

**Roman Ustymenko***Owner, Alfa Beauty Group**4014 1st Avenue, Brooklyn**New York, 11232, USA**E-mail: info@alfabeauty.com**ORCID: <https://orcid.org/0009-0002-3354-4277>*

## Trends and Innovations in Cosmetic Marketing

**Abstract**

This study delves into the intricacies of the evolution of cosmetic marketing, shedding light on emerging trends that are redefining how cosmetic products are sold and perceived. It aims to identify the main trajectories of the cosmetics market and thoroughly explore their potential impact on future marketing strategies. The methodologies used in this study include statistical analysis to decipher market dynamics and forecasts, an in-depth literature review to track market narratives, and a comparative approach to understand the relative impact of each trend. Digging deeper into the results, a major trend was the focus on transparency and clarity of product ingredients. Consumers are leaning towards brands that demonstrate unambiguous ingredient lists and transparent sourcing and production practices. The second key trend is the rapid integration of artificial intelligence and big data technologies into cosmetic marketing. Brands are using AI-powered tools to provide personalised product recommendations, predictive marketing, and improve customer experience. In addition, the previously ignored male demographic is becoming a focus, requiring products and marketing campaigns tailored to male sensibilities and needs. The surge in demand for multifunctional cosmetic products, i.e., those that combine multiple benefits, highlights the fourth trend. Consumers are now gravitating towards products that offer multiple benefits by combining skincare and cosmetic benefits. Ultimately, brand loyalty, underpinned by ethical and sustainable practices, is seen as the linchpin of future marketing strategies. The practical implications of this research are multifaceted. For companies operating in the cosmetics market, understanding these trends is not only useful, but also necessary to adapt their strategies to keep them in sync with consumer expectations and ongoing market changes.

**DOI:** <https://doi.org/10.30525/2500-946X/2023-3-2>**1 Introduction**

The cosmetic marketing industry has undergone transformational changes driven by the convergence of technologies and evolving consumer expectations. With the surge in demand for products tailored to individual preferences, cosmetic brands have seamlessly integrated advanced technology and innovative marketing techniques to offer their fans an immersive and personalised experience.

For example, technological marvels such as augmented reality (AR) are changing the consumer experience by allowing virtual product try-on and comprehensive skin analysis. Digital giants such as Facebook and YouTube, as well as beauty giants such as L'Oreal and Chanel, are eagerly adopting augmented reality to enrich their customer experience. A notable example is the integration of augmented reality from YouCam Makeup into platforms such as Taobao and Tmall, which has quadrupled the conversion rate of Alibaba Group.

While augmented reality aids virtual visualisation, other technologies go further. Malaysian skincare brand Nutox has introduced a tool that uses deep learning and computer vision to allow consumers to perform a thorough skin scan. Advances like these not only meet consumer needs, but also serve as an invaluable source of data to help brands develop products and promote strategies.

The appeal of personalisation cannot be overstated, especially in the luxury segment. According to Forbes Insights, personalisation strategies have a significant impact on sales. 40% of marketing executives attribute this to increased sales and profits in direct sales channels. This view is echoed by the success stories of brands such as Guerlain, which focused on the consumer experience by allowing online engraving of perfume bottles, a move that has since become emblematic of the brand.

In addition, the effectiveness of virtual try-on, through technologies that allow consumers to virtually "feel" products, from cosmetics to clothing,

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cosmetics, transparency, artificial intelligence, marketing innovations

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is recognised not only as enhancing the shopping experience, but also as contributing to increased brand loyalty. Citrusbits highlighted that a staggering 70% of consumers are likely to demonstrate increased brand loyalty if their shopping experience is enhanced by augmented reality technology. In a market full of choices, such technological integrations by famous brands, from L'Oréal to Nike, are a testament to the direction in which cosmetic marketing is heading: a combination of innovation, personalisation and technological excellence.

Studying the cosmetics market, particularly from an academic perspective, has been a challenge for researchers and industry professionals. Much of the academic literature in this area tends to be outdated, reflecting a time when the cosmetics industry and its associated marketing practices were very different from today's digital age. This lag in scientific updates has necessitated a shift in information sourcing.

To fill this knowledge gap and offer timely insights, it is necessary to refer to reports from analytical firms and expert research available on specialised platforms. Websites dedicated to market trends, insights and forecasts have become an invaluable resource, providing real-time data and up-to-date analysis of the latest innovations and changes in the cosmetics market. Expert opinions, technical papers and specialised reports, often available in the public domain, offer a comprehensive view, combining traditional knowledge with modern insights. Among the expert studies, it is worth highlighting the analysis of the cosmetics market by the following authors Kestenbaum (2023), Tang (2023), Scianna (2023), AOV UP (2023), Berg (2023), Howard (2023), Schmidt (2023), Villena (2023) and Hu (2023).

The **purpose of this paper** is to identify the dominant trends in the cosmetics market and explore

how these trends may affect marketing strategies in the industry.

The beauty industry is undergoing dynamic change, and five major trends are shaping its future. There is an increasing focus on purity and transparency as consumers demand clear ingredient lists. At the same time, the development of artificial technologies, such as artificial intelligence, is driving customisation and personalisation of products. The male audience is no longer being left behind, becoming a significant market segment. Meanwhile, multifunctional products are simplifying beauty routines, and amid all these changes, brand stability and loyalty remain critical: consumers prefer brands they trust and are open to sustainable practices. Consider these trends in more detail.

## 2 Clean Beauty

The market for transparent and natural products is experiencing a rapid growth spurt. Statistical data underlines this trend, showing a consistent upward trajectory in recent years (Figure 1).

Today, consumers are increasingly leaning towards brands that emphasise transparency in their ingredient lists and prioritise natural ingredients in their products. While the concept of pure beauty has been gaining momentum since 2018, it is also surrounded by ambiguity, especially when it comes to defining what exactly "natural" or "clean" means. Regulatory bodies such as the FDA and the EU have different standards for banned ingredients, which further complicates the situation. However, amidst this uncertainty, brands with a clear and transparent stance are emerging, targeting consumers who are very attentive to ingredient lists.

Nielsen's research shows that consumers are not just blindly trusting brands, but are taking an

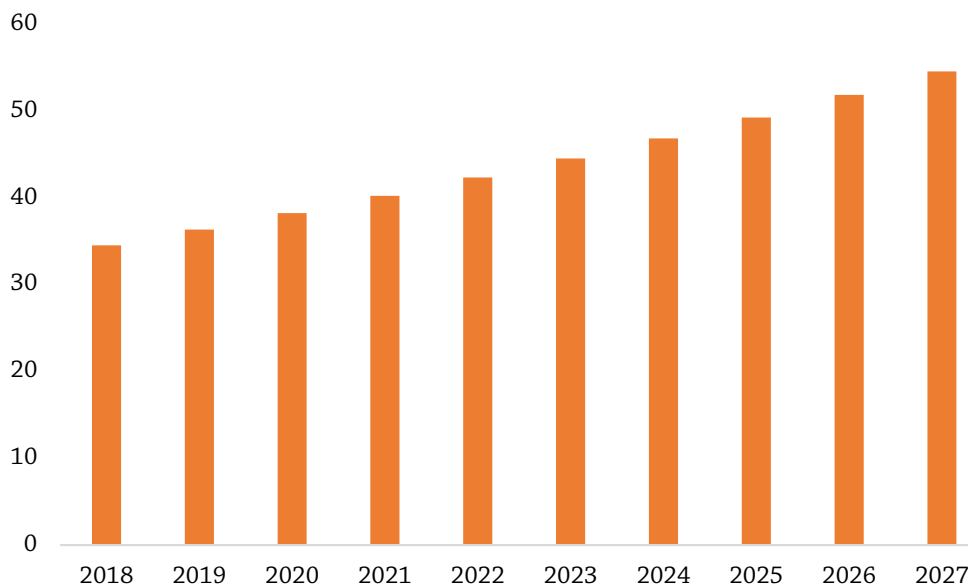


FIGURE 1 Dynamics of the natural cosmetics market in billions of USD (Yieldify, 2023)

active role in defining what they consider "natural". Products that are paraben-free and self-declared natural outsell products that merely boast of being paraben-free. A prime example is Kiehl's Ultra Facial Cream, which, after its formula was changed to eliminate parabens, experienced a significant increase in sales, further strengthening its position among the top prestige skincare brands in the US.

Furthermore, a Harper's BAZAAR survey found that over 60% of women expressed a willingness to invest in new brands that prioritise natural products. This preference for natural products has paved the way for niche sectors such as blue beauty, which focus on products that have minimal negative impact on oceans and water resources.

To appeal to new audiences, brands such as Florence by Mills are capitalising on the trend for eco-friendly cosmetics and targeting younger people, such as Generation Z, who are more conscious of global issues such as climate change. Additionally, brands such as From Molly With Love, Biossance and Beautycounter set themselves apart by listing the ingredients they exclude from their products, emphasising transparency.

### 3 Artificial Intelligence (AI) and Big Data

The beauty industry is undergoing a paradigm shift driven by the rise of big data and artificial intelligence. Brands are increasingly using these technologies not only to improve customer experience but also to drive product innovation. The successful brands of the future will be those that can deeply engage their communities in product development. This community-centric approach relies on data collected from search patterns, questionnaires and consumer preferences.

A prime example of this is Olay, which partnered with Procter and Gamble to introduce Olay Skin Advisor. With over ten million data points, this tool has provided insights that have led to the development of new product lines, such as fragrance-free versions of their popular moisturisers and the creation of Olay Retinol 24. Olay's Eric Grun called this transition a shift from "digital thinking for selling to digital thinking for design".

Startups like Proven are pushing the boundaries of what's possible by using artificial intelligence to analyse thousands of reviews and scientific articles to create personalised beauty treatments. Similarly, Prose uses data analytics to optimise customer satisfaction by changing ingredients.

Technological integration has also led to beauty brands partnering with tech giants. An example is Perfect Corp's partnership with Alibaba, which includes virtual fittings using augmented reality, which has dramatically increased Alibaba's conversion rate. This success has led well-known brands such as MAC, NARS and L'Oreal to explore the potential of artificial intelligence, augmented and virtual reality. This technological core is so pronounced that L'Oreal's management sees the company evolving from a mere cosmetics brand to a "beauty technology company".

In fact, as the cosmetics industry strives for more personalised and technologically advanced solutions, brands that leverage artificial intelligence, big data and public feedback are poised to be at the forefront of innovation and customer satisfaction (Yieldify, 2023).

### 4 Men's Cosmetology

A significant shift in the beauty industry is the growing focus on men's cosmetics. Historically,

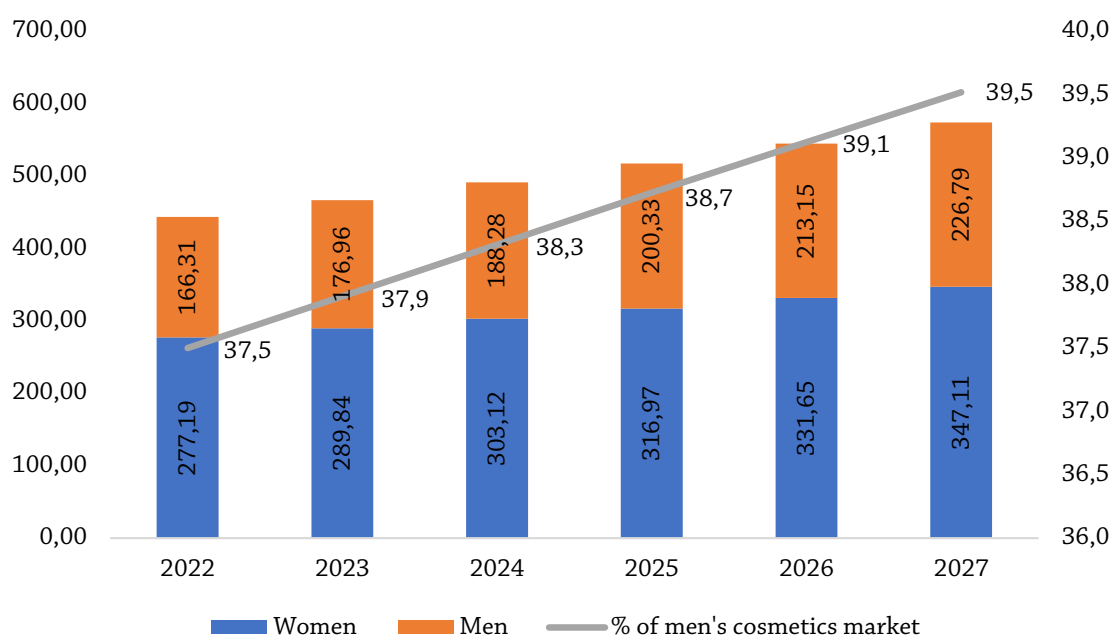


FIGURE 2 Dynamics of the men's cosmetics market (GVR, 2022)

this industry has been dominated by products and marketing strategies designed for women, but it is now undergoing an evolution, with men becoming an increasingly important demographic.

According to a recent survey conducted by Morning Consult in cooperation with the health group EWG, there has been a marked increase in the daily use of personal care products by men. Whereas in 2004 men used an average of six products, they now use 11 products in their daily routine. This almost twofold increase in product use underlines the expansion of men's self-care.

Further survey results hint at an intriguing future trajectory for the men's beauty sector. Younger men show a greater propensity for personal care products. This suggests that as this demographic matures, the men's cosmetics market will continue to grow, strengthening its position in the industry.

However, meeting the needs of the male audience is not as easy as simply expanding existing strategies. Marketing to men requires a unique approach. While the essence of storytelling through short-form videos remains key, there is a noticeable shift towards celebrity and athlete endorsements. Additionally, visuals for products targeted at men tend to lean more towards straightforward product images, which contrasts with the narrative-oriented approach often seen in campaigns for women (Kestenbaum, 2023; Howard, 2023; Berg, 2023).

## 5 Multifunctional Cosmetics

The beauty industry is rapidly adapting to changing consumer preferences, and one of the most notable shifts is the growing demand for multifunctional cosmetics. In 2023, there is a noticeable shift towards products that can perform multiple tasks at the same time. This shift is largely driven by the trend of "skinimalism", which emphasises the benefits of a simplified skincare routine.

The pandemic has played a key role in driving this trend. With people spending more time indoors and adopting simpler habits, there is a growing demand for products that offer multiple benefits without the need for a large number of separate products. Not only does this simplify the self-care routine, but it is also in line with a more sustainable and minimalist approach to skincare and make-up.

Products that contain 2, 3 or even 4 active ingredients in moisturisers and serums are in high demand. Another example is tinted sunscreens, which combine UV protection with a touch of colour for a natural-looking skin. Makeup and skincare hybrids are also becoming a favourite, combining the benefits of skincare with the aesthetic appeal of makeup.

A striking example of this trend in action is the Enlighten Illuminating Serum by Neostrata. This product illustrates the essence of multifunctional

cosmetics. It not only fights skin discolouration but also helps to even out skin tone. With ingredients such as NEOGLUCOSAMINE®, which acts as a mild exfoliator, and other powerful ingredients such as 4% niacinamide (vitamin B3), B-Resorcinol and Liquorice Extract, this serum is a testament to how products can effectively serve multiple purposes (Tang, 2023).

## 6 Sustainability & Consumer Loyalty

The modern beauty landscape is characterised not only by the products on offer, but also by the values that brands embody. Given the rapid dynamics of consumer behaviour, two key trends are coming to the fore: sustainability and brand loyalty.

Recent consumer research shows that brand loyalty still plays a key role in purchasing decisions. Around 40% of consumers remain loyal to brands they've come to trust over time. However, this trust does not preclude their curiosity. A remarkable 69% say they are willing to experiment with new products every six months. This seemingly contradictory behaviour highlights the complexity of modern consumer preferences. They value familiarity and trust, but also show a taste for novelty.

Interestingly, the shopping modality also reveals a telling pattern. In-store shopping remains the most popular shopping method, but online shopping is closely followed, indicating the growing importance of e-commerce in the beauty sector. Among the younger Generation-Z, an impressive 60% have demonstrated a propensity to remain loyal to their favourite brands (Schmidt, 2023).

Another trend that cannot be ignored is the pronounced shift towards sustainability in the beauty sector. Modern cosmetics consumers are not just buying products, they are investing in values. When asked about the most important aspects of sustainability in their cosmetics purchasing decisions, the most popular answers were: environmentally friendly ingredients, all-natural formulas and cruelty-free production processes. Clearly, consumers today are actively looking for brands that align with their personal principles and values.

The beauty discourse has moved beyond mere products. It now encompasses a more holistic narrative, intertwining personal well-being with global well-being. Cosmetics purchases are no longer just transactional; they are symbolic of broader social and environmental considerations.

To effectively navigate these trends, here is a table with suggestions for strategic marketing optimisation.

As the beauty industry evolves, brands need to adapt their marketing strategies to meet new trends. By focusing on these areas of optimisation, brands can effectively position themselves and resonate with their target audience.



TABLE 1 Strategic marketing approaches for dominant trends in the cosmetics sector

Trends	Marketing optimisation suggestions
Cleanliness & transparency	Including ingredients on product packaging and being transparent about sourcing and production can increase sales.
Artificial technologies	Implementing AI-based tools for customised product offerings and using big data for proactive marketing can be beneficial.
Male audience	The development of products specifically designed for men's skin care and skincare, combined with adapted marketing strategies, can meet the needs of the male population.
Multifunctionality	Highlighting the multifaceted benefits of products in marketing efforts and emphasising the convenience aspect can be helpful.
Stability & brand loyalty	Initiating loyalty schemes, paying attention to customer feedback, and focusing on sustainable and ethical measures can help build trust.

## 7 Conclusions

Consequently, the beauty industry is undergoing a significant transformation, characterised by five dominant trends: Clean Beauty, Artificial Intelligence and Big Data, Men's Cosmetics, Multifunctional Cosmetics, Sustainability & Consumer Loyalty.

The first trend, Clean Beauty, emphasises the importance of transparency and natural ingredients. As consumers become increasingly informed and concerned about the substances they put on their skin, brands need to prioritise clear ingredient lists and sustainable sourcing practices. This is not just a niche preference, but a general demand that is supported by growing market statistics.

The second trend, the use of AI and Big Data, is revolutionising the way products are developed and marketed. Brands are moving from traditional methods to AI-powered analytics to better customise and engage consumers. The future belongs to brands that can turn big data into actionable insights for both product development and customer satisfaction.

The third trend marks the rise of Men's Cosmetics as an important segment of the industry. As men are using more products than ever before, the beauty industry must expand its offerings and adapt its marketing strategies to effectively engage this growing demographic. According to recent research, this is not a temporary phenomenon, but a long-term trend that will continue as young men age.

The fourth trend, Multifunctional Cosmetics, responds to consumers' desire to rationalise their

beauty routines. Products that offer multiple benefits are in demand, largely driven by lifestyle changes catalysed by the pandemic. These multifunctional products also align well with a more sustainable approach to beauty, which is another important concern for consumers.

Finally, the fifth trend, Sustainability & Consumer Loyalty, outlines the complex landscape of consumer behaviour. While consumers remain loyal to brands, they also demonstrate a willingness to search, especially if new opportunities align with their values, such as sustainability and ethical practices. Brands that can align consumer loyalty with sustainable practices will benefit the most in this emerging market.

All of these trends indicate that consumers are becoming more discerning, informed and conscious, and are as concerned about the ethical implications of their cosmetic choices as they are about their efficacy. Therefore, in order to maintain their relevance and market share, cosmetic brands must adopt a multifaceted strategy that takes these trends into account. They should invest in research and development of environmentally friendly and multifunctional products, use AI and Big Data to personalise the consumer experience, expand their focus to the growing male market and put sustainability at the forefront of their brand's core value.

By focusing closely on these critical areas of optimisation, brands can not only meet current consumer expectations, but also anticipate future needs, thereby ensuring longevity and success in an increasingly competitive and changing beauty landscape.

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