients become critical over time and how to market them in their products.





4 INCLUSIVITY BROADENS: SKINCARE IS FOR EVERYONE

With diversity, equity, and inclusion (DE+I) being at the forefront of many companies' values in recent years, the skincare industry has certainly shown its commitment to DE+I through [inclusive product design and corporate racial justice efforts](#). This facet of the skincare industry, however, continues to evolve, and the inclusivity efforts by skincare brands extend beyond just having more diverse product ranges.

Advancements in AI technology have allowed skincare to provide solutions tailored to specific needs, veering companies away from gendered labels such as “for men” or “for women.” Instead, AI can help companies emphasize the remedy that the product provides. Additionally, companies have diversified brand ambassadors to include individuals from backgrounds and identities beyond binary gender labels. For example, the Skincare brand Youth To the People recently chose Omar Apollo, a Mexican-American musician and LGBTQ advocate, as their [first brand voice](#). Efforts to educate on the importance of inclusivity in skincare have been echoed by popular brands like [Curology](#) and [L’Oreal](#), signaling that the industry has come a long way from a time when [dermatologists lacked knowledge](#) of diverse skincare types.

Major skincare retailers like Ulta and Sephora have acquired smaller brands that specialize in niche markets, thereby broadening their [customer base](#) to include diverse backgrounds. Ulta introduced its [first Halal Skincare brand](#), Flora & Noor, earlier this year, mitigating the barriers for halal skincare products in the United States. This demonstrates the commitment of major skincare and makeup retailers to collaborate with smaller brands to promote more inclusivity in the industry. Flora & Noor is projected to reach a valuation of \$92.55 billion by 2030, exemplifying the major opportunities that exist in brands that cater to a diverse subset of consumers.



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SKINCARE INNOVATION MOVES INTO UNTAPPED AREAS

Innovation is advancing rapidly across many industries, skincare included. Personalization is a key focus at a product, brand, and strategy level, enabling consumers to get exactly what they want out of a skincare product. Biotechnology companies have been strategically entering the skincare sector because of the personalization opportunities. In fact, a product by Biotech Amyris' company Biossance owns the [fastest growing product at Sephora](#).

In addition to companies utilizing AI to collect consumer data, we've also seen substantial progress in data science and biomanufacturing. For example, [Inscripta, a digital genome engineering company](#), has created a platform that streamlines the strain engineering process so that research, design, and product development in the skincare industry can be accelerated. This has enabled one of their largest users, Ginkgo Bioworks, to draw sustainable products to the market much faster.

Another science-backed technique emerging in skincare is [biomimetics](#), which formulates products to mimic naturally produced compounds in the body to trigger natural reactions that improve the skin. Dermatologists believe that many skincare products will leverage this shift towards science-backed formulations in their products and focus on ingredients that address issues at their source.





LOOKING AHEAD

As we head into 2024, the trends we've explored demonstrate how the skincare industry is experiencing transformation driven by simplicity in beauty standards, a dedication to personalization, and technological advancements. The move toward streamlined skincare routines, specifically from popularizing multifunctional products, is not just a matter of convenience but also about delivering superior results. The integration of AI and data analytics into skincare has allowed companies to delve deeper into understanding their [individual customer needs](#) and offering tailored solutions. This innovation has raised the expectations that customers have for skincare and enhanced the efficacy of products. AI's capabilities for meticulous research have given rise to disruptive ingredients being prominent in products with fewer, yet highly effective, components.

Furthermore, skincare companies recognize the value of specializing in skincare products to diversify their consumer base. To [stay competitive in this market](#), companies must lean on personalization to connect with their customers and provide them with the best solutions. The skincare industry's evolution is an ongoing journey, and companies that adapt and innovate are most likely to thrive.

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