Consumer trends driving growth in personal care
Key consumer trends driving growth

The digital shopping ecosystem has fundamentally altered how consumers discover, purchase and discuss their personal care products. Long gone are the days when a beauty regimen was a woman’s secret. We live in an era of information abundance, personalized shopping experiences, constant digital discourse and broadly inclusive product selections, all of which create aspirational demands on companies in the personal care industry.
## Consumer trends driving growth in personal care

<table>
<thead>
<tr>
<th>Key themes</th>
<th>Main drivers</th>
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| **Value creation through premiumization**  
The “masstige” category brings together premium products and mass distribution. | • Rising disposable income, growing middle-class aspirational spending and preference for higher-quality products  
• Intense innovation activity by personal care companies resulting in newer product subcategories  
• Digitization enables greater product awareness and easy access through e-commerce channels |
| **Gender segmentation**  
The emergence of the conscious male consumer has caused growth in male-focused grooming products. | • Men focused on health, wellness and style invest more dollars in personal grooming  
• Companies have developed a broader range of products that address a variety of men’s functional concerns  
• Growth in online retail for personal care boosts growth for male grooming, as most American young men prefer buying personal care products online |
| **Growth in emerging markets**  
Personal care sales in emerging markets continue to increase. | • Rising income (and disposable income) levels  
• Large base of young consumers  
• Increased presence of international brands through advent of multinational companies  
• Higher usage of combination products (i.e., shampoo + conditioner + styling products) |
| **Natural and organic**  
Consumers are more informed—and aware and increasingly seek a healthy lifestyle. | • Increasing awareness of the hazards posed by synthetic chemicals  
• Consumers seek accountability and transparency in ingredients, packaging, sustainability and ethical sourcing  
• Rising incidence of allergies |
| **Value add**  
Companies seek creative ways to innovate and redesign products. | • Lack of breakthrough innovation in core formulation technology  
• Fragrance and packaging innovations drive differentiation and suggest premium attributes  
• Reimagining product delivery systems refresh staple products (i.e., deodorant spray vs. stick) |
| **Transformative distribution**  
Shopping expectations and experiences are shifting from traditional channels. | • The global beauty market is experiencing a shift away from brick and mortar to online and specialty retailers  
• Women across age groups prefer a cross-channel approach for personal care purchases  
• Demand for a novel in-store shopping experience is driving growth in specialty stores |
| **Ageless beauty**  
Personal care companies are adjusting product lines to accommodate baby boomers and incoming millennials. | • Younger consumers are focused on preventing and delaying aging, therefore driving product innovations for a wider spectrum of age-related functional concerns  
• Companies target younger segments as a growth area in the anti-aging category |
| **Digital engagement**  
With the emergence of a digital ecosystem, consumers are changing how they interact with brands. | • Consumers research beauty products online and make purchase decisions based on user-generated content and social media influencers  
• Niche brands can engage consumers directly online without the advertising spend that established brands have traditionally used to acquire customers |

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