Beyond Skin Deep:

Our new skincare market insights

Lycored

Introduction

The global market for skincare products is in the midst of a revolution.

The rise of millennials as a powerful consumer group with new ideas about beauty and lifestyle has forced manufacturers to re-think old assumptions. The importance of men as consumers of skincare products has grown rapidly. And we have seen an explosion of innovative new products, particularly in the ingestible skincare category.

The reasons people buy skincare products are deeply bound up in the way they think about beauty, health, gender and age. So to understand where markets are heading and how to meet consumers' needs in the future, it is necessary to look beyond the surface.

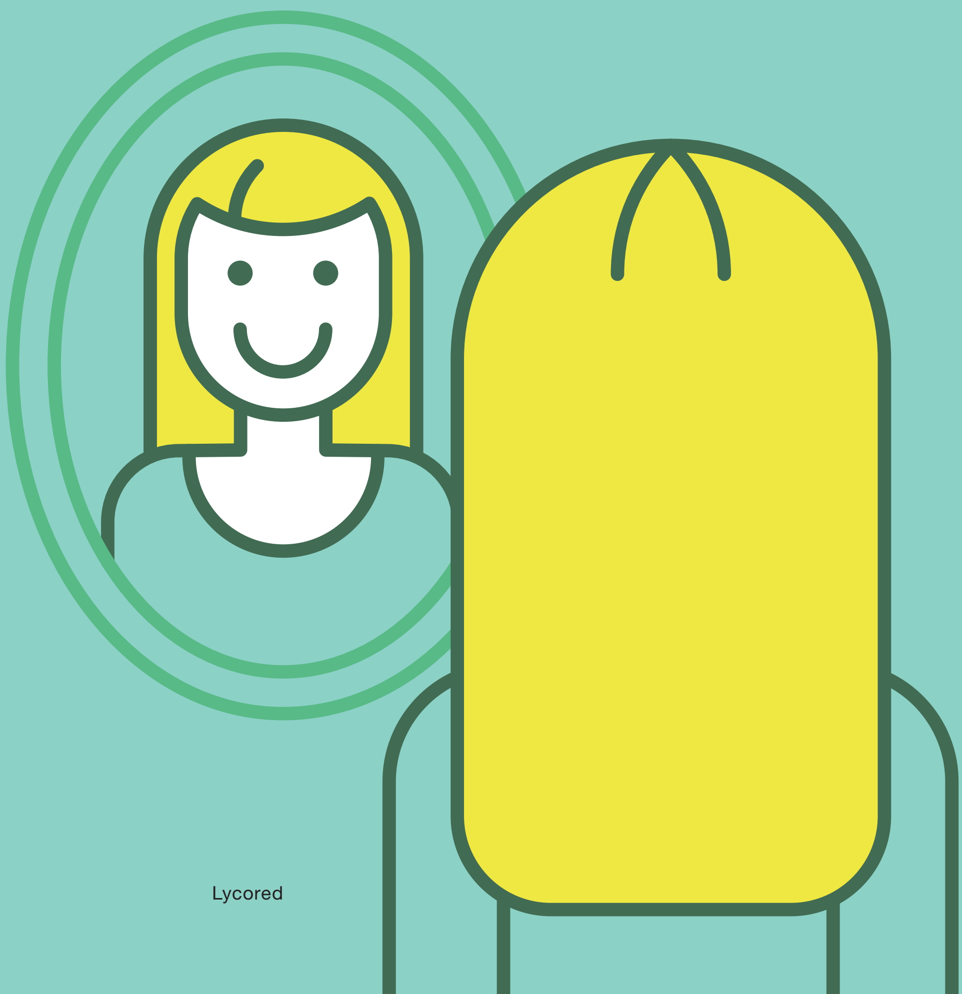
In this report, Lycored goes beyond skin deep to explore some of society's most fundamental attitudes to health and beauty and how they affect purchasing decisions. We also discuss the findings of new consumer research which offers a range of valuable insights for the skincare industry.

Fresh consumer insights

To get fresh insight Lycored commissioned a survey of 480 consumers in France and the UK (two of Europe's biggest skincare markets). All had purchased a skincare product (a moisturiser, cream, lotion, pill or supplement for beauty or skin health) over the past 12 months.

Our aim was to understand current attitudes to skincare, but also the underlying thinking about age and gender that informs them. We also wanted to explore how these varied by age and gender. We therefore surveyed an equal number of men and women, and 120 respondents in each of four age groups (18-35, 36-49, 50-69 and 70 and over).

The research was undertaken online in March 2017.



Attitudes to beauty and gender

Attitudes to beauty are deeply rooted in the way we understand gender. Accordingly, skincare products are heavily differentiated by gender: there are distinct markets for men and women.

Women

The appearance of the skin is central to popular definitions of female beauty. In one recent international survey 7,700 women were asked to rate which elements contribute most to a woman's outer beauty.[1] Complexion and skin quality were chosen by **56%**, ranking as highly as body shape and figure. Furthermore, when the respondents were asked what phrases came to mind when they thought about a beautiful woman, skin quality ranked more highly than words such as "attractive" or "pretty".

Women are much more likely than men to be heavy users of skincare products. Research in 2013 showed that **45%** of women use three or more skincare or styling products on a typical morning, compared to **11%** of men.[2]

Men

However, recent years have seen a huge boom in beauty – or "grooming" – products for men, commonly attributed to new attitudes to masculinity typified by the emergence of "metrosexuals" as a consumer group. According to Mintel, personal care launches specifically targeted at men increased globally by **70%** between 2007 and 2012.[3] The US market grew by **20%** over this period, and the UK's by **12%**.

Skincare dominates the male beauty market, with **42%** of British men saying they use facial moisturisers designed specifically for their gender (compared to **19%** who look for haircare products for men, and **21%** who use hand and nail products).[4] This trend is particularly apparent among younger men, with **63%** of those aged 25-34 using at least one facial skincare product every day.[5] In the UK, only a minority of men (**14%**) say using facial skincare products is not a very masculine thing to do.[6]

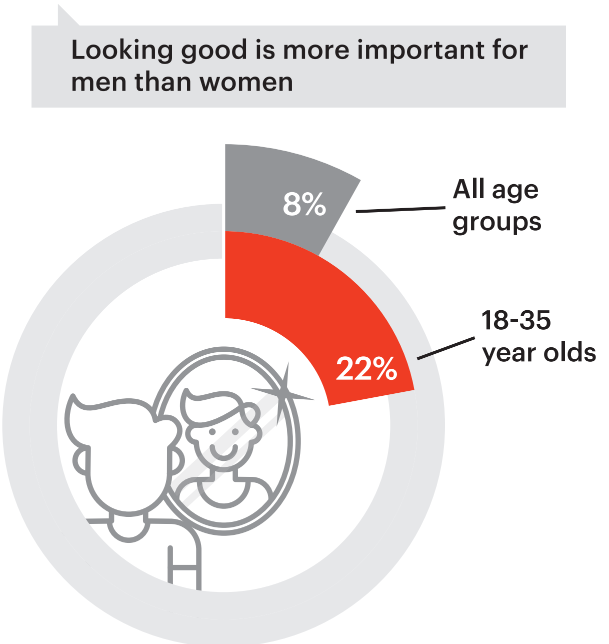
Survey findings: Who needs to look good?

We explored different attitudes to gender and appearance, asking respondents whether looking good is more important for either sex. Overall, **60%** said looking good has the same importance for men and women, with **31%** saying it is more important for women.

Interestingly, consumers aged 18-35 were the least likely to take the egalitarian view that looking good has the same importance for both sexes. Furthermore, this difference was largely accounted for by a high number in this age group saying looking good is more important for men than women (**22%** compared to an average of **8%**). Men were twice as likely than women to take this view (**11%** compared to **6%**), and consumers in France were twice as likely to believe it than those in the UK (**11%** compared to **6%**).

In other words, a significant number of people aged between 18 and 35 do not just believe looking good to be important for men, they believe it to be more important for men than women.

Fig 1) 18-35 year olds are much more likely to believe that looking good is more important for men than women



Attitudes to Beauty and Age

Anti-ageing remains big business. Over a third of global consumers use anti-ageing products to enhance their appearance, and a further third would consider using them in future.[7] Canadean reports that women are significantly more concerned about looking and feeling old than men.[8]

Nevertheless, there has been a distinct shift away from a simple desire to look younger, or to hide the signs of ageing.

Research by Allergan shows that **41%** of British women would prefer their faces to look "fresher and radiant", rather than "younger".[9] In another survey by Canadean, consumers were more likely to want their looks to reflect their age, or to look more mature, than to want to look younger.[10]

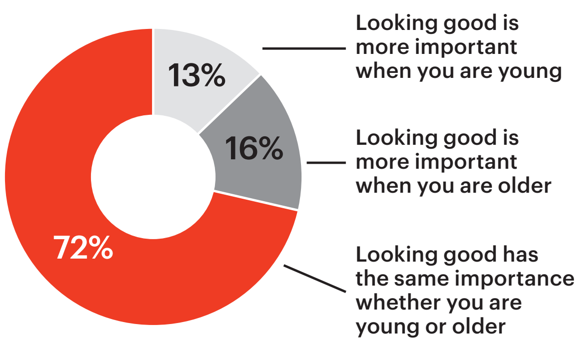
The desire to simply look younger is being replaced by an emphasis on ageing naturally and healthily. As one commentator puts it, "The trend to aspire to [look] ten years younger is gradually being eclipsed by the desire for a healthy, natural, youthful glow."[11] Another says that beauty-conscious women "are looking to age well rather than turn the clock back by a decade."[12]

Recognising the decreasing importance of looking younger, some big brands have completely overhauled their positioning. For example, in 2015, Estee Lauder made headlines when it launched its New Dimension line with a promise to "disrupt the industry" by avoiding any mention of anti-ageing, wrinkles or mature skin, and instead talking about "positive change."[13]

Survey findings: Never too old to look good

We asked our audience whether looking good is more important when you are young, when you are older, or whether it has the same importance regardless of age. Overall, **72%** said it has the same importance. Those aged 18-35 were most likely to say looking good is more important when you are young, but even within this group, this was a minority view (**26%**). There was also a significant difference between nationalities, with British consumers twice as likely as the French to believe that looking good is more important for young people (**17%** compared to **9%**). Women were more likely than men to believe that looking good has the same importance throughout life (79% compared to **64%**).

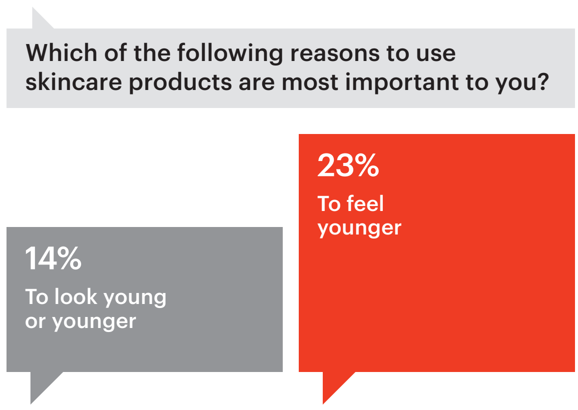
Fig 2) Most consumers believe looking good has the same importance throughout life



However, while looking good is widely seen as important at every stage of life, looking younger is not. Only **14%** said that appearing younger to other people was one of their reasons for using skincare products. Interestingly, this motivation was highest among the youngest people surveyed, and it decreased sharply after the age of 49. Only **14%** of those aged 50-69, and **3%** of those aged over 70, said they use skincare products so others think they look younger.

By contrast, *feeling* younger was a much more important reason to use skincare products, cited by **23%** of the sample, and **30%** in the 18-35 age group. In other words, feeling youthful is significantly more important than looking youthful.

Fig 3) Feeling younger is more important to consumers than looking younger



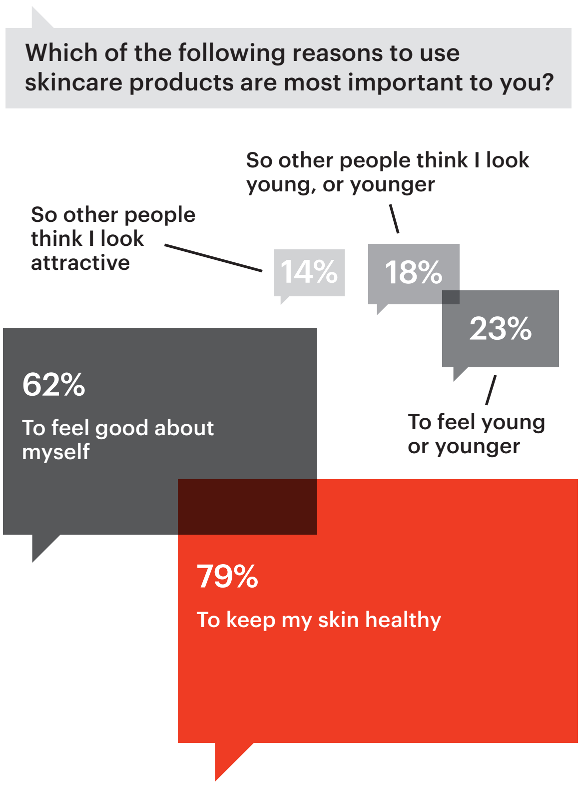
A clear emphasis on health

Beauty and health are closely related when it comes to skincare, but we wanted to unpick attitudes to find out which motivation is more important to consumers.

We asked our survey respondents a stark question: "If there were a choice, would you rather feel healthy or look attractive?" Overall, **87%** said they would rather feel healthy, although women were slightly more likely than men to say they would rather look attractive. Consumers in the UK were also slightly more likely than those in France to say they would rather look attractive.

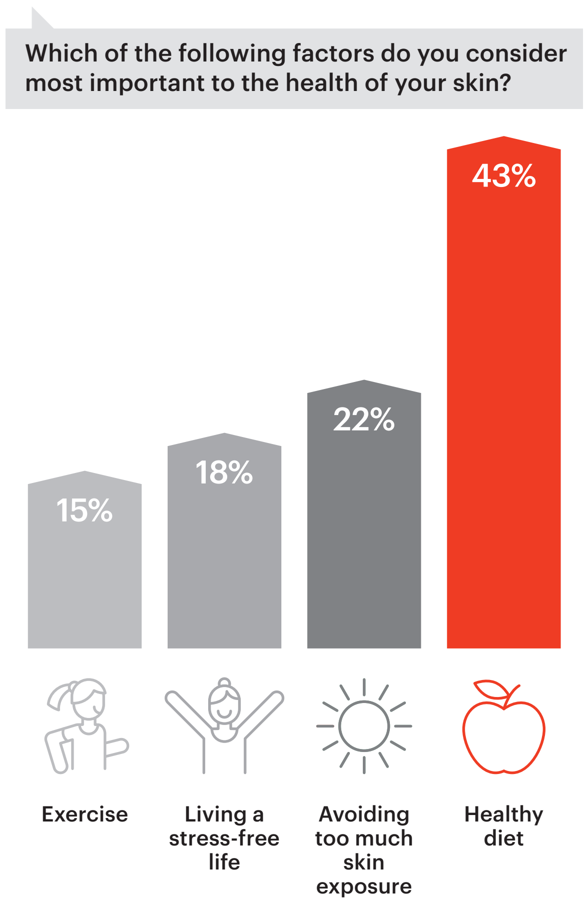
We then presented respondents with a list of five reasons to use skincare products, and asked which were most important to them. The two that scored highest related to health and wellbeing: "To keep my skin healthy" (**79%**) and "To feel good about myself" (**62%**). By contrast, the two reasons that scored lowest were appearance-related: "So other people think I look attractive" (**18%**) and "So other people think I look younger (**14%**).

Fig 4) Consumers use skincare products for reasons related to health and well-being rather than appearance



Our research also revealed high levels of awareness of the importance of nutrition to skin health. We asked consumers which single factor they considered most important to the health of their skin. Healthy diet was the clear winner in all age groups, and was chosen as the most important factor by **43%** of respondents, followed by avoiding too much sun exposure (**22%**), living a stress-free life (**18%**) and exercise (**15%**).

Fig 5) Healthy diet is seen as the most important factor for skin health



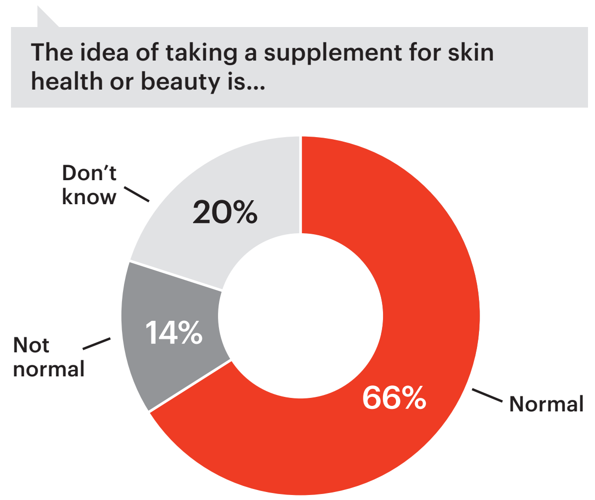
The mainstreaming of ingestible skincare

The shifts in emphasis from how one looks to how one feels, from beauty to health, from outside to inside help us understand why the ingestible skincare category is growing. The beauty journalist Alice Hart-Davis argues that the growing importance placed on health is a key factor in "the relentless growth of the 'beauty nutraceuticals' market".[14]

The changes are largely driven by the attitude of millennials. As one writer puts it: "The views of the younger generation – a beauty-from-the-inside-out approach – represent a sharp departure from the antiwrinkle priorities of their Baby Boomer parents."[15]

New products in the ingestible category are explicitly appealing to a "from within" millennial philosophy. The founder of a probiotic range for skincare has said: "The whole line is all about not just probiotics, but the concept that what we do for ourselves internally is also great for our skin."[16]

Fig 6) Ingestible skincare is seen as normal by most consumers



Survey findings – ingestible is the new normal

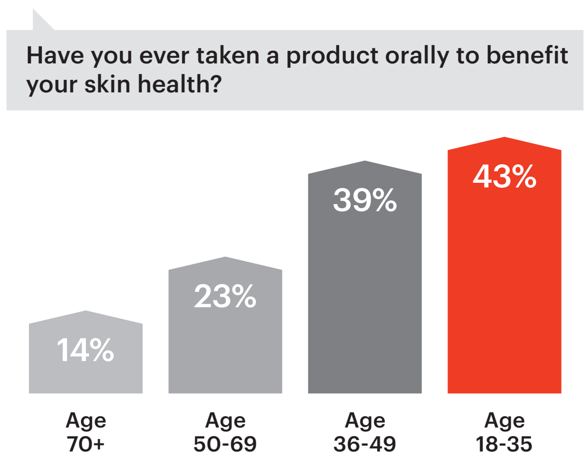
Our survey findings strongly support the idea that ingestible skincare is becoming increasingly mainstream.

Across all age groups, two thirds (**66%**) of consumers agreed with the statement "The idea of taking a supplement for skin health or beauty is normal." Only **14%** said the idea was "not normal."

Moreover, there is a clear generational shift, with younger consumers more likely to have used an ingestible skincare product. Over four in ten (**43%**) consumers in the millennial age group (18-35) said they had used an oral product to benefit their skin health at some point. This compared with **39%** of 36-49 year olds, **23%** of those aged between 50 and 69, and **14%** of those aged 70 or over.

We also explored barriers to the category. Among respondents who had never taken a pill or supplement for skincare, **46%** said the main reason was that "It seems to make more sense to apply a product to my skin." The second most commonly cited reason was "I wasn't aware I could achieve the same skincare benefits by taking a pill or capsule." (**32%**). These barriers were least likely to be cited by the millennials who were surveyed, suggesting that awareness of the potential of ingestible skincare is highest among younger consumers.

Fig 7) The younger a consumer is, the more likely they are to have used an ingestible skincare product



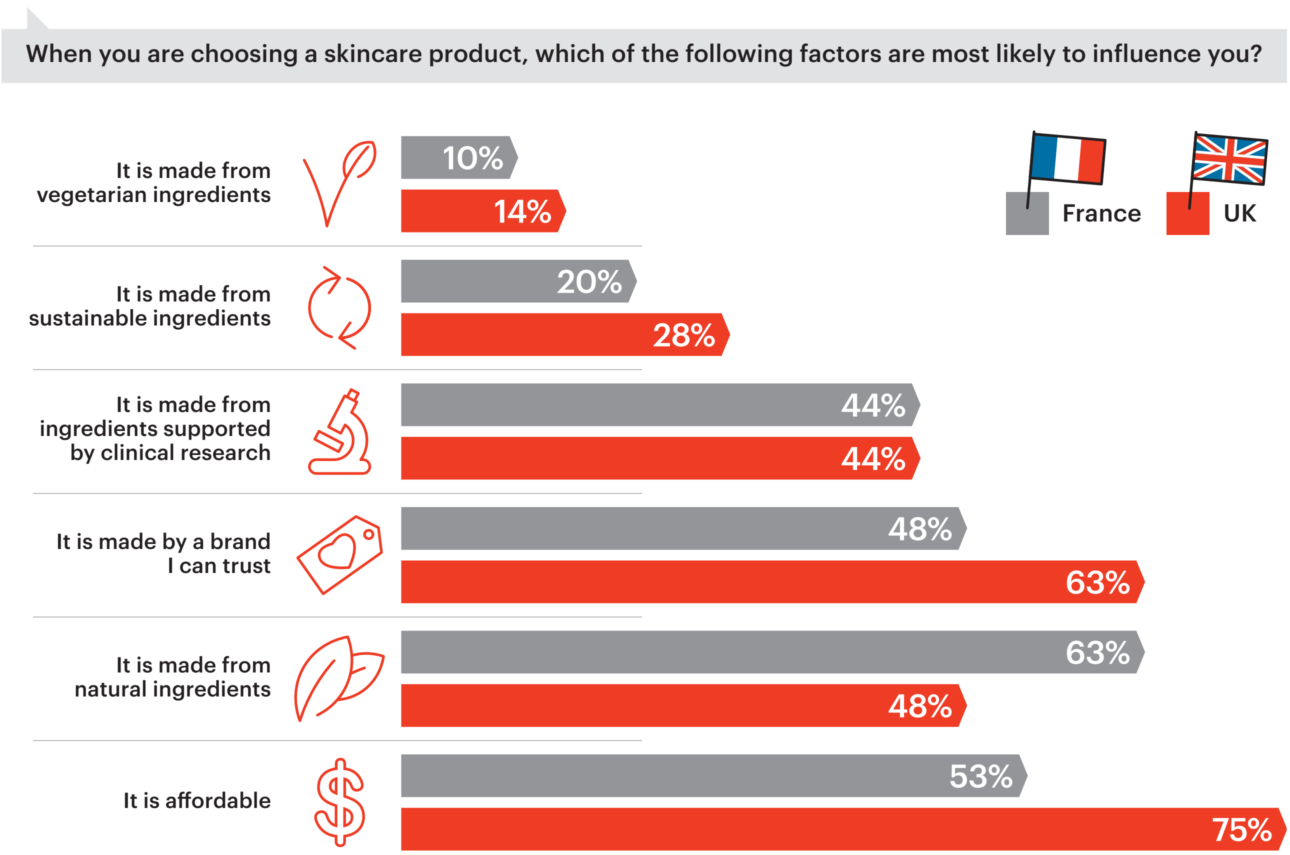
What motivates consumer choice?

We also asked consumers which factors motivated them most when choosing a skincare product. Among the UK consumers affordability – cited as a factor by **75%** of respondents – ranked highest. By contrast, for French consumers, it was more important for a product to be made from natural ingredients (**63%**) than to be affordable (**53%**).

Overall, naturality was cited as a key factor in product choice by **56%** of consumers, with the same number saying they were more likely to choose a product if it was made by a brand they trusted. Brand trust was more important to UK consumers (**63%**) than the French (**48%**) and was most important to those in the millennial age group (**61%**). Women were significantly more likely than men to be motivated by both naturality and brand trust.

A further observation is that many consumers want products supported by clinical research. This was a motivating factor for **44%** of consumers overall, increasing to **56%** in the 70+ age group.

Fig 8) Affordability is more important to British consumers, while naturality of ingredients is more important to those in France



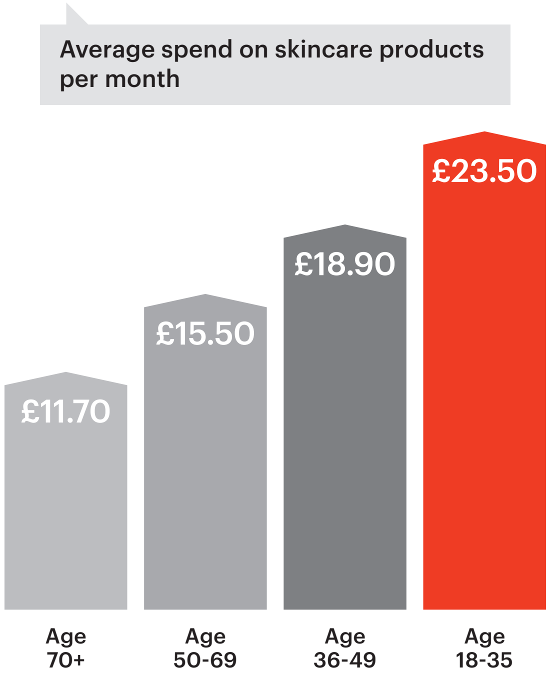
How consumers spend their money (and their time)

We also asked consumers what they estimate they spend on skincare products each month. The average spend across all groups was **£17.40**. Consumers in France spent significantly more on average than those in the UK (**£19.50** compared to **£15.30**).

Women were no more likely than men to be higher spenders, with **26%** in both groups spending more than **£20** a month on skincare.

Consumers in the youngest age group were the biggest spenders, paying out an average of **£23.50** per month for skincare products, compared to **£11.70** in the 70+ group. Over a third (**37%**) of 18-35 year olds spent more than **£20** per month on skincare, compared to the average of **25%**.

Fig 9) The youngest consumers are the most likely to be big spenders

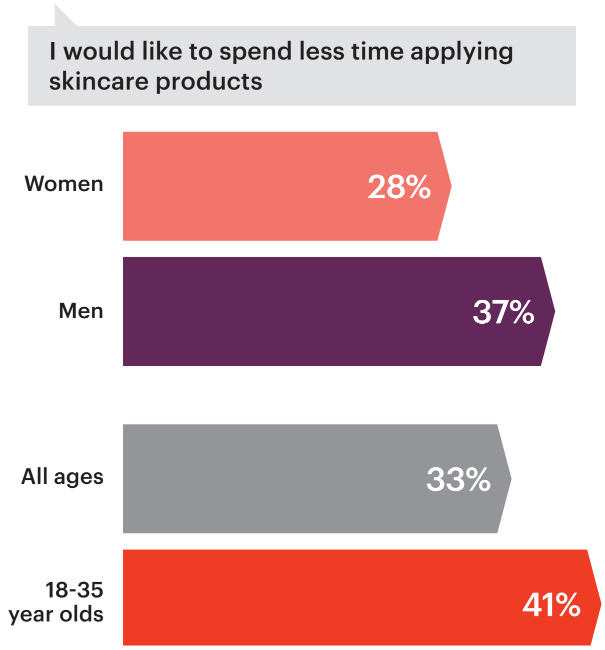


It's not just their money that they are spending on their skincare. Millennial consumers devote an average of **5.9 minutes** a day applying skincare products compared to an average of **4.8 minutes** across all age groups. Over one in five 18-35 year olds (**21%**) spend more than ten minutes a day, double the number across all age groups (**10%**).

Many are not happy with this. Over four in ten millennials (**41%**) said they would like to spend less time applying skincare products, compared to **33%** across all age groups. Men too were significantly more likely to want to spend less time on their skincare regimes (**37%** compared to **28%** of women).

Millennials may also be the group most willing to try new ways of improving their skin health. They are less likely than other age groups to say they are happy with the results they get from the skincare products they currently use (**72%** compared with **79%** overall).

Fig 10) Millennials and men are particularly likely to want to spend less time applying skincare products



Who do consumers trust?

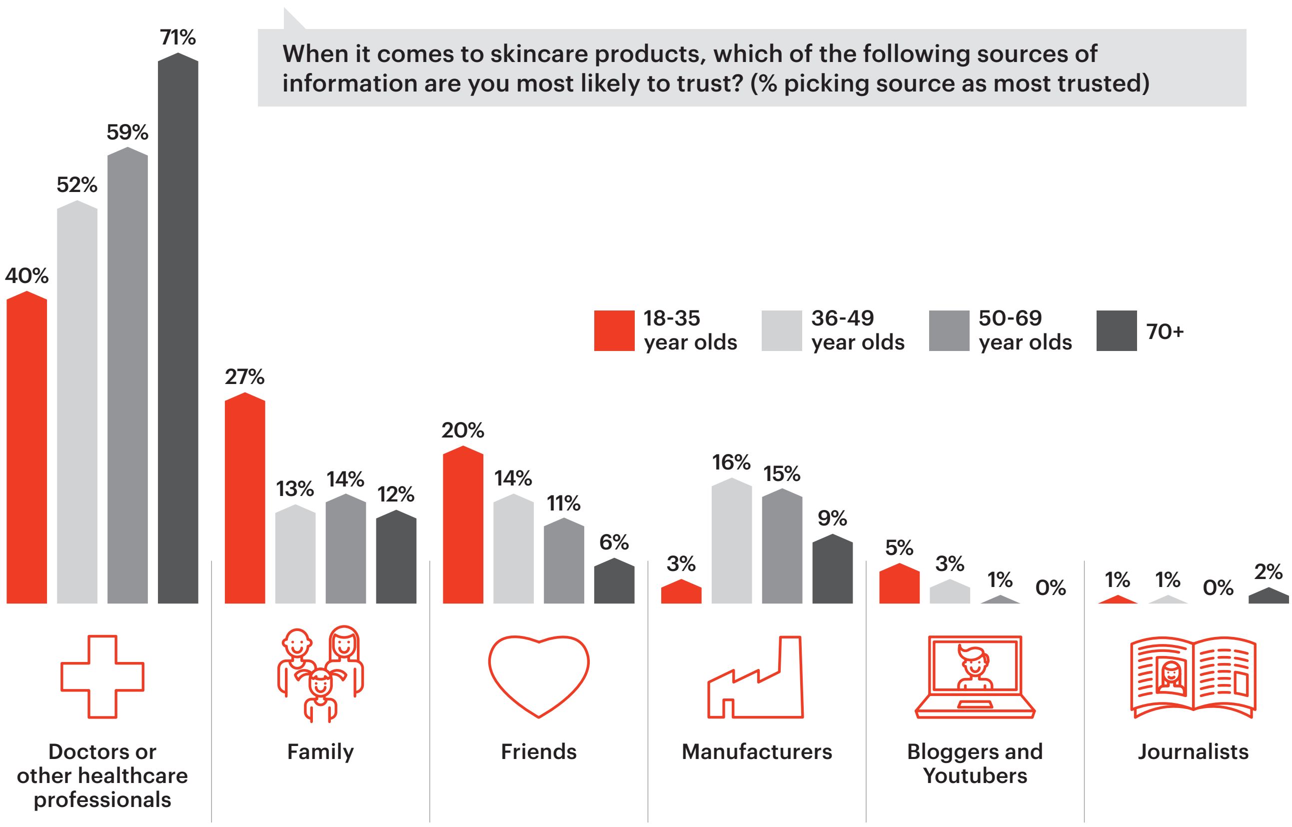
As it has become increasingly clear that millennials view skincare differently from past generations, companies have begun to adopt new strategies. As one commentator puts it: “The change is forcing beauty firms to toss their worn, wrinkled playbooks and start generating products and marketing strategies to reach a demographic that shops with a new set of values.”[17]

Our research offers useful insights for those involved in the marketing of skincare products. We asked our respondents to rank seven sources of information about skincare products in order of trustworthiness. Doctors or other healthcare professionals ranked highest, picked as the most trustworthy source by **56%** of consumers. They were particularly likely to be trusted by men and the over-50s.

The other top four trusted sources were family members, followed by friends, then manufacturers. Bloggers and Youtubers came fifth, ahead of journalists and celebrities. Millennials were significantly more likely than other age groups to trust bloggers and Youtubers, with **21%** putting them in their top three trusted sources.

The importance that younger consumers place on information from social media sources has prompted talk of a “digital beauty revolution”.[18] However, it is worth noting that however they access information, they still place more trust in doctors and other healthcare professionals than any other source. This tallies with the earlier finding on the importance of products being backed by clinical research.

Fig 11) Consumers of all ages trust healthcare professionals over other sources of information about skincare



Conclusions

Skincare consumers are ready for change. New ways of thinking about gender, beauty and age have created demand for new kinds of products.

The emergence of new consumer categories – such as high-spending millennials and appearance-conscious young men – represents a major opportunity for the manufacturers and marketers of skincare products.

However, to meet their needs it is necessary to understand the new “from the inside-out” skincare philosophy. People want natural, clinically proven products which genuinely support their health and make them feel good, not just potions that make them look younger.

Ingestible skincare is becoming increasingly mainstream and will continue to blossom as a category. But the change is more fundamental than that. Today’s consumers now understand beauty as beyond skin deep - a feeling or quality that starts from within.

In short – key learning points for the skincare industry:

- Looking younger is not a significant motivation for consumers, particularly in older age groups – feeling younger is more important
- A significant number of young male consumers believe that looking good is more important for men than for young women
- Consumers are motivated more by a desire to be healthy and to feel good than to look attractive to others
- Consumers have high awareness of the importance of nutrition for skin health
- Ingestible skincare is seen as mainstream by most consumers, and is particularly popular with millennials
- Millennials spend the most on skincare, are least likely to be happy with their current products
- Millennials and men are the most likely to want to spend less time applying skincare products
- It is important to many consumers that their skincare products are natural and clinically proven
- The most trusted source of information for consumers is doctors and other healthcare professionals

Lycored – Let's rethink beautiful together

Lycored is an international wellness company at the forefront of the ingestible skincare market.

We believe in the power of stepping back, taking stock and looking for new ways of thinking and doing. We've applied that philosophy to our work around ingestible skincare, a category that is growing thanks to shifting consumer perceptions.

Our Letters of Love campaign is a big part of that. We've set up letter writing stations, both digital and out in the world, where passers-by can stop, take a minute to reflect, and jot down what makes them feel beautiful. Then, we send their note back to them when they least expect it to remind them of how they felt in that moment.

We've had an overwhelming number of responses and it's humbling to see the positive effects of our mission to #rethinkbeauitful. Our booths at the Sundance Film Festival, the Wanderlust Festival, and the National Cherry Blossom Festival were hubs of joy, and as the official Skin Health Sponsor of the GoPro Mountain Games we were excited to bring something truly unique to all the thrill-seekers and adventurers.

We're on a journey to redefine beauty and in so doing to bring the benefits of ingestible skincare to consumers across the world.

See where we're headed next at lycored.com/rethink-beautiful and feel free to write yourself a digital letter.

Meet Lycoderm™ – let us illuminate you

We're frequently told to "love the skin we're in", but how often do we really practise that? Over the years, we've come to realise that maintaining skin health and wellness is a lifelong journey that begins on the inside – the home of our "inner glow". We created Lycoderm™ , our proprietary carotenoid blend, with that notion in mind.

Specially designed to foster overall skin wellness from the inside out, it combines natural lycopene, phytoene and phytofluene from tomatoes with carnosic acid from rosemary leaf. When combined with carotenoids, carnosic acid works to support protective intracellular mechanisms and acts as an antioxidant.

Lycoderm™ has been proven safe and effective in several clinical trials and is formulated for a range of skin health and appearance benefits. It has been shown to protect skin from DNA damage due to sun exposure, help maintain the skin's ability to protect against photo-ageing, and help prevent damage caused by sunlight. And it offers benefits for skin texture: after 12 weeks of supplementation in one trial, participants' epidermis showed an increase in density as well as a decrease in roughness and scaling.

Furthermore, a recent award-winning study has shown that oral supplementation with lutein or lycopene-rich tomato nutrient complex may help protect the skin against UV radiation.[19]

Lycoderm™ is available for supplements, beverages and functional foods such as gummies.

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