

ATTITUDES TOWARDS LUXURY BEAUTY – GERMANY – 2023

Almost half of Germans use prestige BPC brands. We reveal three core luxury BPC consumer typologies: Quality Seekers, Bargain Hunters and Premium Enthusiasts.



Franziska Kartheus,
Associate Analyst



Attitudes Towards Luxury Beauty – Germany – 2023

This report looks at the following areas:

- Types of brands used for BPC categories, with prestige being most important in fragrance, followed by colour cosmetics
- Types of brands purchased for oneself and someone else, showing the opportunities for prestige beauty gifting
- Purchase channels for premium/luxury BPC products, with many shoppers choosing online retail for convenience, but opportunities for experience-led in-store shopping
- Features that make a luxury BPC brand stand out, with exclusivity being the factor most associated with luxury
- Interest in premium-/luxury-branded BPC products, highlighting the importance of fragranced, long-lasting and natural products
- Attitudes towards BPC products, including Mintel's key luxury shopper typologies: Quality Seekers, Bargain Hunters and Premium Enthusiasts



Almost half of Germans use prestige BPC brands. We reveal three core luxury BPC consumer typologies: Quality Seekers, Bargain Hunters and Premium Enthusiasts.

Overview

While Germany has experienced high inflation in recent years, high earners have maintained their spending power and interest in luxury beauty. Some brands have shifted their attention towards a high-end portfolio to attract this clientele. For Mintel's Premium Enthusiasts consumer typology, BPC is a gateway into the world of luxury. These consumers are looking for

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affordable luxuries and can be catered to with different size options and premium ingredients/formulas.

Beauty dupes pose a threat to luxury brands as [half of BPC users/buyers aged under 45](#) think more affordable copies of luxury products provide the same experience as the original ones. Prestige brands have found creative ways to address this issue. Taking an educational approach, in line with German shoppers' desire to research prestige products before buying, will help to prove the value of premium BPC products.

The craving for experiences creates opportunities for prestige stores, such as multisensory spaces that invite shoppers to browse and explore the products that they will be eager to share on social media. Create highly exclusive experiences for luxury shoppers to stand out through uniqueness.

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Report Content

EXECUTIVE SUMMARY

- The five-year outlook for luxury beauty

Market context

- A decrease in real wages forces some to shift priorities
- Online luxury shopping is thriving but poses challenges
- Exclusivity stands out in prestige BPC

Mintel predicts

- Prestige beauty is going green(er)
- High-end luxury is thriving
- Digital natives redefine luxury

Opportunities

- Lead with experiences
- Leverage online and offline channels to reach different target groups
- Use beauty as a luxury gateway for aspirational shoppers
- Convince purchasers through efficacy

MARKET DRIVERS

The German economy

- Stagnation follows a technical recession
 - Graph 1: key economic data, in real terms, 2019-24
- Continuously high inflation shapes consumers, brands and the economy...
- ...impacting financial wellbeing...
- ...confidence and consumer expenditure
- High earners will maintain spending power
 - Graph 2: gross monthly income of full-time workers, 2022

The BPC retail landscape

- Brick and mortar remains essential...
 - Graph 3: purchase of premium/luxury BPC products in store vs online, 2023
- ...but online retail eases access to luxury

WHAT CONSUMERS WANT AND WHY

Types of BPC brands used and bought

- Prestige has the highest penetration in fragrances...
 - Graph 4: types of brands used for hair and body BPC, by product users, 2023
- ...and in makeup
 - Graph 5: types of brands used for facial BPC, by product users, 2023
- The appeal of buying fragrance online
- The sound of fragrance
- Younger people are most interested in prestige BPC
- Reach consumers who don't have access to prestige stores
- Subscriptions open the doors for new demographics...
 - Graph 6: types of BPC products purchased by product buyers, 2023
- ...and offers opportunities to customise
- A quarter of Germans buy premium/luxury BPC
 - Graph 6: types of BPC products purchased by product buyers, 2023
- Make gifting easy
- Parents who buy for others are looking for convenience

Purchase channels for premium/luxury BPC products

- In-person sales remain essential
 - Graph 7: purchase channels for premium/luxury BPC products, 2023
- Make online shopping premium through perks
- Innovation through technology opens at-home opportunities
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- Slow it down in store
- Turn shopping into an adventure
- Hyper-luxe experiences for the have-it-alls

Features that make luxury BPC brands stand out

- Exclusivity leads luxury appeal
 - Graph 8: attitudes towards standout factors for premium/luxury beauty and personal care brands, 2023
- Exclusivity stands out
- Quality centres around effective formulas
- Choose hero ingredients that stand out and convey expertise
- Prestige shoppers expect packaging that stands out
- Make refillable cosmetics a treasured option
- Experiment with style
- Personalising skincare to mitigate skin concerns

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- Graph 9: number of skin concerns that Germans experience, by generation, 2023
- Put sustainability at the core of luxury beauty

Interest in premium/luxury BPC products

- Buyers want the full package
 - Graph 10: interest in premium/luxury branded BPC products, 2023
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- Green chemistry as a sustainable option
- Target skin concerns with active ingredients
- Germans want nicely scented, natural and long-lasting products
- Leverage the expertise of beauty professionals
- On social media, balance luxury with relatability
- Inspiration from TikTok: #MyShadeMyStory

Attitudes towards BPC products

- Germans want to know what they are getting for their money
 - Graph 11: select attitudes towards BPC products, 2023
- Transparency boosts confidence: Germans do their research before buying
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- Germans are budget conscious
 - Graph 12: further attitudes towards BPC products, 2023
- Treat-sized luxuries provide an entry level
- Cater to the luxury shopper on a budget
- Highlight the superiority over imitators
- Luxury beauty consumer typologies
- Characteristics of luxury beauty consumers
 - Graph 13: luxury beauty consumer groups, by factors that make a premium/luxury brand stand out, 2023
- Premium Enthusiasts (27%)
- Quality Seekers (27%)
- Bargain Hunters (21%)

LAUNCH ACTIVITY AND INNOVATION

- The prestige market is fragmented
 - Graph 14: launches in the prestige BPC market, by the 10 most active ultimate companies, 2022-23
- Luxury brands expand into new categories
- Brad Pitt's skincare line aims to capture men's attention
- Prestige/luxury BPC launches remain mainly steady

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- Graph 15: prestige/luxury brands as a % of BPC launches, by select categories, 2021-23
- Fragrance prices creep up
- Prestige/luxury brands lead in refillables
 - Graph 16: BPC launches in refillable packaging, by price positioning, 2019 and 2022
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- Natural ingredients are prominent in luxury BPC
 - Graph 17: BPC launches with natural claims, by price positioning, 2019 and 2022
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 - Graph 18: BPC launches with a long-lasting claim, by price positioning, 2019 and 2022
- Makeup that lasts

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- Goodbye social media campaigning; hello exclusive group facilitating
- Prada in colour (cosmetics)
- Armani in Fortnite
- Clarins entered the virtual space with an NFT launch
- Embracing AI for an innovative image
- Digitalising bath time
- Clinique x Kate Spade
- Charlotte Tilbury x Disney

APPENDIX

Appendix – products covered, abbreviations, consumer research methodology and language usage

- Products covered in this Report
- Abbreviations
- Generation groups
- Consumer research methodology
- A note on language

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