



provoke
insights

Skincare: Consumer Trends
May 2023

Background & Objectives

Overview

Provoke Insights, a leader in research for branding, advertising, media, and content marketing initiatives, conducts a bi-annual consumer trends study to keep a pulse on the market across multiple industries. The extensive study allows Provoke Insights to stay ahead of the trends and understand consumer mindset in the current moment.

Summer 2023 Wave

As economic uncertainty looms, American consumers are changing their buying habits. Brands need to understand when consumers consider quality over price, and what purchases they are not willing to compromise.

In the sixth wave of our bi-annual trends research, Provoke Insights probes into these behaviors to understand how the economic climate has affected shopping habits across multiple categories.



Methodology

Provoke Insights conducted a 15-minute survey among 1,500 Americans between the ages of 21 and 65. The study was in-field in April 2023.

A random stratified sample methodology was used to ensure the sample represented the U.S. population (household income, age, gender, geography, ethnicity, and children in the household).¹

Results based on this sample have a maximum margin of sampling error of $\pm 2.5\%$ at a 95% confidence level.

Statistical differences between subgroups indicated in this report were tested at a 95% confidence level.

Overview



Despite consumers' purchasing concerns during this time of rising inflation, the skincare industry has seen some positive turnaround. These shoppers are purchasing skincare more now versus last year, even with the noticed price increases in drug and department stores. Price is not considered when purchasing these items as these shopper place more value on quality.



Skincare purchasers are committed to continue buying these items if the country falls into a recession. This is especially true of older generations. Interestingly, affluence is not a factor as consumers with an HHI under \$100K will continue to purchase these items at the same rate.



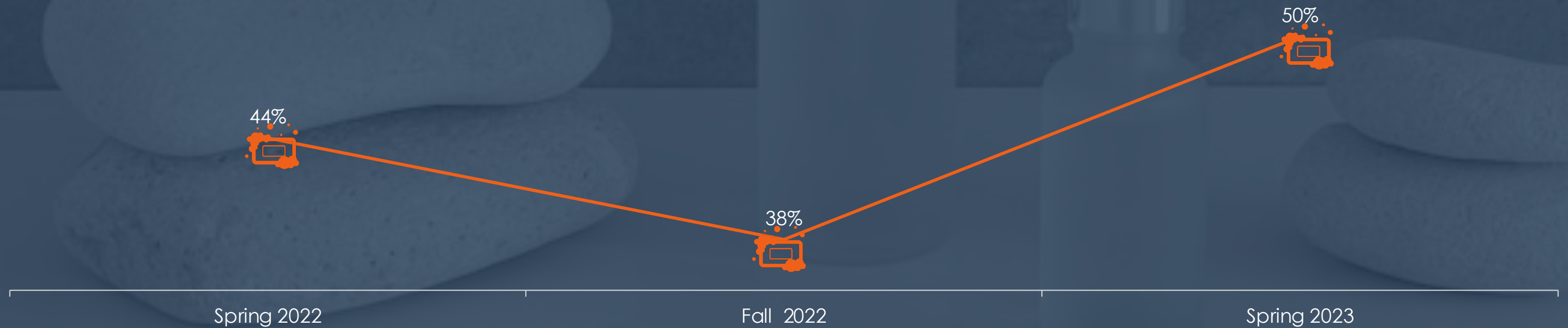
Overall, consumers that purchase skincare prefer browsing through store isles more than those who do not purchase. They are also more likely to switch brands if they do not align with their values. Shopping small businesses and searching for deals is not a priority for this target.

Trends in the Skincare Industry



Seasonal Skincare Purchases

Despite the dip in Fall 2022, consumers are buying skincare at a higher rate than they have in the past year.



44%



of Americans are Planning to Purchase Skincare in the Next 3 Months

Groups Significantly More Likely to Purchase Skincare Include...



51% Female



51% Northeast



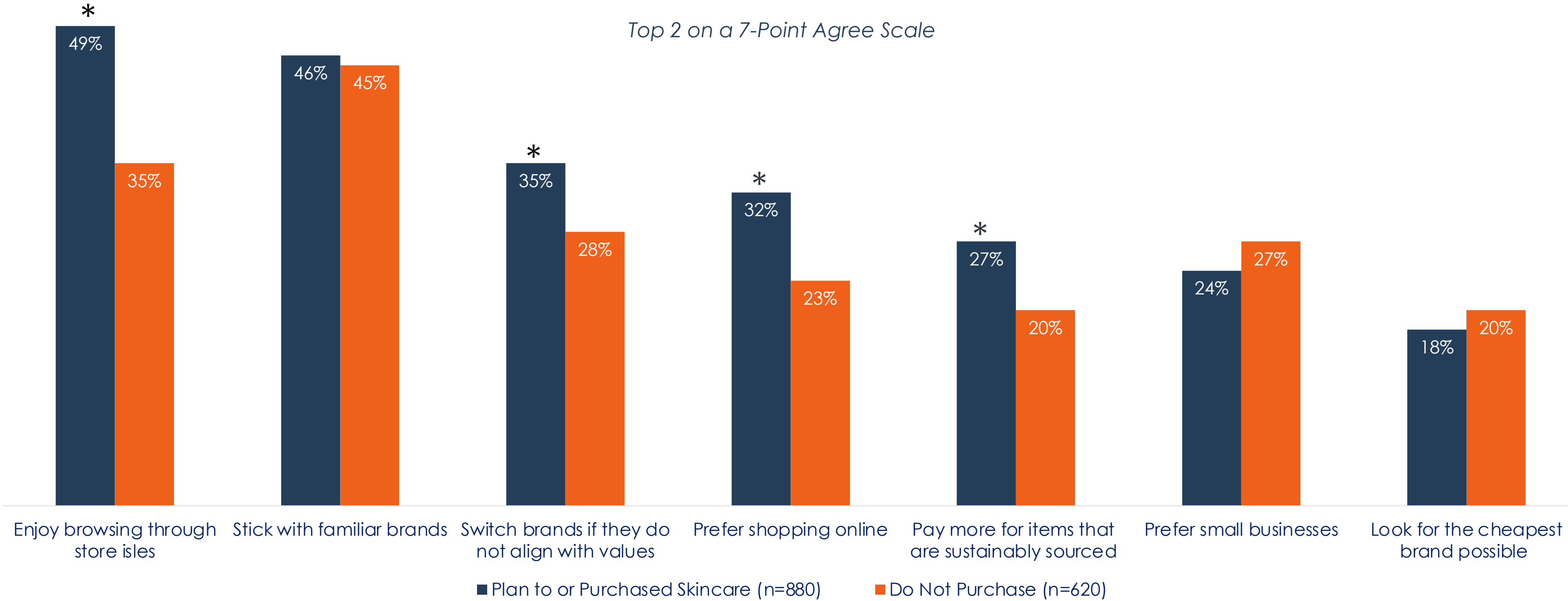
49% Millennials

Shopping Habits



Skincare shoppers prefer browsing through the store, as well as sticking with brands they are familiar with. Compared to non-skincare purchasers, these consumers are more likely to switch to brands that are sustainable and align with their values.

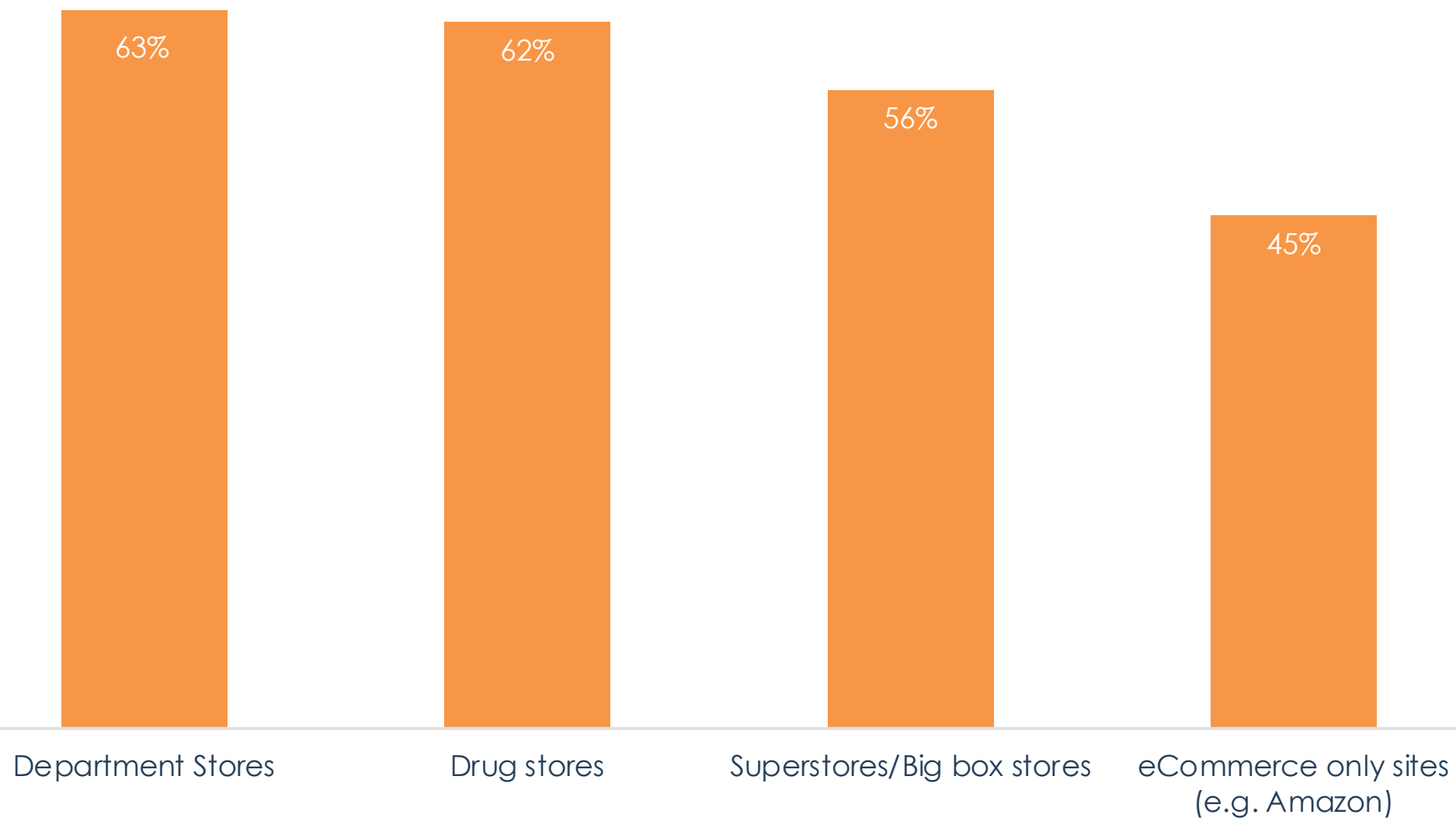
Top 2 on a 7-Point Agree Scale



*indicates significant difference

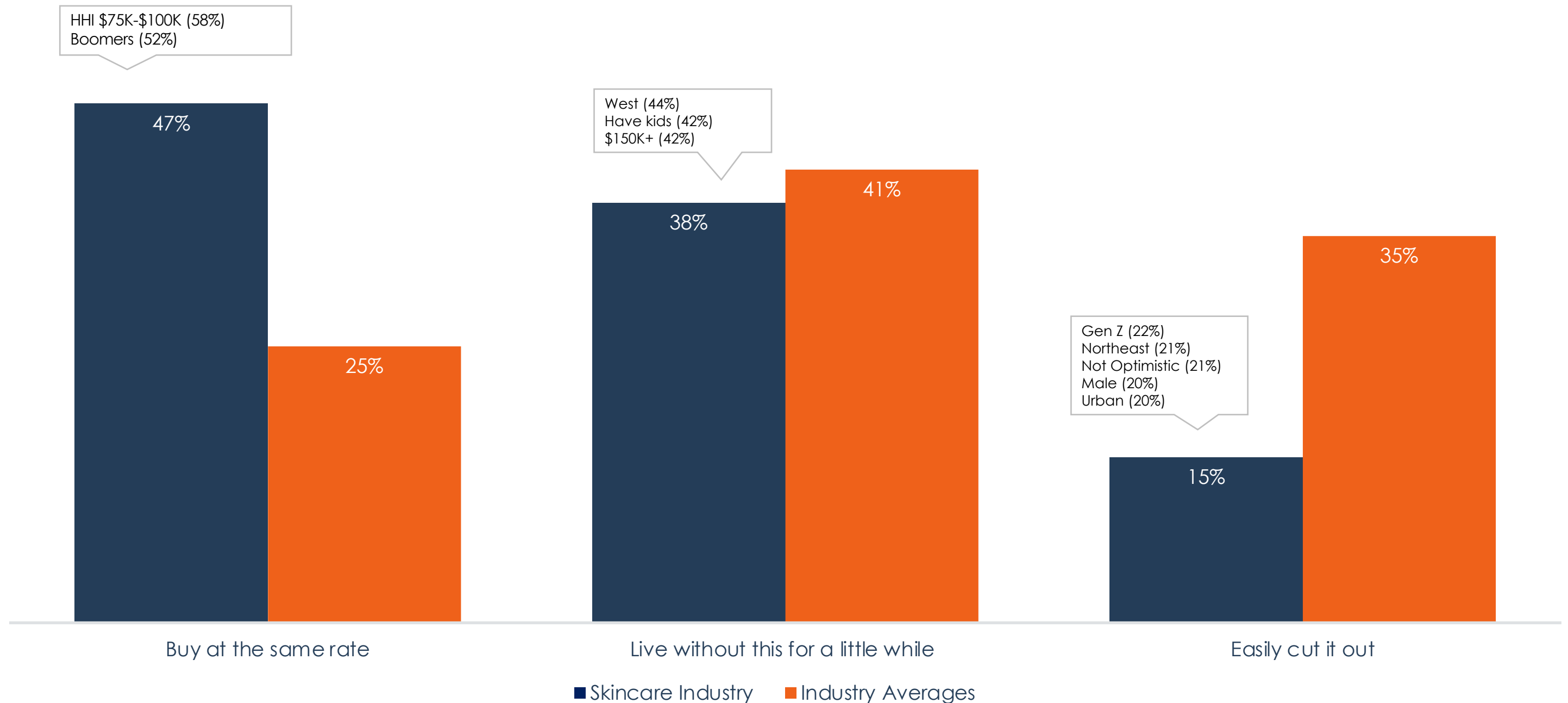
Price Increases

Skincare purchasers are noticing the price increases, especially at department stores and drug stores. Consumers are seeing less of the inflation effect on eCommerce sites.



Skincare Spending in a Recession

If a recession occurs, consumers are more committed to continuing to purchase skincare compared to other industries. This is especially true of older generations. Interestingly, affluence is not a factor as consumers with an HHI under \$100K will continue to purchase these items at the same rate.



Quality vs. Price

Fourteen industries were assessed to determine if quality or price is more important. Consumers will not compromise the quality of their skincare for a lower price compared to any other industry.

Quality Index By Industry	
Skincare	15%
Major appliances	14%
Electronics	14%
Furniture	14%
Home improvement items	9%
Fine jewelry/watches	4%
Beauty supplies	2%
Outdoor gear	1%
Apparel	0%
Fitness gear	-6%
Hotel stays	-7%
Alcohol	-12%
Toys	-16%
Airline tickets	-34%

Index created by percent who stated quality over price minus the average

Price Index By Industry	
Airline tickets	34%
Toys	16%
Alcohol	12%
Hotel stays	7%
Fitness gear	6%
Apparel	0%
Outdoor gear	-1%
Beauty supplies (not skincare)	-2%
Fine jewelry/watches	-4%
Home improvement items	-9%
Furniture	-14%
Electronics	-14%
Major appliances	-14%
Skincare	-15%

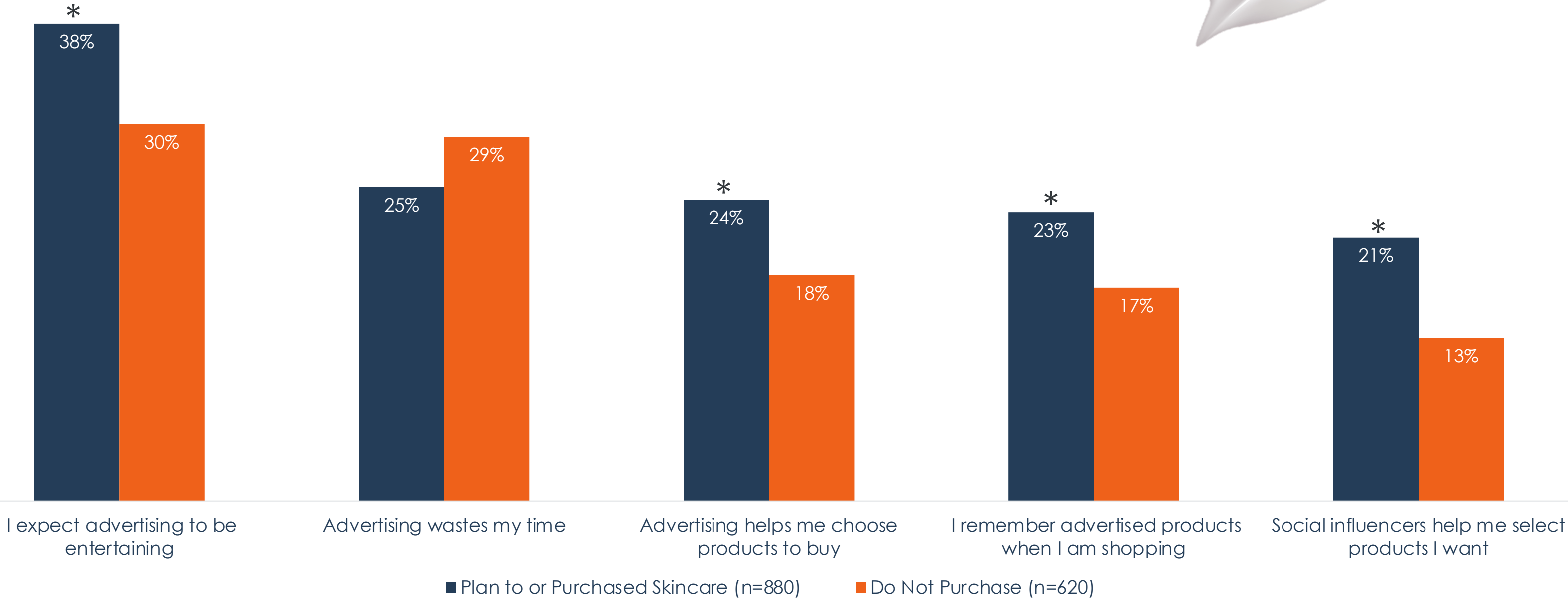
Index created by percent who stated price over quality minus the average

Advertising Attitudes

Skincare shoppers have more positive attitudes about advertisements. Advertisements are influential in helping these consumers purchase products.



Top 2 on a 7-Point Agree Scale



*indicates significant difference

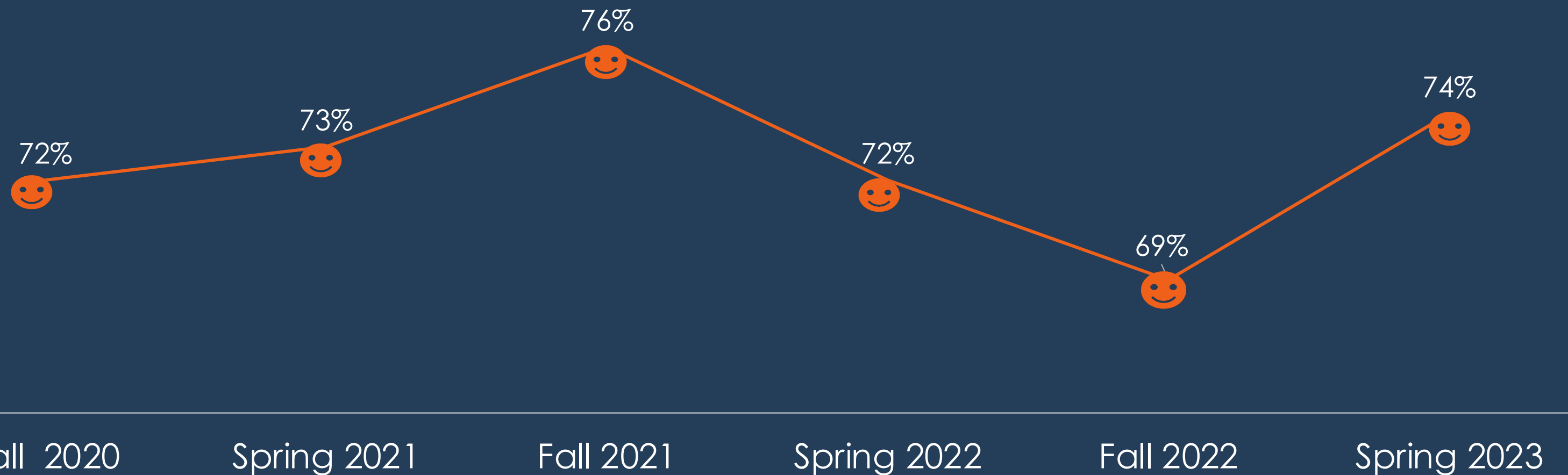
A man with a beard, wearing a light blue dress shirt and a dark tie, is sitting at a desk. He is looking down at a document he is holding, with his hand resting on his chin in a thoughtful pose. The background is slightly blurred, showing a blue box and some papers on the desk. The overall lighting is soft and professional.

External Trends Impacting Brands in Spring/Summer 2023

Consumer Optimism

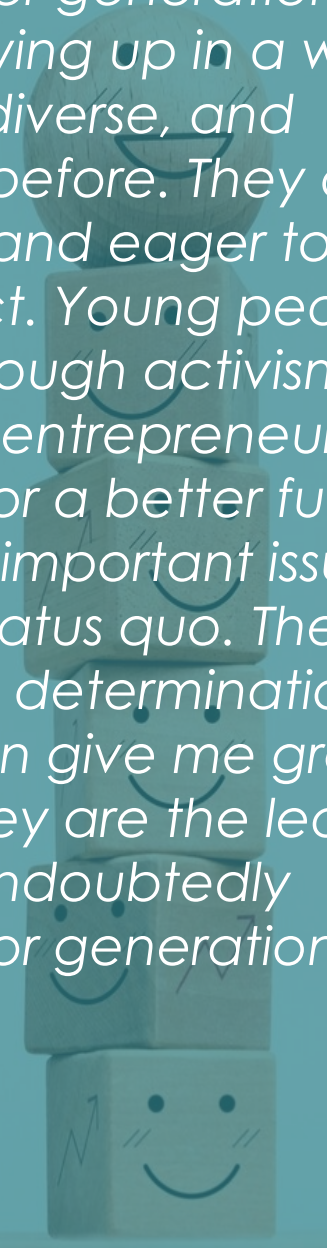
Optimism levels are at the highest levels since Fall 2021.

Very/Moderately Optimistic

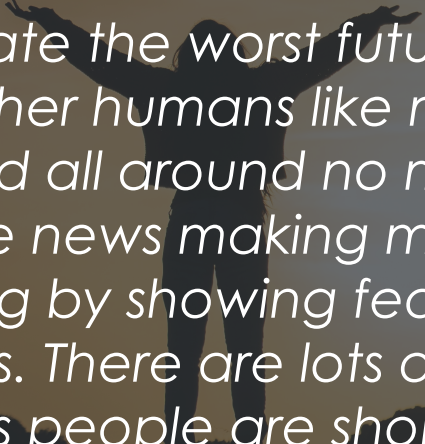


Finding the optimism in everyday

"I am optimistic about the future because of the younger generation. Today's youth are growing up in a world that is more inclusive, diverse, and progressive than ever before. They are passionate, informed, and eager to make a positive impact. Young people are driving change through activism, innovation, and social entrepreneurship. They are advocating for a better future, demanding action on important issues, and challenging the status quo. The energy, creativity, and determination of the younger generation give me great hope for the future. They are the leaders of tomorrow and will undoubtedly shape a better world for generations to come."




"I am generally an optimistic person and believe that "tomorrow is another day", meaning every day is an opportunity to improve upon the past and make a brighter future."

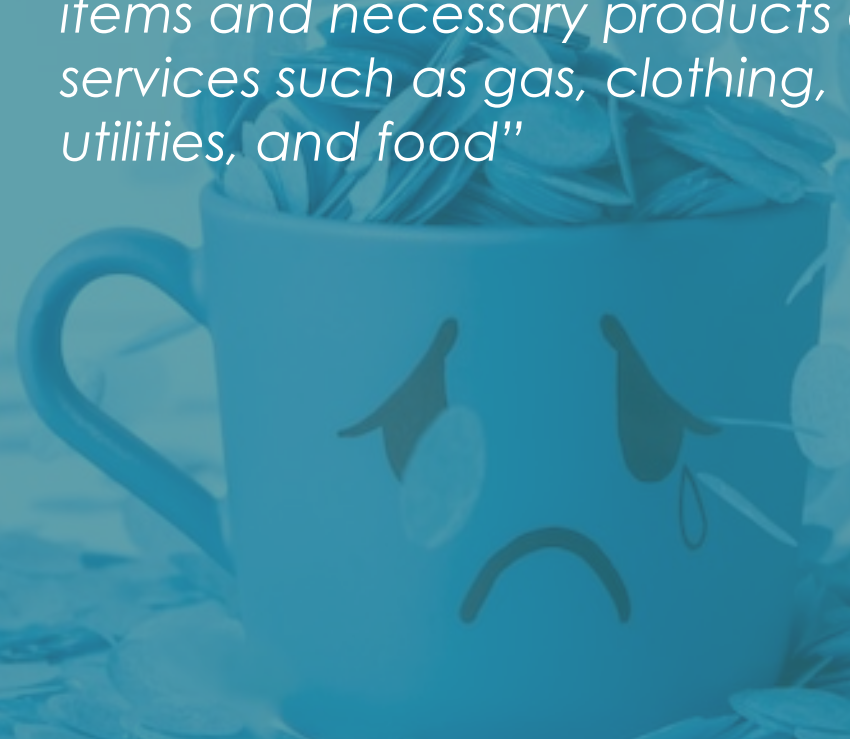


"There are humans in every generation from the beginning of time that decides the worst outlook and anticipate the worst future. There are other humans like me that see the good all around no matter the negative news making money off of advertising by showing fear and scare tactics. There are lots of good all around us people are shopping more, getting out more, seem happier, are buying more, are being nicer to each other, and are healthier."

Relevant concerns fuel lack of optimism



“If our country were less politically and economically divisive, I would feel more optimistic. People have lost the ability to disagree in a civil manner. Our healthcare system is a nightmare. We do not take care of our society's most vulnerable.”



“What would make me more optimistic about the future is an increase in personal finances and a decrease in the cost of everyday items and necessary products and services such as gas, clothing, utilities, and food”



“Basic universal income, free healthcare, renewable energy, free healthcare”

“Less crime, more honest politicians, better gun control laws, affordable housing”

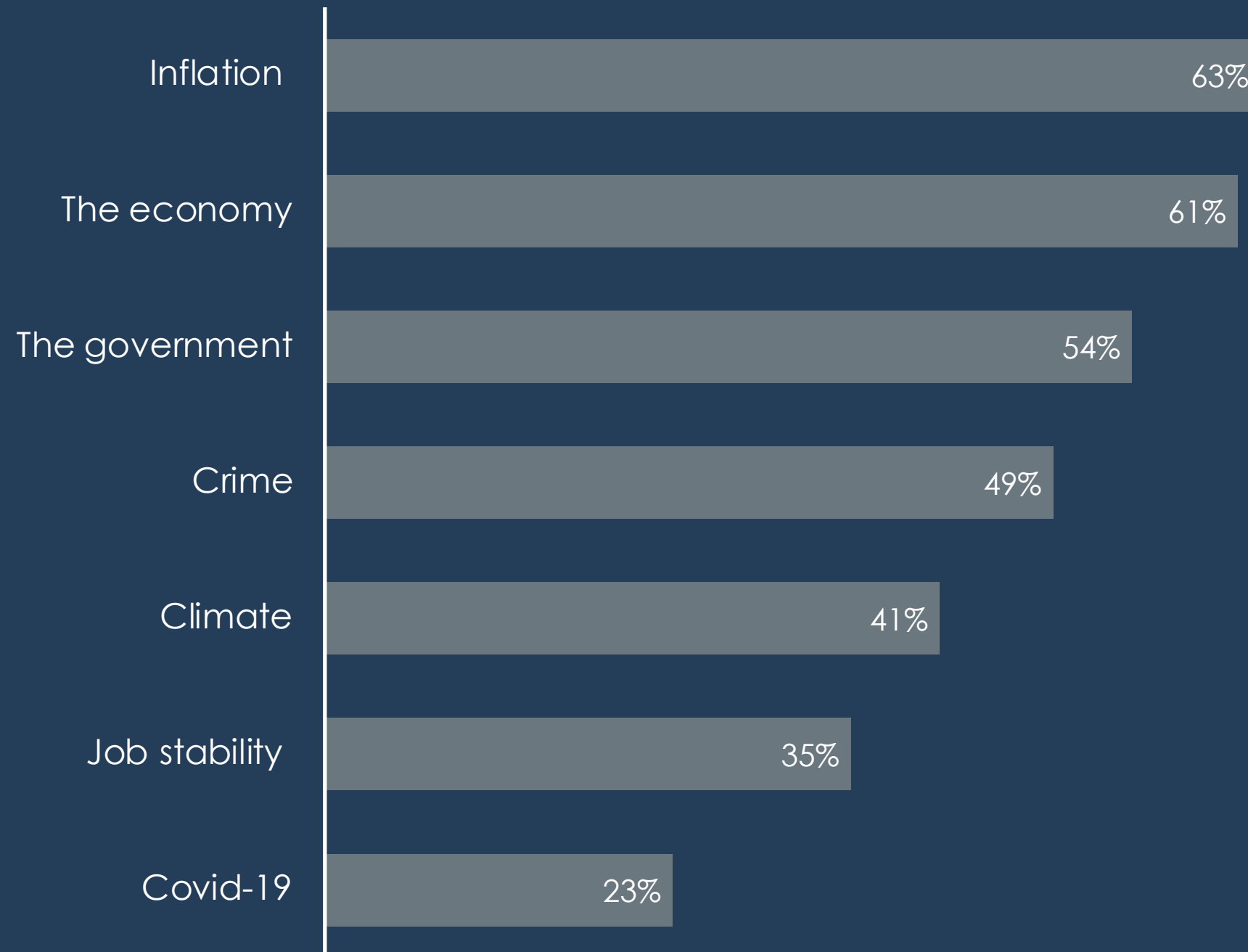
“Prices going down, like gas food, entertainment”

“If the state of the economy, housing, job market, food, was better. It is too expensive to live anymore. ”

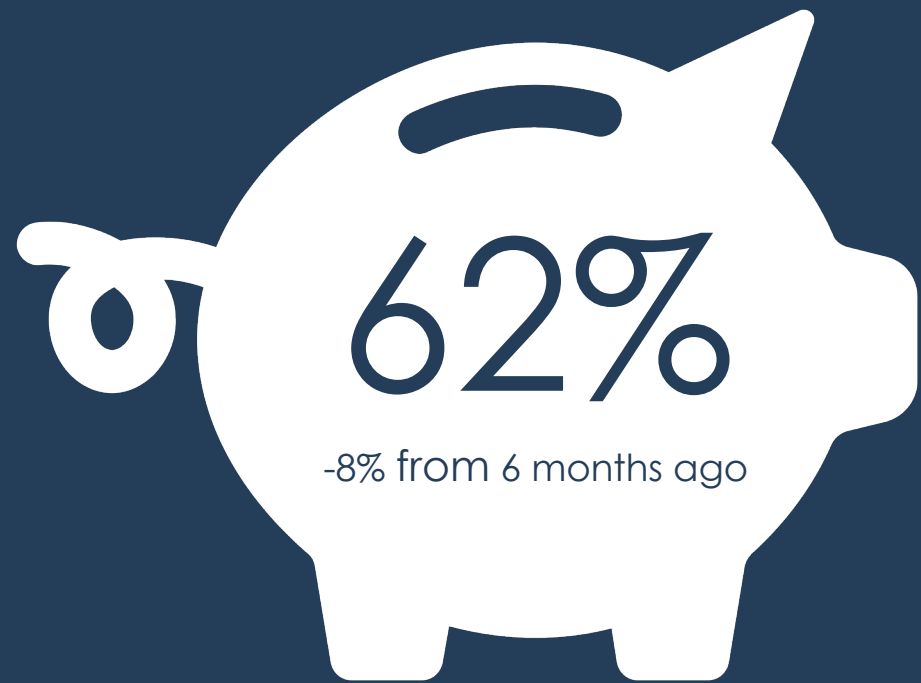
Top Concerns Impacting Consumers

Inflation and the economy are the leading issues impacting Americans.

Extremely/Very Concerned
(5-point scale)



Consumers are still in saving mode, particularly those who live in rural areas out West.



**More Budget
Conscious in the Last 6
Months**

Who is Significantly More Likely to Be in Saving Mode



69% Live in Rural area



66% Live in the West

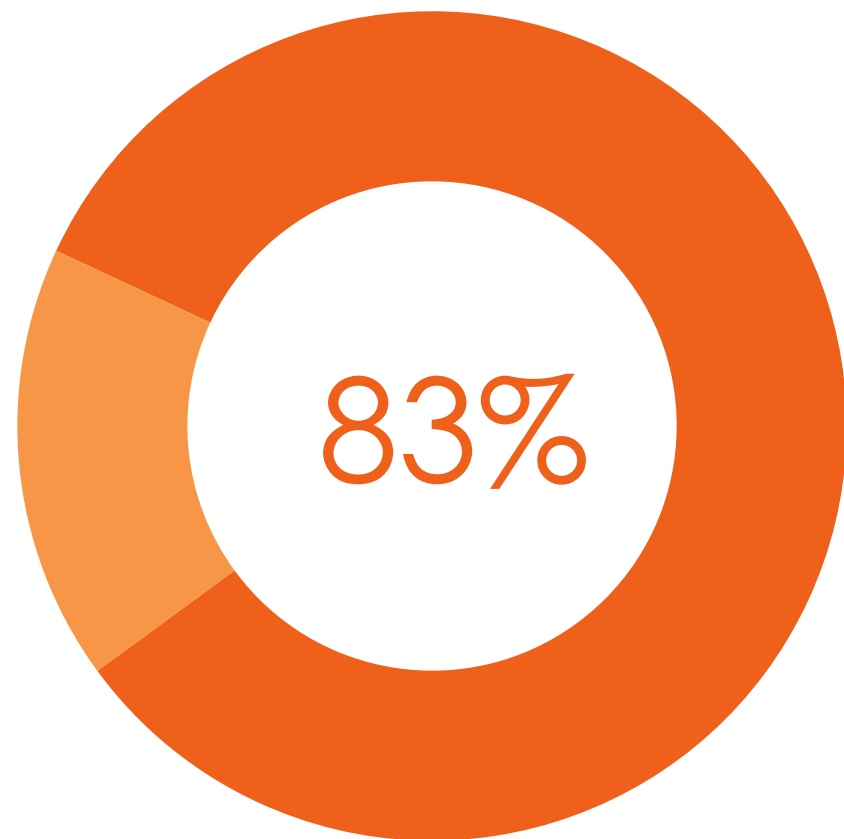
B

65% Baby boomers

Spending Behavior Changes

Consumers are couponing and shopping at discount stores more.

Changed Spending Behavior in the Last 3 Months



Base: All Qualified Respondents (N=1,500)



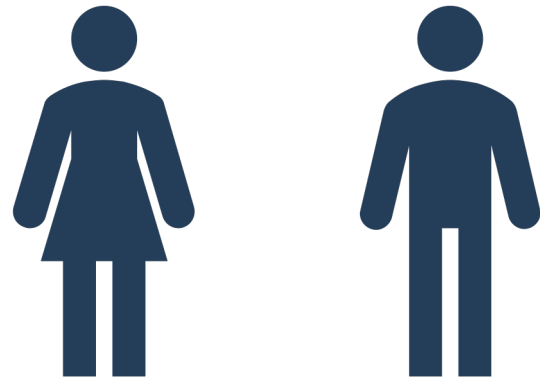
Ways Spending Behaviors Have Changed



Base: Spending behavior has changed (n=1,250)

Respondent Overview

Gender



51%
Female

49%
Male

*<1% other identity

Generation

42 years old
Median Age

Z 16% Gen Z

X 30% Gen X

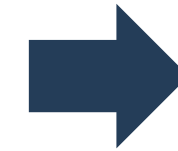
M 35% Millennials

B 18% Baby Boomers

Parental Status



40%
Have children

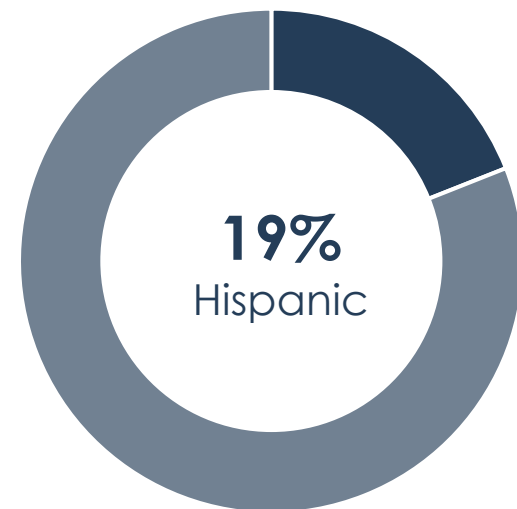


57%
Moms

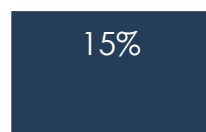


43%
Dads

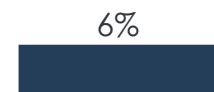
Ethnicity



White



Black



Asian



Mixed/Other/Prefer not to say

Household Income

