FACIAL SKINCARE – US – 2024

Credibility, novelty and high-impact benefits are key pillars of innovation and strategy in a competitive category wherein switching-out is commonplace.

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This report looks at the following areas:

- Market size, forecast and segmented performance of facial skincare
- Market and brand share within facial skincare
- Competitive strategies, opportunities and market drivers within facial skincare
- Consumer facial skincare knowledge levels, usage, and frequency of use
- Consumer facial skincare goals, pain points, and barriers
- Consumer attitudes and behaviors toward value, premiumization, and switching out facial skincare products

> Credibility, novelty and high-impact benefits are key pillars of innovation and strategy in a competitive category wherein switching-out is commonplace.

Overview

The average consumer has added a step to the routine since last year's Report, making 1-2 step regimens less common and 3-4 step regimens the standard. As consumers continue to become more involved with their facial skincare, the category continues to show signs of growth and dynamism. Novelty and efficacy drive commonplace switch-out behaviors, boding well for innovative newcomers that can break out of a crowded marketplace of claims. Even as facial skincare becomes a mainstream interest, opportunity continues to exist to reduce barriers and lift usage among certain groups.

Looking ahead, stakeholders must target credibility, novelty, extended benefits to stay ahead of consumer demands. As consumers come to expect more for less, the growing mass and masstige markets challenge the premium offerings to prove their value. Considered within the framework of broader skincare habits such as diet, cognitive health, and sleep, topical skincare products will face tighter competition for consumer attention.

Report Content

EXECUTIVE SUMMARY

- What you need to know
- Consumer trends: key takeaways
- Market predictions
- Opportunities

THE MARKET

Market context

Market drivers

- Budgetary behaviors on the decline
  - Graph 1: budgetary behaviors, July 2023 vs February 2024
- Mass and masstige make gains over budget
  - Graph 2: product launches by price positioning, 2019-23
- Accessibility continues to drive distribution
- Anticipate the impact of buzzy teen and Gen alpha skincare
  - Graph 3: facial skincare priorities among teens/tweens, 2024

Market size and forecast

- Facial skincare sales expected to grow 8.5% through 2028
- After a hot period of growth, sales steady off
- MULO sales is forecasted exceed 12bn by 2025
- Adjusted for inflation, the category is still expected to see long-term growth

Market segmentation

- Acne treatments and facial moisturizers are expected to make the largest strides through 2028
  - Graph 4: total retail sales and forecast of facial skincare products, by segment, at current prices, 2018-28
- Facial anti-aging, lip balm, and facial cleansers are expected to see steady, long-term growth

Market share/brand share

- A handful of leading companies see topline sales growth in 2023
- As major anti-aging brands hold their position, niche players make modest gains in market share
- L'Oréal remains dominant across facial cleansing brands
- e.l.f., CeraVe, and La Roche Posay continue to make market share gains
- Church & Dwight's acquisition of Hero Cosmetics bolsters its acne treatment performance

- Aquaphor's strong 2023 sales performance boosts Beiersdorfs' lip balm segment

COMPETITIVE STRATEGIES & OPPORTUNITIES

- Balance what's new and what's tried-and-true
- Get ahead of holistic facial skincare routines
- Ensure a role in health maintenance routines
- Anticipate premium to shift toward complex, multi-functional formulas
- Compete on the frontier of biotech-driven claims
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- Connect green formulas to skin concerns
- Provide solutions to underserved oily skin frustrations

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Consumer fast facts

Knowledge levels

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- Novelty drives trade-out behavior

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  - Graph 16: select reasons for switching out, by skin type, 2024

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  - Graph 17: select reasons for switching out products, by skin type, 2024

- Skin "immunity" is mainstream principle

  - Graph 18: agreement with skin "immunity" concept, by knowledge level, 2024

- Design and innovate for variety in advanced routines…
- …or take a stance against overconsumption

Trade-up motivations

- Long-lasting results and multi-functional benefits are worth the extra splurge

  - Graph 19: product features that motivate trading-up, 2024

- Brand rises to the top for advanced users

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- Build trust and exclusivity with new "expert" influencers
- Gentle continues to become an indicator of quality

  - Graph 21: select trade-up motivations, by skin type, 2024

- Appeal to the most-challenged skin types with formula-first concepts

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- Connect advanced ingredient narratives to persistent skin troubles

Facial skincare goals

- Hydration is the broadest-reaching benefit

  - Graph 23: facial skincare goals, 2024

- …but men's goals come with the challenges of oily skin

  - Graph 24: select facial skincare goals, by gender, 2024

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  - Graph 25: select facial skincare goals, by ethnicity, 2024

- Acknowledge varied life stage needs for different skin tones and ethnicities

Pain points and barriers

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- Premium offerings must continue to bridge the gap between results and price
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APPENDIX

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