

# BEAUTY & COSMETICS INDUSTRY EMERGING TRENDS & STRATEGIES

The cosmetics industry is seeing a renaissance with increased consumer focus on product usability and overall sustainability, driven by a desire for ethically-manufactured products that also straddle the line with skincare. Despite economically challenging times, consumers will spend on cosmetics that align with their values. Here are 5 trends we've earmarked for brands to watch out for and marketing strategies we're recommending to connect with today's savvy beauty buyers.

## 5 KEY COSMETIC & BEAUTY INDUSTRY TRENDS

### 1 Skinification of Beauty

There is an increased awareness and demand for premium ingredients and their potential benefits for skin. For beauty brands, this means creating products that blur the lines between makeup and skincare.

### 2 A Focus on Clean Ingredients

A growing number of cosmetics and beauty shoppers are responding to brands that claim natural ingredients. Key industry players are investing in research to develop organic and natural cosmetics and retailers are making it easier for consumers with specially designated filters for search.

### 3 Hyper-Personalization of Products

Personalization is helping drive differentiation and increase loyalty. Brands and startups are investing in hyper-personalized solutions like custom-blended formulas with the help of data science and Artificial Intelligence.

### 4 360 Degree Sustainability

Ethical product sourcing and development continues to be important (beyond recyclable or re-useable packaging). Gen Z consumers are the predominant demographic emphasizing this for the brands and products they support.

### 5 Rise of Social Commerce & Indie Brands

Consumers today scout out cosmetics primarily on social media and research shows that social channels can be a seamless avenue for brands and consumers to connect via a single path to purchase.

## 6 MARKETING STRATEGIES FOR THE BEAUTY & COSMETICS INDUSTRY

### Get Social With Influencers 1

Social media has established itself as an essential channel for brands looking to launch and grow cult followings with viral reach and to align with, engage and build trust within their target audiences. TikTok is the social media platform with the strongest impact on growth for beauty brands.

### Augment Offerings for Personalized Experiences 2

Beauty brands are increasingly adopting immersive technologies such as Artificial Intelligence (AI) and Augmented/Virtual Reality (AR/VR) to provide personalized experiences and increase customer engagement. Gen Z is a large driving force in this development.

### Build Transparency into Processes 3

Cosmetics consumers are looking for more information than ever before including the ethical nature in which ingredients are sourced. They're interested in purchasing from brands who share their ingredient lists in an upfront and open manner.

### Promote Makeup in the Metaverse 4

Many beauty brands have been experimenting with the metaverse over the last couple of years. Brands can use Web3 features such as non-fungible tokens (NFTs) to deliver exclusive experiences and sell products.

### Foster Diversity & Inclusivity 5

Consumers now value brands committed to ethical working practices, and are willing to pay more for brands that respect human rights. Brands are catering to Gen Z's vision of radical inclusion and are designing neurodivergent-conscious products and experiences.

### Nurture Loyalty Via Deals and Promotions 6

With looming economic pressures, beauty brands, department stores and mass channels are facing price increases, which could lead to cutbacks in purchases. Brands can boost loyalty by offering promotions, discounts, and gamified deals to attract shoppers while collecting first-party data to create insight-driven promotional strategies.

As brands strive to remain competitive and relevant, the ability to adapt to changes in the market and consumer behavior has never been more critical. Discover how our best-in-class promotions and loyalty solutions can help to drive sales and engage your customers.

LET'S TALK

Don't miss the full guide:

Trends and Strategies for the Cosmetics and Beauty industry

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