

The Future of Beauty & Personal Care 2022

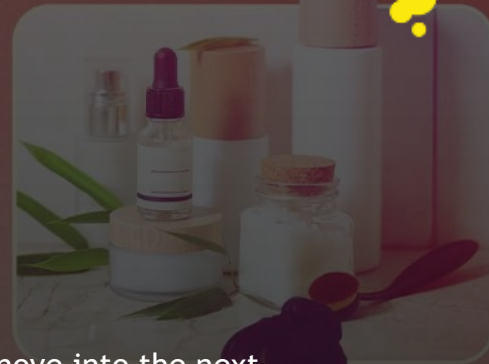
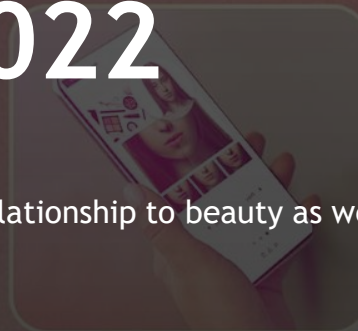
Changing lifestyles lead to big impacts on consumers' relationship to beauty as we move into the next year and beyond.



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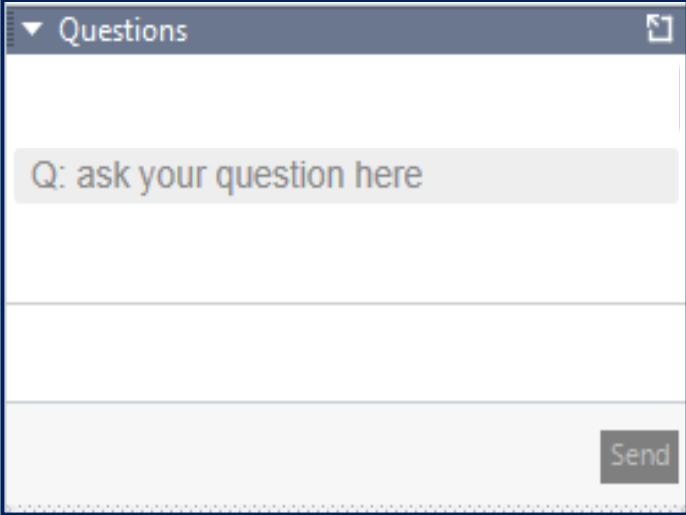
January 2022



Questions

To ask a question, simply type the question at any time during the presentation into the Questions box on your Go To Webinar control panel.

We may not get to all of the questions, but we will do our best to answer as many as we can at the end of the session.

A screenshot of the 'Questions' box in the Go To Webinar control panel. The box has a dark blue header with a downward arrow and the word 'Questions'. Below the header is a large white text area. A light gray placeholder text 'Q: ask your question here' is visible. At the bottom right of the text area is a gray 'Send' button.

The now, the next and beyond

Where we are now

- The pandemic has left **lasting changes** on consumers globally
- The **importance of ethics**, the changing **role of identity** and the **influence of technology** will impact the future of beauty

In the next two years

- **Morality** takes focus as consumers **demand more action** around sustainability
- Digital and real-life **identities** merge
- Consumers look to **break beauty rules** with the help of brands

In five years and beyond

- **Digital ownership** changes the brand/consumer relationship as well as the concept of **value**
- Digital **experiences** will become more **authentic** and **community-based**

IN THE NEXT TWO YEARS...

Sustainability and ethics merge

- Consumers push for **bigger moves** on climate change
- Make ethical impacts **clear and tangible**
- Broadcast **measurable metrics**

Consumers express a truer self

- Online and real-life merge allowing for self-expression
- Multiple digital identities allow for **creativity**
- Digital allows for **accessibility and representation**

Beauty breaks down barriers

- “Beauty” is **undefined** as consumers break the rules
- Realize the power of culture and tradition
- **Consumption patterns shift** with priorities

Taking action for the greater good

PREPARED TO BOYCOTT

88%

of Chinese consumers say they are prepared to boycott companies who behave unethically

SUSTAINABLE BEHAVIOR

85%

of Brazilian consumers say that try to act in a way that is not harmful to the environment

BEAUTY CONCERN

55%

of US beauty users are very concerned with the environmental impact of the brands/ products that they use

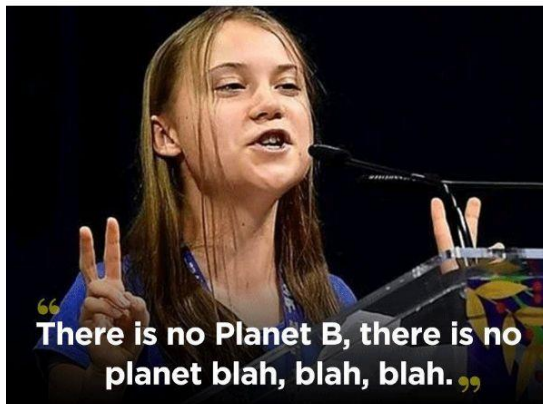
Base: China: 1,000 internet users aged 18+; Brazil: 1,000 internet users aged 16+; US: 1,942 internet users aged 18+ who purchased beauty or personal care products in the last 12 months

Source: KuRunData/ Mintel; Kantar Profiles/ Mintel

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Young climate activists demand immediate action

- Young activists from around the world are calling on world leaders to step up actions against climate change



Greta Thunberg



Mitzi Jonelle Tan

Don't sell fear, share joy

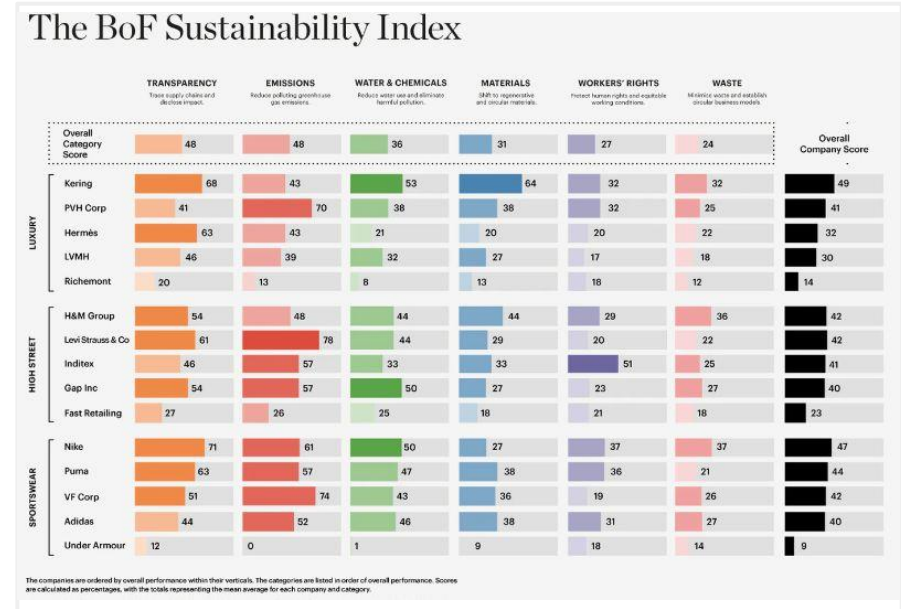


[Naturals by Watsons refill station](#)

- Fear-based selling has been seen across the beauty industry
- Brands should find a way to connect and guide consumers
- Give them positive reasons to adopt a more sustainable approach

The ethical aspects of sustainability

- Sustainability is about more than just being 'green'
- Morality is essential and consumers look at how companies care for workers
- [Business of Fashion](#) identified 15 sustainability markers, including social goals, as a way to rank companies



The BoF Sustainability Index

Highlight measurable metrics for true transparency

- Mintel's 2022 Consumer Trend [Ethics Check](#) digs into the importance of brands sharing their "ethical progress reports"
- Consumers want to see progress
- Broadcast metrics and goals as a way to gain trust and loyalty
- [The Fashion Transparency Index](#) helps brands to be more transparent when it comes to ethical and sustainable practices
- Indices and rating tools can help with transparency
- These tools can also put pressure on other brands to respond in-kind

Sharing sustainable solutions - a collective step forward

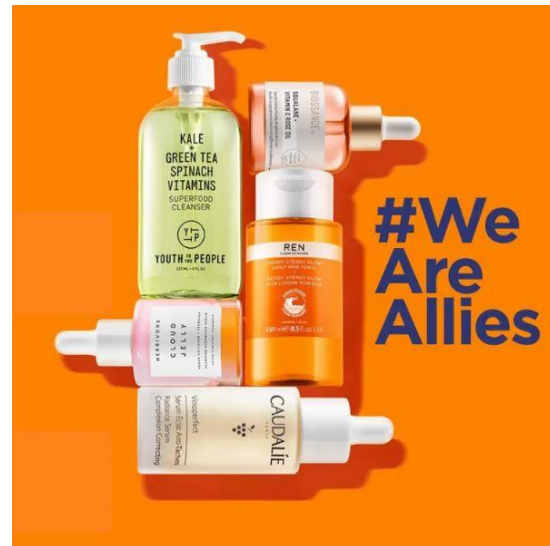


[Emma Lewisham](#) and shared its circular & carbon-positive process

- Brands that are truly committed to ethical/environmental goals will gain favor with consumers
- Greenwashing will be increasingly at odds with consumer expectation
- Shoppers will gravitate toward forward-thinking, transparent and authentic brands
- In the future, open sourcing will become an expectation as consumers consider the collective to be more impactful

Create lasting value, not just goal-setting

- There needs to be a balance between creating newness and creating waste
- The pandemic has sped up that the shift to sustainability in many markets
- Brands look to create positive impact on both environment and people and to create lasting value
- Circularity requires more fundamental shifts across supply chain



REN Skincare's eco-conscious allies

Shifting identities

EXPRESS YOURSELF

82%

of Indian consumers say being able to express their individuality is a top priority for them in life

DIGITAL CROSSOVER

64%

of Polish consumers say that most of their leisure activities involve using digital technology

REFLECT REAL LIFE

68%

of US consumers would like to see diversity in beauty advertising as it reflects real life

Base: India: 1,000 internet users aged 18+; Poland: 1,000 internet users aged 16+; US: 1,727 internet users aged 18+ who would like to see some diversity in beauty/grooming advertisements
Source: Dynata/Mintel; Kantar Profiles/Mintel



Online avatars become a reflection of identity



Bot Libre 3D Avatar Creator

- Online avatars gave consumers free license to create their own identity
- Today's digital identities are detailed and three dimensional
- Identities are merging across the real and digital worlds
- The online world offers endless flexibility
- The convergence with offline changes the way brands need to cater to consumers

Representation online builds trust offline

- In Feb 2021, Bitmoji introduced wheelchairs for avatars
- Consumers push for representation in all realms
- Digital identities can offer more diversity



[Wheelchair stickers on Bitmoji](#)

Direct-to-avatar



[Ralph Lauren X ZEPETO](#)

- As online shopping grew during the pandemic, consumers looked for new experiences
- Digital developments as well as partnerships and acquisitions are expanding
- Apps like Zepeto allow users to see themselves in a 3D world
- Retail and tech partnerships allow users to visualize themselves in a virtual world

Mr L'Oreal is unreal

- L'Oreal launched its first male virtual ambassador, Master Ou
- Mr. Ou's multi-faceted personality allows for expert communication across a variety of topics



Mr. Ou, 24-year old entrepreneur, works in the beauty industry and cares about the environment

The merging of physical and digital will encourage conscious purchases



- Digital is less expensive and more ethical
- With no physical production, sustainability is enhanced
- Fit and sizing considerations become endless
- Digital fashion and makeup allow for freedom of self-expression
- AR technology is opening the doors to what consumers can do with makeup

Tech brings focus to the emotional side of beauty

- The pandemic has led to an ongoing search for connection
- Products can elicit emotions that are difficult to convey with words
- NOSE Shop from Japan uses scent and tech to verbalize emotion
- AI allows consumers to find new scents by choosing words that appeal to them
- Beauty can tap into the emotional depth of a new visual language



Kaorium AI system converts scent to words

Breaking all of the rules

ALIGN VALUES

60%

of US beauty consumers care about using brands and products that align with their personal values

MORE CURIOSITY

90%

of South African consumers find themselves wanting to learn more about things than they used to (brands, social matters, etc)

SEEKING COMFORT

75%

of Italian consumers are always on the lookout for things that make their lives easier

*Base: US: 1,942 internet users aged 18+ who purchased beauty or personal care products in the last 12 months; South Africa: 1,000 internet users aged 18+; Italy: 1,000 internet users aged 16+
Source: Kantar Profiles*

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Beauty undefined

- Communication and expression are heading towards authenticity without perfection
- The role of brand founder has morphed into community leader
- Brands must put community and emotion high on their agenda integrating diversity into their DNA

Reclaiming beauty through cultural traditions



Inuit Tattoo Revitalization Project

- Beauty standards differ widely around the globe
- Consumers embrace the uniqueness of beauty tied to culture
- The Inuit Tattoo Revitalization Project is just one example of reclaiming beauty traditions based on ancient culture

Cultural appreciation vs. appropriation

- The argument over appreciation versus appropriation continues as fashion and beauty tread a thin line
- Authenticity must tie back to beauty heritage and culture
- The digital landscape pushed the need to understand culture and community
- It's about much more than just being diverse and inclusive



Reignite the power of traditions



[Fable and Mane](#) - ancient Indian rituals for healthier hair

- Hair oiling in Ayurveda is referred to as 'sneha' which means love
- Stemming from the founder's grandmother, Fable and Mane is reigniting the power of the Indian tradition
- Brands that uncover and learn about traditional beauty will drive longer term value with customers who are engaged in their culture

Changing the conversation towards positivity

- Brands must reflect the individualized and changing expectations of consumers
- Be future-ready through relevance, empowering younger consumers with freedom of choice
- Brands of the future will cease to be "aspirational" and embrace the diversity of "now"
- Consumer-led customization will pave the way for innovative tools



#DontPauseForPimples connects with Gen Z to encourage skin positivity

Over-consumption is out; simplification is in

"WANTS" VS "NEEDS" TAKES ON NEW
MEANING

57%

of US consumers are [actively trying to reduce the amount of tangible goods](#) that they buy

- The pandemic has forced consumers to rethink what value means
- Now and in the future, consumers won't be purchasing in the same way
- A new consciousness dictates a shift in what they buy, how much they buy and why
- Brand reputation becomes increasingly important
- Offer alternative shopping options like rentals or resale, help consumers declutter, or offer payment flexibility
- Highlight corporate social responsibility efforts in order to build trust

Base: US: 2,000 internet users aged 18+

Source: Kantar Profiles/Mintel

To your local neighborhood: boost accessibility

- Brands should consider mobile or roaming retail to cater to consumers wanting to shop their own neighborhoods
- Orbis is collaborating with tech start-up Mello to launch a new mobile store, the Orbis Wagon
- Merges online with offline reaching out to new consumers and building local presence
- Muji will also expand mobile retail into more rural locations



the Orbis Wagon mobile shop

IN FIVE YEARS AND BEYOND...

- Technological advancements will increase non-contextual communications
- Leverage emotions and audio to help guide consumers and drive innovation
- Digital ownership will change the game for beauty
- Digital communications and experience will redefine brand/consumer relationship

The future is digital

TRY NEW TECH

72%

of Chinese consumers like to be
amongst the first to try new
technologies

EXPERIENTIAL SIGNIFICANCE

70%

of UK consumers say that
experiences are more important to
them than material possessions

NEW TECH EXCITEMENT

62%

of US consumers agree that having
new technology is exciting

Base: China: 1,000 internet users aged 18+; UK: 1,000 internet users aged 16+; US: 2,000 internet users aged 18+

Source: KuRunData/Mintel; Kantar Profiles/Mintel

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Where people go, brands will follow



Epic Games launches Fortnite and Nike Air Jordans crossover

- Metaverses are peaking at a time when reality itself feels dystopian
- Digital spaces allow creativity to flourish
- The laws of physics do not apply in the metaverse
- Brands need to think about 'virtual first' products/services
- Brands can create unique products that exist in multiple realities

Craft a digital ecosystem

- A challenge of working in a digital realm is translating experience to something tangible
- Connect across dimensions with a real/virtual ecosystem
- The Nike/RTFKT partnership brought the digital to a wearable category
- Link tangible and digital assets to enhance user experience



RTFKT digital creator

Increase exclusivity while caring for the environment

- Digital fashion designers are creating 'garments' with environmental and social responsibility in mind
- NFTs could offer a solution to sustainable luxury in beauty and fashion
- The exclusivity of NFT pieces as well as their traceability work well for luxury brands while AR would work better for mass consumption
- The synergy of physical and digital can spark interest and excitement in embracing individuality as people tend to make bolder choices in a virtual world

Beauty enters the NFT space with experimentation in mind



[Clinique's NFTs offer a limited-edition digital representation](#) of its iconic Black Honey

- NFTs create the opportunity to experiment with beauty
- In a market where success rides on the physical, there is a disconnect between NFTs and some beauty consumers
- NFTs provide the opportunity for investment in a brand beyond the tangible driving hyper-engagement
- Create momentum with NFT “drops”

A new way for super fans to be a part of the brands they love

A handful of beauty companies are diversifying non-fungible tokens, from being collectors' items to including loyalty rewards and physical product perks.



Celebrating an icon with varying entry tiers
[Nars celebrated its hero Orgasm blush](#) with a collection of three commissioned NFT artworks by female-identifying artists on the platform [Truesy](#). One piece is available for free in an unlimited number and one is a \$500 limited-edition piece.



New opportunity to "do something different"
[Givenchy Beauty's Pride NFT](#) was part of its broader strategy to embrace "new horizons" digitally. In 2021, the brand sold out of 1,952 copies of its first sponsored NFT artwork in two seconds on platform [VeVe](#).



Own some cosmetics legacy
[E.l.f. Cosmetics created NFTs](#), sold through the [Bitski](#) platform, that allowed customers to purchase their cult classic products such as the Poreless Putty Primer saturated in gold.

Say hello to the meta-fluencer

- Leverage digital influencers to build connection
- Meta-fluencers are a true reflection of brand ethos
- Cost-effective and 100% under a brand's control
- Meta-fluencers can be designed to reflect the real world



[Fashion brand Yoox meta-fluencer Daisy](#)



[Prada created Candy to launch new fragrance](#)

Thank you!



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intelligence agency**

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market research will help you grow your business.



**Experts in what
consumers want
and why**

