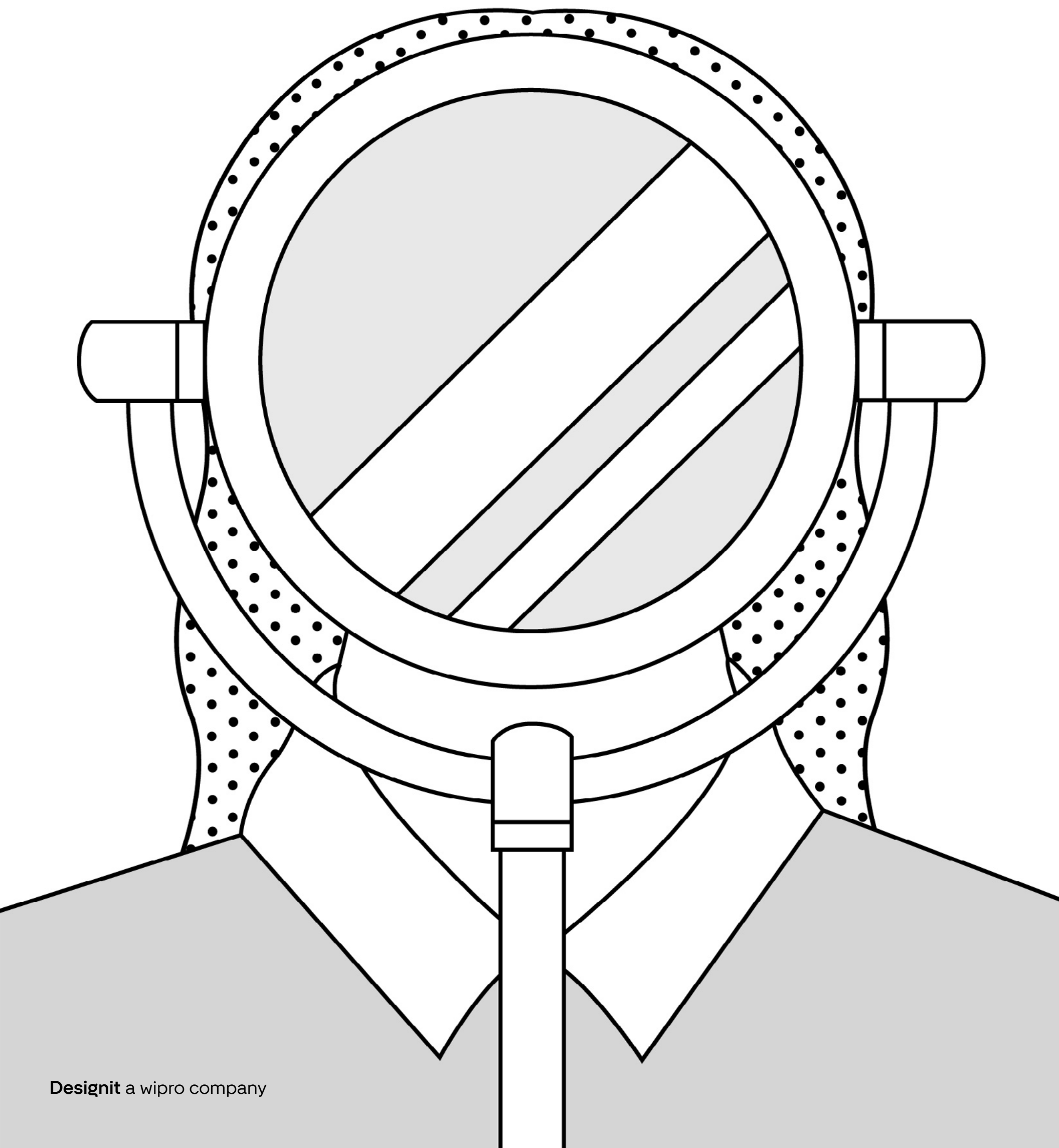


Unveiling *the future* of beauty



“Beauty is but a vain and doubtful good; A shining gloss that fadeth suddenly;
A flower that dies when first it ‘gins to bud, A brittle glass that’s broken presently.”

- William Shakespeare



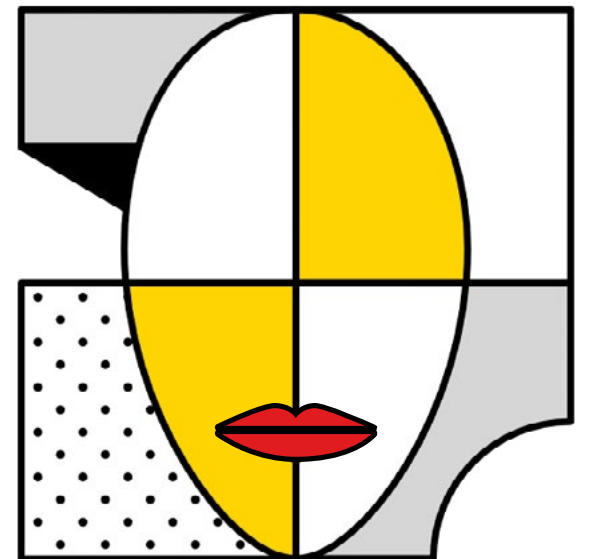
The significance placed on feeling beautiful has been an inherent aspect of human nature throughout recorded history, central to society, culture, and the arts. Some people associate feeling beautiful with qualities like youth, while others take a more hedonic perspective. Despite its subjective nature, certain archetypes of beauty have been widely accepted through time.

Ideal beauty is shaped by the cultural norms of the day, which are often perpetuated through long standing social structures. In this way, feeling beautiful makes you feel accepted, validated, and connected to your communities. It also influences one's self-esteem. When people feel confident about their appearance, this impacts their overall sense of self-worth, social interactions, and personal well-being. In an ideal context, beauty empowers individuals to express their unique personalities, tastes, and creativity while simultaneously feeling connected to others and boosting their confidence [1,2].

But, at the same time, it acts as a double-edged sword. The intrinsic human tendency to compare yourselves to others, magnified by the impact of modern media, advertising, and social networks, can trap you in a never-ending pursuit of unreachable expectations.

In 2022, the beauty industry's net value was estimated at a whopping \$564.43 billion (more than the GDPs of Norway, Israel, and Austria) [3a]. This impressive figure is projected to grow at a rate of 4.64% in the coming years, further solidifying the industry's financial strength and its place in our society [3b,4].

The beauty industry's impact extends beyond financial success for the companies leading the way. Geographically, the industry now displays remarkable diversity in terms of production and consumer spending. While North America and Europe have traditionally served as a home of key skincare product manufacturers, housing renowned conglomerates like L'Oréal, Unilever, and The Estée Lauder Companies, among others, the Asia-Pacific region has emerged as a significant player.

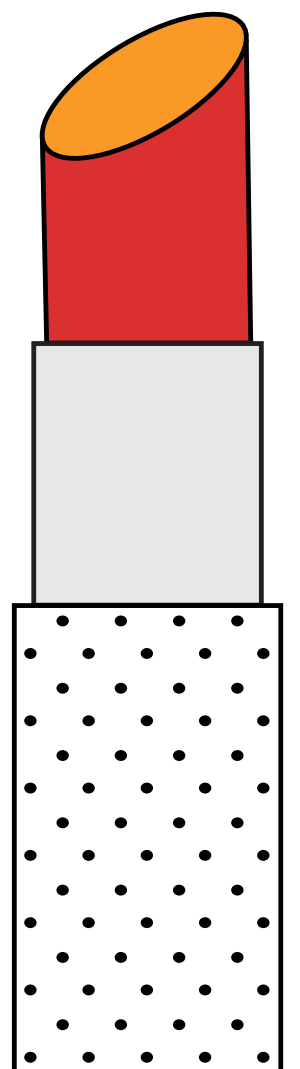


Countries like China, South Korea, and Japan have experienced rapid growth and have established themselves as important producers and markets for skincare products, home to influential companies like Shiseido Co., Kao Corporation, and The Amorepacific Group. Notably, the United States, China, Japan, and Brazil hold the top positions in terms of consumer spending, contributing substantially to the industry's overall size [5].

The Designit team was drawn to the skincare market first and foremost because of how its products have an outsized impact on people's well-being and self-esteem. But we're equally fascinated by the industry's exceptional financial performance and how trends in innovation are driving the industry into the future.

Welcome to Designit's 2023 *skincare* forecast:

Unveiling the future of beauty.



Macrotrend

#1

Skincare for everybody: the democratisation of the beauty experience.

The economic resiliency of the skincare industry has been buoyed by ongoing innovations like novel ingredients and ground-breaking dermatologic and technological advancements.

This phenomenon has fostered the emergence of new skincare brands and start-ups that play a pivotal role in enhancing accessibility to beauty products by way of increased competition [6,7]. While multinational corporations and conglomerates continue to dominate the skincare industry globally [4,5], numerous up-and-coming competitors are carving out their niche through products and services that elevate, personalise, and democratise the beauty experience.



Illustration generated with Midjourney AI

We are seeing how major trends, like user empowerment and the growing demand for diverse and inclusive representation, that originated in other pockets of society have permeated the beauty industry for the better:

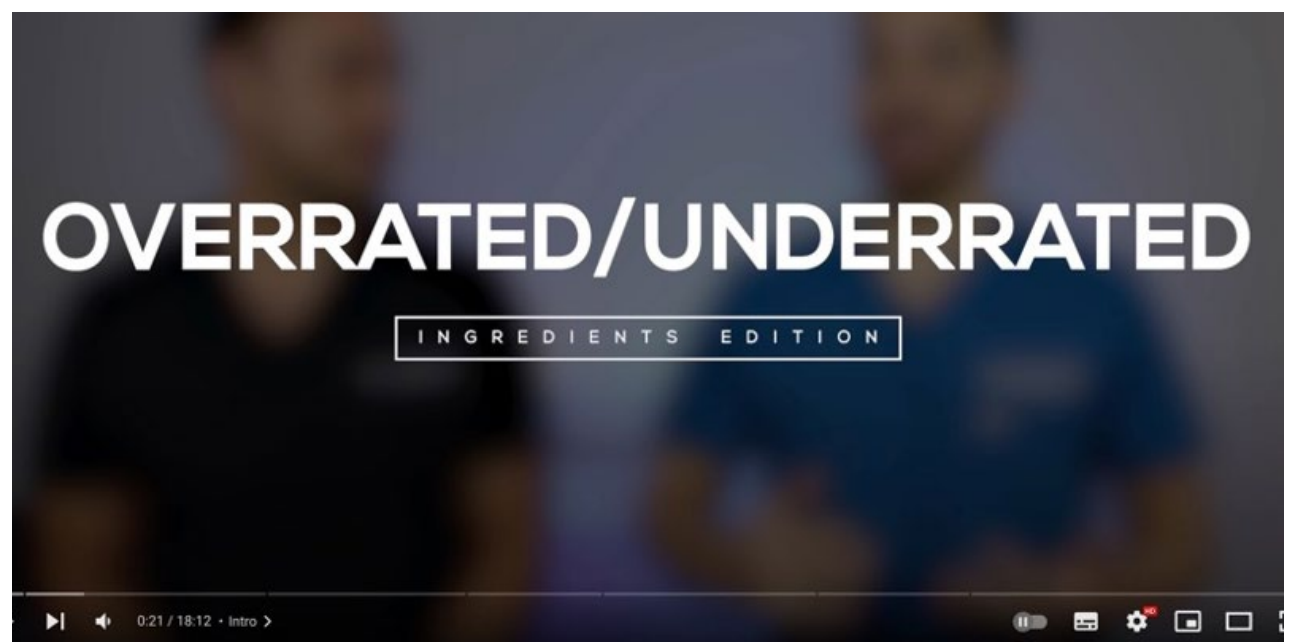
1) Knowledge is power:

Social networks, beauty influencers (especially micro-influencers) and brands like The Ordinary or Inkey List are educating consumers about skincare by 'removing the blindfold' from them [8,9,10]. Access to unbiased information has increased, shaping consumers' trust and purchasing decisions.

Whether it's a YouTube video featuring a dermatologist discussing the benefits of vitamin C and retinol, transparent packaging without extravagant claims, or a candid review on social media from an everyday teenager, organic information carries considerable influence for consumers.

As a result, consumers are now more discerning, seeking authenticity and transparency rather than falling for the allure of "miracle formulas" and "magic ingredients" that were popular in a bygone era. Consumers today seek not only clear information about the efficacy of skincare products and cosmetics, but also greater transparency regarding ingredient sourcing, manufacturing processes, and brand impact on communities and the environment. **Recent surveys highlight the growing influence of conscious consumers, who now comprise the largest consumer segment (44%) across all product categories, including personal care and beauty [11].**

This demand for transparency reflects a shift in consumer behaviour and underscores the need for brands to prioritise openness and ethical practices to meet evolving expectations.



Dr. Shah and Dr. Maxfield, dermatologists and influencers, have more than 2,3M subscribers on their Youtube channel Doctorly, where they analyse skincare products and cosmetics with the objective of educating their followers. Their motto is in fact 'Education, not influence'.

Screenshot from Doctorly's Youtube channel

2) Embracing diversity and inclusivity:

In the ongoing fight against discrimination and systemic inequities, companies across various industries have taken a closer look at their own shortcomings. Inspired by social movements, influential figures like Rihanna and her Fenty Beauty brand, offering a wide range of makeup shades, and Selena Gomez, with the inclusive packaging of Rare Beauty, have made diversity in product portfolios a consumer requirement rather than just a nice value-add.

This major demand has also proven to be very profitable for the companies that can harness it. **For example, it's estimated that black women spend 80% more on beauty products than the average consumer [12].** But the journey towards inclusivity is still a work in progress. One significant challenge lies in the usability of traditional beauty options.

Although insurgent brands and industry leaders alike are now filling these emerging market voids, there is still a considerable distance to cover to achieve a fully inclusive beauty experience.



Since publicly sharing her journey with multiple sclerosis, actor Selma Blair has partnered with the ability-inclusive makeup brand Guide Beauty. The brand's founder, Terri Bryant, was diagnosed with Parkinson's disease at the height of her makeup career.

By applying service design and universal design theories and tools, she developed a complete set of products created to be used by everybody.

Photo by Raul Romo courtesy of Guide Beauty

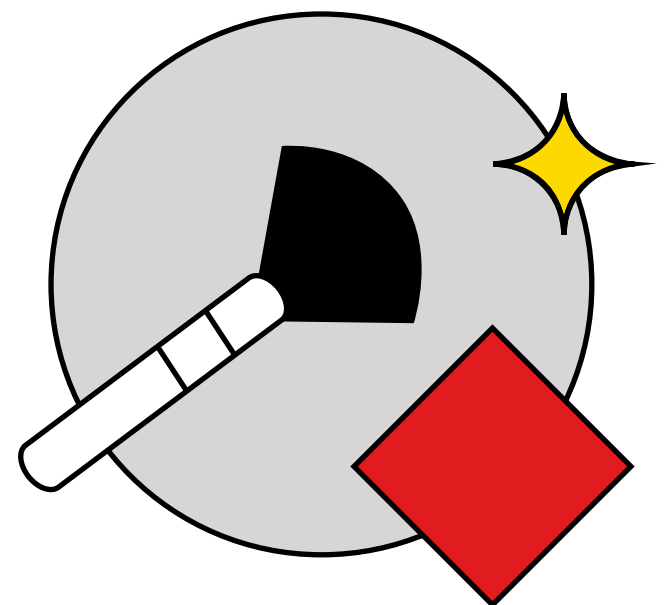
3) Personalised skincare:

Young generations, particularly Gen Z, are increasingly running away from the traditional 'one size fits all' approach and seek beauty products tailored to their specific skin type and needs. It's no longer about using ingredients that are going to have the best effect on one's skin, but feeling in control over the entire beauty experience. That's why Gen Z consumers aim to support and celebrate brands that utterly understand them.

Studies have indicated that consumers who receive personalised recommendations are 80% more likely to make a purchase [13]. This emphasises the importance of customisation and personalisation in the beauty industry.

In response to this demand, custom skincare brands like Function of Beauty, QR8 Mediskin, and Skinceuticals Custom D.O.S.E have gained popularity. These brands offer personalised solutions by allowing customers to customise their products based on their unique requirements, such as skin type, concerns, and preferences.

By embracing customisation and offering tailored experiences, these brands are catering to the growing desire for individualised beauty routines. They empower consumers to take charge of their own skincare journey. This shift towards personalisation not only enhances the effectiveness of beauty products, but it also fosters a deeper connection between consumers and brands.



✦ #1 Skincare for everybody

The result of the powerful consumer-led forces of democratisation on the skincare industry has created a fascinating tension between **'near-commoditisation'** and **'premiumisation'**. As consumers set the bar higher, their willingness to spend has opened the door for major players like L'Oréal and Estée Lauder to grow their R&D spending to spur innovation [14,15]. Yesterday's top-shelf formulas are today's middle-shelf and bottom-shelf formulas.

This has created a phenomenon in which objectively effective skin care products are accessible to all consumers. Meanwhile, increasing consumer spending on premium products has created a race to the top to win those consumers who are going to do their homework to identify the right products.



Function of Beauty sells made-to-order haircare and skincare products, bringing the personalisation trend to a whole new level. By completing a quiz, consumers can specify their beauty concerns, goals, and preferences and buy a tailored set of product formulas, including shampoos, conditioners, cleansers, serums, and moisturisers, that can be further personalised by choosing their colour and fragrance.

Photo courtesy of Function of Beauty

Macrotrend

#2

The challenge of the beauty industry: the future of skincare is holistically conscious.

Today's consumers are increasingly aware of the social and environmental implications of their choices. Although inclusion and diversity have played a key role when attracting consumers and driving purchases within the beauty industry, people seek out brands that demonstrate their commitment to safety, sustainability, ethical practices, and community well-being.

This requires brands to adopt an integrated approach that encompasses responsible sourcing, eco-friendly packaging, fair trade practices, and initiatives that give back to society. Consumers appreciate brands that go beyond product effectiveness and demonstrate a genuine commitment to making a positive impact on the world. This shift towards conscious consumption not only benefits the environment and communities but also strengthens the reputation and long-term success of the brands that embrace it.

The following trends underlie the overall shift towards conscious consumption.



Illustration generated with Midjourney AI

1) Sustainable products:

Pollution, waste management, and climate change are urgent global issues with visible consequences, such as ecosystem disruption, extreme weather events, and habitat destruction. Skincare brands and start-ups are actively addressing these concerns by investing in new materials, manufacturing processes, and packaging redesign to minimise waste and environmental impact [16,17,18]. Despite their efforts, skincare brands are still falling behind.

In addition, overconsumption plays a significant role, as consumers tend to buy more than they need, leading to excessive production. The personal care and beauty industry generates over 120 billion units of packaging globally each year, a majority of which isn't easily recyclable. Interestingly, some micro-influencers and consumers are spearheading a new social media trend called "deinfluencing," which aims to shift harmful consumption habits [19,20].

In the future, it is expected that beauty brands and corporations will find innovative ways to make their products and services more circular and sustainable. Some companies have already taken steps in this direction, such as reducing packaging or implementing carbon offset policies. Brands like Skinfix, The Organic Skin Co., Whamisa, and others are leading the charge in making their products more sustainable [21]. But achieving a truly "zero waste" skincare industry will require significant inventiveness. As consumer awareness grows regarding the environmental impact of their purchases, the demand for genuinely sustainable skincare products and services will increase. Companies that can achieve major breakthroughs in sustainability are likely to thrive in the long run.



Sulapac® is the result of Suvi Haimi & Laura Tirkkonen-Rajaslo's vision of achieving a zero-plastic future for the beauty industry. As biomaterials specialists, they set out to develop a range of biodegradable materials designed for mass-production.

Photo courtesy of Sulpac

2) Safe products:

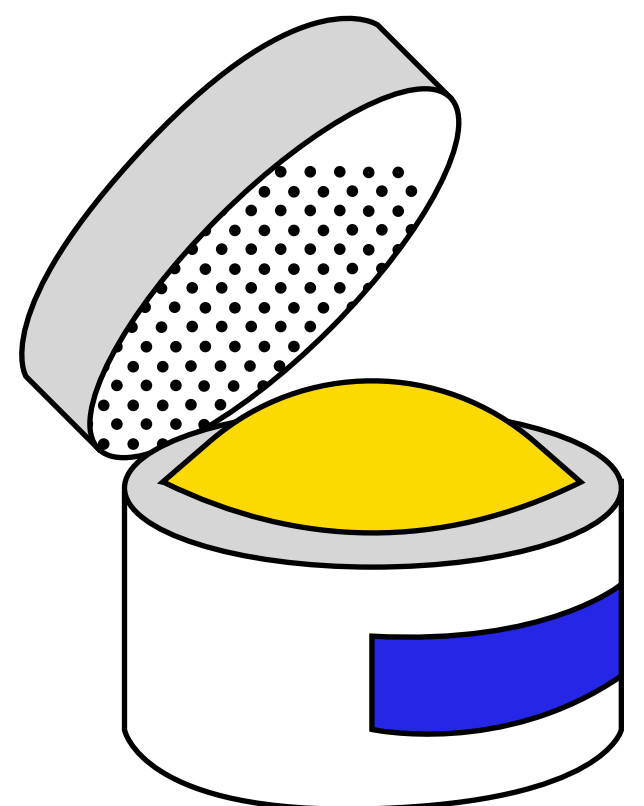
Young consumers today are becoming increasingly conscious about what they put on their skin. Their concern has fuelled the rapid expansion of the clean beauty market in recent years. As a result, the beauty industry is undergoing a significant transformation characterised by the increasing popularity of natural and organic products, as well as effective, safe, and user-friendly products.

According to a 2022 survey, **76% of Gen Z actively seek out clean beauty products, leading to a projected market value of \$22 billion by 2024 [22]**. But the lack of a standardised definition for “clean” beauty poses a challenge. No major regulatory agencies worldwide have established specific requirements for products to be designated as “clean”. Without consistent regulation, each brand can provide its own interpretation [23].

This absence of regulation leaves consumers relying solely on brand claims to determine if a product aligns with their safety and sustainability standards. As a result, a gradual shift is underway from clean beauty to safe beauty. Safe beauty encompasses **3** key elements: **1)** ensuring that a product does not harm the skin, **2)** verifying that its ingredients have undergone laboratory testing, **3)** incorporating science-based technology.

In the near future, it is likely that new organisations or regulatory bodies will emerge from consumer pressure to provide clearer guidelines and standards for the clean beauty industry.

This would help consumers make more informed choices about the products they use and provide a level of transparency that is currently lacking.

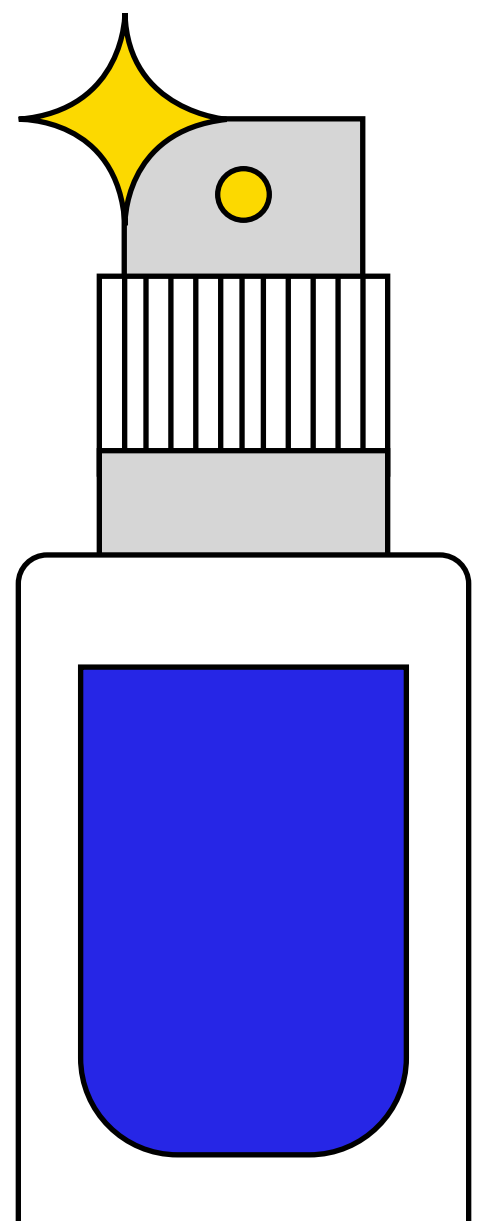


3) Meaningful beauty tech:

Beauty is still finding its place within the technology industry amid new platforms like the metaverse. There is an emerging trend within beauty tech to create more inclusive experiences by means of AR and VR, but companies are still figuring out how to unlock its true potential. For now, beauty companies are using new platforms like the metaverse as a tool for marketing rather than as a whole new universe in which consumers want to live, although the possibilities are endless.

Overall, the future of beauty tech is likely to be driven by a combination of technological advancements, consumer demand for personalised and sustainable products, and the ongoing quest for innovation and creativity in the beauty industry.

The intersection of beauty and technology is a fascinating area, albeit nascent, leaving the future direction of this space particularly uncharted and ripe for the taking. One thing to keep in mind is that not all consumers are interested in using technology in their skin-care routines. It will be important for companies to strike a balance between offering tech-enabled options and catering to consumers who prefer more traditional approaches.



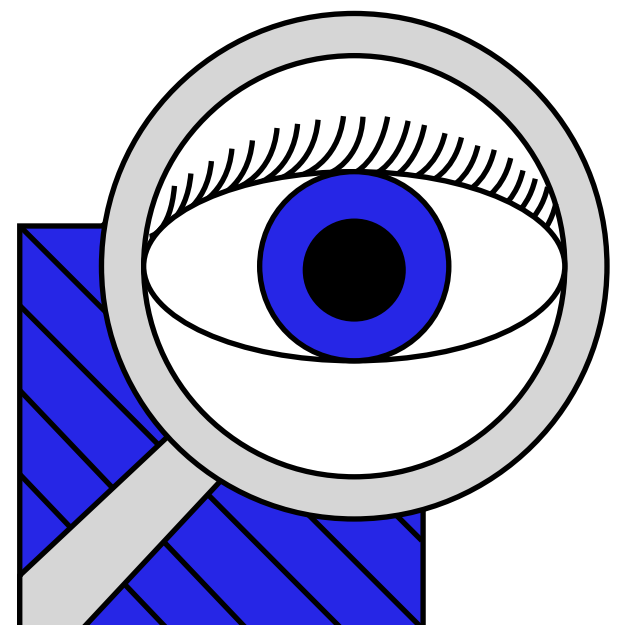
✦ #2 Challenge of the beauty industry

We are still very much in the early days regarding the trends mentioned above. The incipient nature of product sustainability, product safety, and beauty tech means that future scenarios are far-ranging and indeterminable as of today. Instead, companies can simply seek to listen closely to their customers, who hold most of the power in determining in which directions the winds will shift.



La Roche-Posay is embracing artificial intelligence (AI) to cater to the growing demand for personalised skincare routines. Using advanced facial scanning technology, La Roche-Posay assesses various skin parameters, including radiance, firmness, and signs of aging. Based on these evaluations, it recommends a tailored bundle of products to address consumers' unique skin concerns.

Photo courtesy of La Roche Possay



Macrotrend

#3

What's next: making the unimaginable possible.

Within our previous investigations of macro trends, we have explored the significance of socio-cultural movements and changing consumer habits that have affected today's beauty industry. These changes have in turn reshaped the business priorities and product development strategies of skincare brands and the corporations behind them. And yet, advancements in science and technology have the potential to revolutionise the entire beauty experience in ways that are difficult to even imagine today. Here are a few ways today's trends may reshape tomorrow's beauty industry.

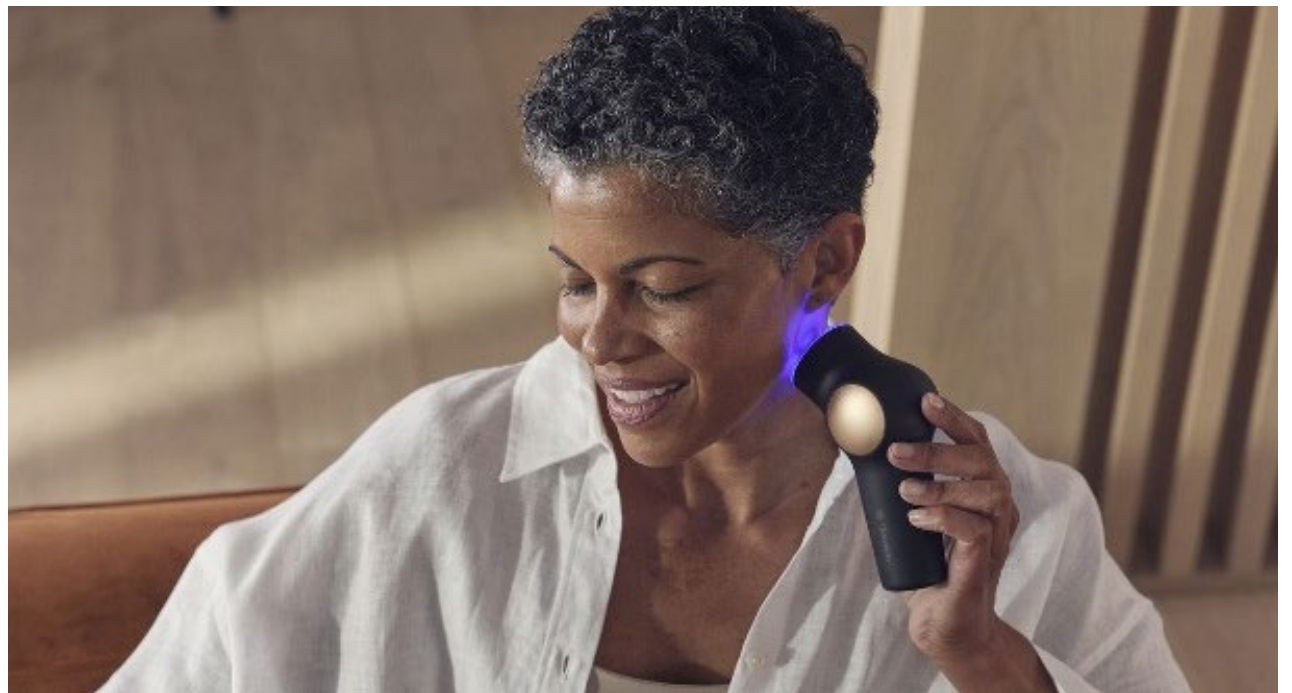


Illustration generated with Midjourney AI

1) Integration of beauty and health:

In the future, the boundary between beauty and health will become even more blurred. Consumers will increasingly look to the beauty industry for products that improve their overall health and wellness, rather than simply their appearance. This could include products that target specific health conditions or that contain ingredients with proven health benefits.

An example of this could be the use of nanotechnology [24]. By means of ultra-thin sensors implanted into the skin, consumers could monitor various aspects of their health, including skin health. These sensors could provide real-time data on skin quality and exposure to environmental factors, allowing for more personalised and precise skincare recommendations. This is an evolution in popular wearables that are proliferating in today's market.



Therabody was founded in 2009 by Dr. Jason Wersland, who created the first muscle therapy gun to alleviate his own pain following a motorcycle accident. Over time, they refined their designs and expanded their product range to target specific areas of the body. In 2022, they launched Theraface, a revolutionary facial health gun that applies the same principles of massage therapy. This innovative device incorporates technologies such as LED light therapy and cryotherapy to enhance the overall condition of the skin, addressing concerns like acne, radiance, and signs of aging.

Photo courtesy of Therabody

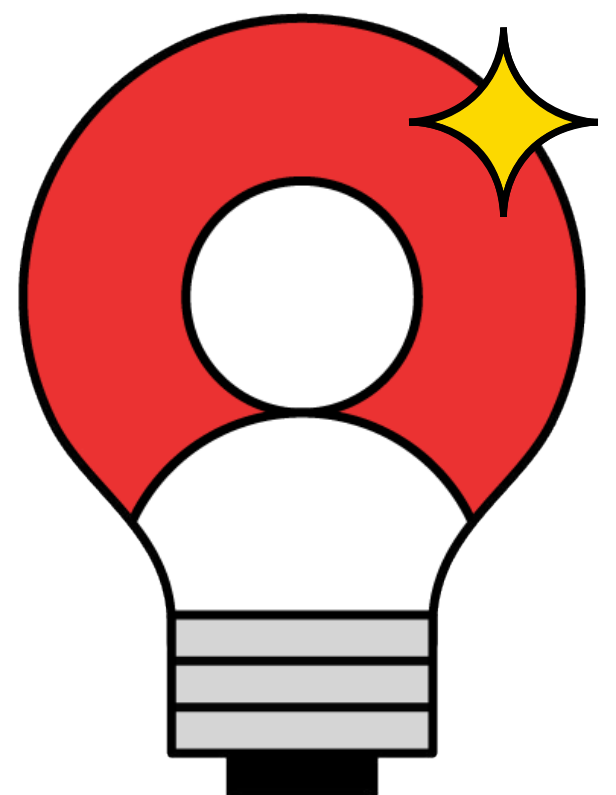
2) Innovate to survive:

Despite ongoing efforts to promote environmental friendliness and sustainability, humans are failing the planet. **Global data shows that up to 40% of the world's plants and fungi are currently at risk of extinction [25].** This statistic is alarming on many levels and has the potential to disrupt the beauty industry entirely.

By 2030, a scarcity of natural ingredients could become apparent because of the climate crisis [26]. Given the current situation and the consequences humanity is facing due to lack of action, innovation in every sector is crucial to fight the inevitable consequences of climate change and pollution.

In this context, biotechnology is poised to play a fundamental role in addressing some of these challenges. By revolutionising ingredient innovation and product development, biotechnology can offer sustainable alternatives to more wasteful ingredients and simultaneously improve results for consumers [24,26].

An example use case already in development is from the biotech company Sestina Bio, which is currently developing a new biomanufacturing process to produce its own bakuchiol, a retinol alternative that does not cause UV sensitivity and irritation. As of today, natural bakuchiol can only be found in an endangered plant [27].



Another innovation driven by humanity's abuse of the planet is anti-pollution skincare, a whole new realm of skincare products that are designed and developed to act as a barrier against pollutants, much like how sunscreen protects against UV rays. **In a world where 99% of the population lives in areas with poor-quality air, as recently highlighted by the WHO[28], this new line of products is becoming increasingly relevant.** Such products come not only from the latest brands but also from traditional skincare companies that are releasing their own masks, balms, face mists, and serums [29].



According to an article from Wendy Roberts MD published in International Journal for Women's Dermatology, air pollution plays an increasing causation role in most common skin diseases, including acne, hyperpigmentation, atopic dermatitis, & psoriasis.

Photo of New York City covered in the smoke of the Canadian wild-fires in June 2023 by EarthCam

2) Reverse aging:

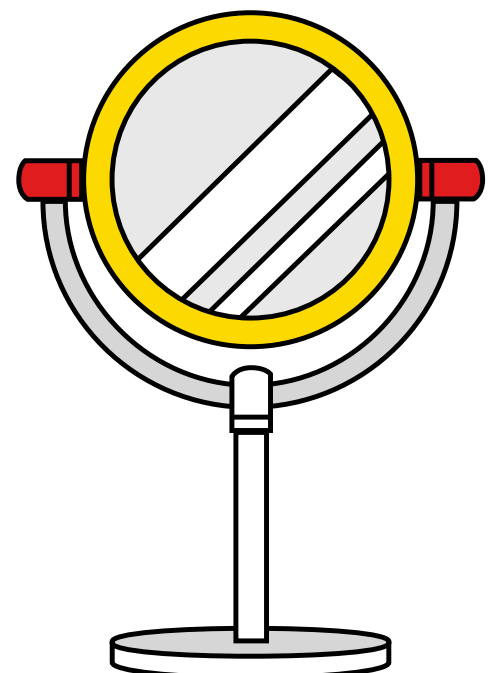
Although reversing aging is not possible today, recent experiments have shown the potential to delay and even control the consequences of the passage of time both internally and externally [30]. Approaches such as regenerative medicine, gene therapy, and stem cells are being explored to regenerate tissue, repair damage, and enhance overall health. This is particularly relevant to skin health and physical appearance.

In recent studies conducted by Boston Labs, old, blind mice were able to regain eyesight, develop younger brains, and improve muscle and kidney tissue by cellular reprogramming and reversing epigenetic dysregulation [31,32]. By understanding the epigenetic factors that influence skin health and aging, skincare companies could develop epigenetic modulators capable of influencing epigenetic changes in the skin [33]. R&D departments of skincare companies may be able to develop cosmetics that can help prevent or reverse epigenetic changes associated with skin aging or damage.

Another area currently under exploration is gene therapy. Although gene therapy is primarily focused on medical treatments, it has potential applications in the beauty industry, particularly in skin rejuvenation and personalised skincare [34].

One application is targeting specific genetic factors responsible for skin conditions like acne or hyperpigmentation, leading to more effective treatments. A second application is promoting skin rejuvenation by stimulating collagen and elastin production, resulting in improved texture and reduced signs of aging. In a clinical trial, gene-therapy researchers from Stanford University showed promising results of a gene-therapy gel that helps wounds heal and stay healed for patients with 'butterfly disease' [35].

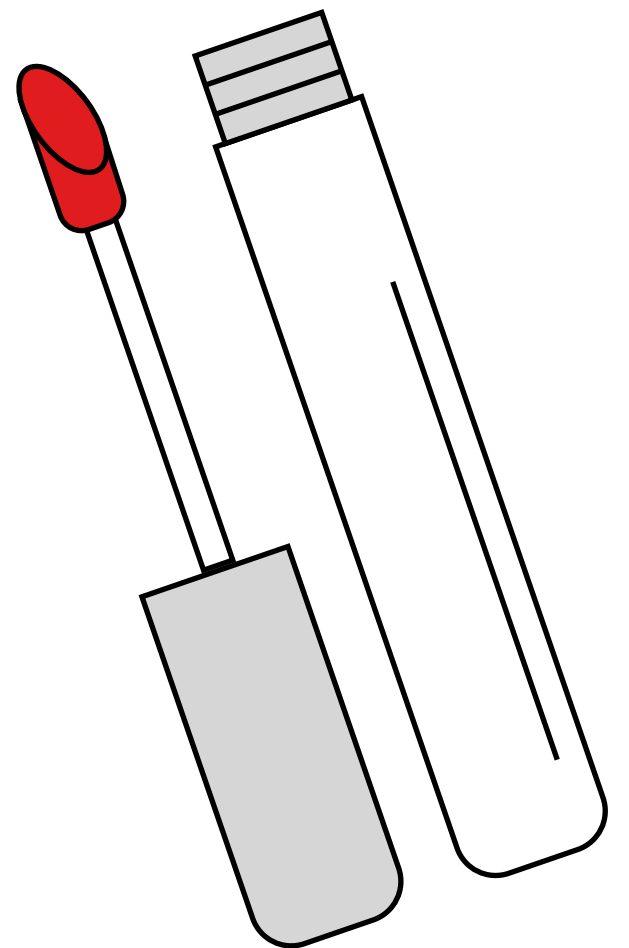
Ongoing research offers promising avenues to delay and control the effects of aging, primarily by targeting skin health and appearance. This highlights the potential for future advancements in skin care and personalised beauty treatments. Combining these product developments with innovation in the broader technology space invites limitless possibilities not just in what products you shop for and by what mode you buy, but how you experience them altogether.



✦ #3 What's next

While it is difficult to predict with certainty the areas of research and development that will pave the way for the next generation of delightful consumer products and experiences, listening carefully to customer attitudes and voices is a great start. Companies capable of connecting the dots and continuously improving their product portfolios to satisfy consumer demands are primed to lead the industry into the future.

Want to know more about our design-driven approach to beauty innovation? We'd love to hear from you. [Let's talk!](#)



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