



2025 MID-YEAR BEAUTY CARE REPORT

A comprehensive look at the consumer demographics, channel dynamics & category trends impacting today's beauty industry.

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State of the Industry

The beauty industry has consistently been a powerhouse in the consumer packaged goods (CPG) landscape, experiencing strong year-over-year growth as consumers prioritize beauty care as a form of self-care and embrace new product innovations. Although the industry is projected to grow 5% annually through 2030, this marks a slowdown from the 7% annual growth seen from 2022 to 2024 (McKinsey & Company). Economic uncertainty, geopolitical volatility, regional disruptions, and market saturation are taking their toll.

Skincare holds the largest share within the CPG beauty industry at 41%, followed by haircare (21%), color cosmetics (19%), and personal fragrance (19%). However, the concept of what “beauty” means to consumers is evolving to include aesthetic injectables, spa treatments, men’s grooming, sun care, and wellness (i.e., beauty supplements and beverages). This shift is providing opportunities for beauty brands – and adjacent categories – to capitalize on changing consumer behaviors and expand their product offerings.

Looking ahead, brands must prioritize wellness and value for money – whether that includes quality, functionality, convenience, sustainability, or more – as consumers make smarter, more intentional choices.

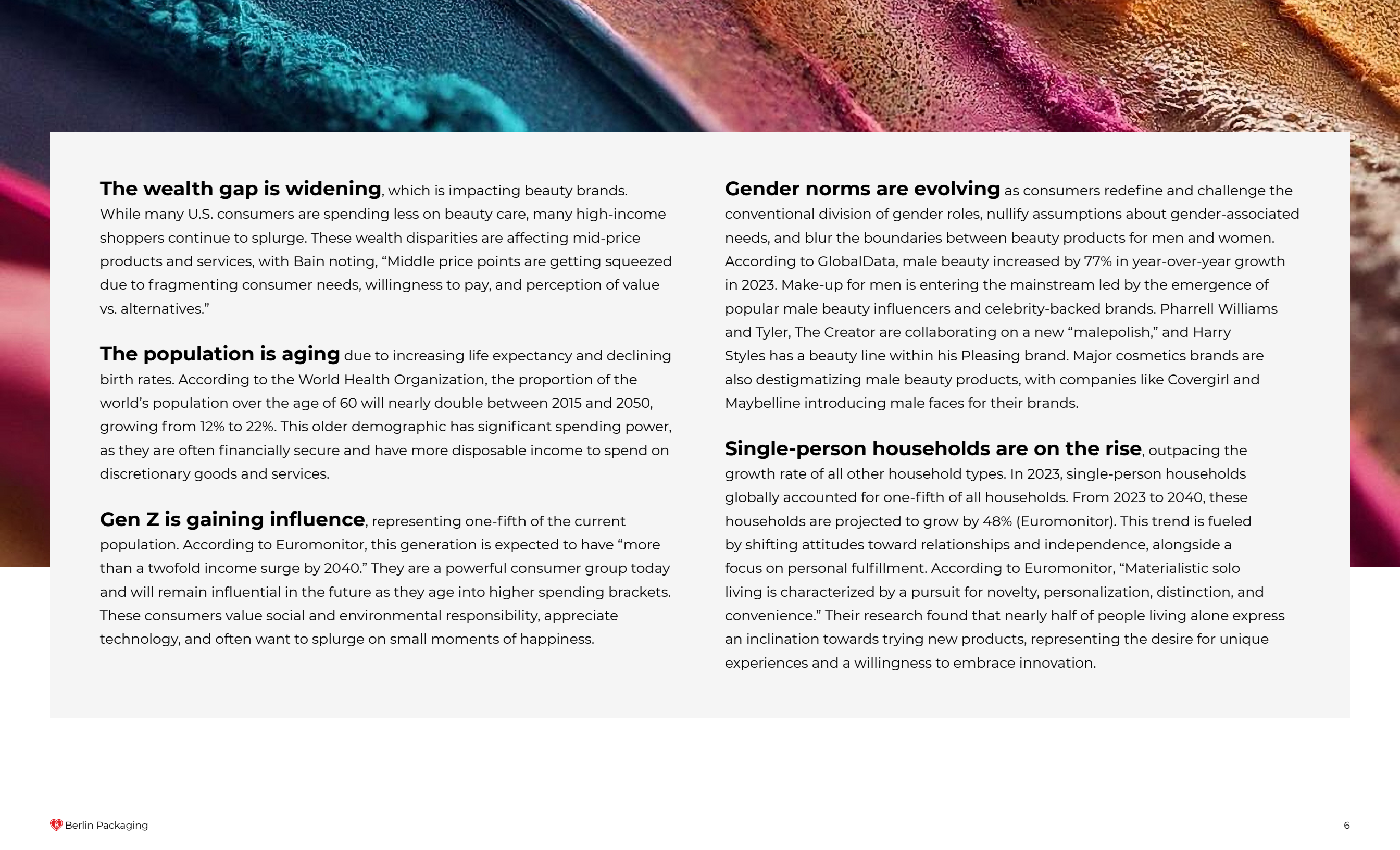
Economic uncertainty, combined with shifting values toward conscientious consumption, have people pushing back on excess. The “Project Pan” movement on TikTok encourages consumers to finish their beauty products before buying more, and #underconsumptioncore emphasizes buying less, reusing items, and prioritizing quality and longevity over frequent purchases. McKinsey notes, “The beauty industry will maintain its allure for both investors and consumers, but the era of more-is-more consumption has ceded ground to a new focus on value, differentiation, and individuality. Addressing these factors is critical to solving the puzzle at hand.”

This report outlines the demographic shifts, channel dynamics, and beauty industry trends that brands should consider to succeed in today's beauty marketplace.



Demographic Dynamics

The world is changing, and so are beauty consumers. Demographic shifts – such as the aging population, the rise of Gen Z, and evolving gender norms – are influencing the beauty industry. Understanding these demographic dynamics can help beauty brands meet the needs of today's consumers.



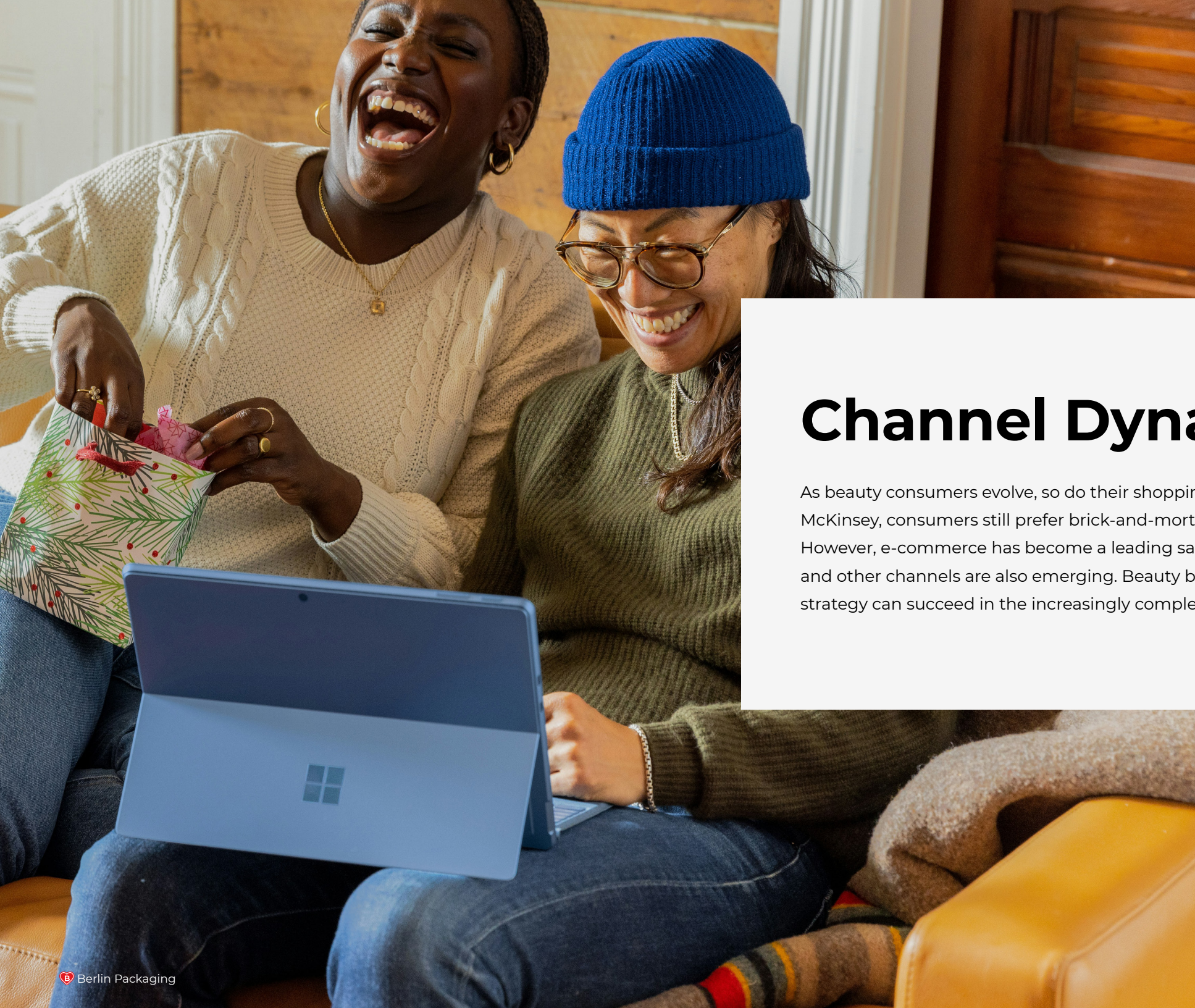
The wealth gap is widening, which is impacting beauty brands. While many U.S. consumers are spending less on beauty care, many high-income shoppers continue to splurge. These wealth disparities are affecting mid-price products and services, with Bain noting, “Middle price points are getting squeezed due to fragmenting consumer needs, willingness to pay, and perception of value vs. alternatives.”

The population is aging due to increasing life expectancy and declining birth rates. According to the World Health Organization, the proportion of the world’s population over the age of 60 will nearly double between 2015 and 2050, growing from 12% to 22%. This older demographic has significant spending power, as they are often financially secure and have more disposable income to spend on discretionary goods and services.

Gen Z is gaining influence, representing one-fifth of the current population. According to Euromonitor, this generation is expected to have “more than a twofold income surge by 2040.” They are a powerful consumer group today and will remain influential in the future as they age into higher spending brackets. These consumers value social and environmental responsibility, appreciate technology, and often want to splurge on small moments of happiness.

Gender norms are evolving as consumers redefine and challenge the conventional division of gender roles, nullify assumptions about gender-associated needs, and blur the boundaries between beauty products for men and women. According to GlobalData, male beauty increased by 77% in year-over-year growth in 2023. Make-up for men is entering the mainstream led by the emergence of popular male beauty influencers and celebrity-backed brands. Pharrell Williams and Tyler, The Creator are collaborating on a new “malepolish,” and Harry Styles has a beauty line within his Pleasing brand. Major cosmetics brands are also destigmatizing male beauty products, with companies like Covergirl and Maybelline introducing male faces for their brands.

Single-person households are on the rise, outpacing the growth rate of all other household types. In 2023, single-person households globally accounted for one-fifth of all households. From 2023 to 2040, these households are projected to grow by 48% (Euromonitor). This trend is fueled by shifting attitudes toward relationships and independence, alongside a focus on personal fulfillment. According to Euromonitor, “Materialistic solo living is characterized by a pursuit for novelty, personalization, distinction, and convenience.” Their research found that nearly half of people living alone express an inclination towards trying new products, representing the desire for unique experiences and a willingness to embrace innovation.



Channel Dynamics

As beauty consumers evolve, so do their shopping habits. According to a study by McKinsey, consumers still prefer brick-and-mortar stores for product discovery. However, e-commerce has become a leading sales channel for many beauty categories, and other channels are also emerging. Beauty brands with a strong multi-channel strategy can succeed in the increasingly complex marketplace.



E-commerce continues to grow. According to Forbes, e-commerce accounts for nearly half of all beauty sales. They note, “Mastering a direct-to-consumer channel is essential, but being present on marketplaces can also be seen as a requirement in some countries like the U.S., where Amazon has gained 7.3 share points in terms of beauty and personal care sales.”

Unexpected channels can capture attention and drive engagement. McKinsey encourages beauty brands to embrace creativity across various channels to create an element of surprise and experience, stating, “Labels that are creative and willing to experiment with new and unexpected channels can generate significant attention. Thanks to the oversaturation of digital channels, traditional media like TV, billboards, truck advertising and radio can generate strong returns, offer an element of surprise and imbue more personality.”

Social commerce – selling products directly through a social media site – is on the rise and now plays an important role in what products people buy and where they buy them. Mintel research found that nearly half of consumers have made a purchase through social media. Social commerce is especially transforming how beauty brands connect with their audience, merging engaging content with convenience to drive sales.

AI-led agentic commerce can enhance the online shopping experience by autonomously carrying out tasks for customers, including browsing, selecting, and purchasing products. The primary roadblock to AI commerce has been payment and authentication, but Visa and Mastercard have recently introduced new agentic commerce solutions. Bain Capital Ventures’ Scott Friend says, “We’re at the dawn of a totally new shopping paradigm, supported by gen AI, where intelligent ‘agents’ will be operating on each consumer’s behalf. I’m calling this third wave the ‘Agentic Commerce Era,’ and I expect it will have far reaching implications for sellers and consumers alike.”

Berlin Packaging tracks product and packaging trends throughout the year to best help our customers succeed. Here's what we see impacting Beauty Care right now.



U.S. beauty consumers are looking beyond America’s borders for the latest trends. In early 2025 Xiaohongshu, a Chinese-hosted lifestyle platform, surged to become the #1 free download on the US App Store. Xiaohongshu has 300 million monthly users and a 79% female user base.

The Cultural Beauty Movement

Consumers are increasingly connected to and influenced by foreign cultures and customs, which is impacting multiple categories from food and beverage to beauty and personal care. People are becoming more aware of and interested in cultural beauty practices, and regional beauty rituals are no longer limited to their countries of origin but are transcending borders. This shift is evident in the growth of Korean and Japanese beauty labels (termed “K-Beauty and “J-Beauty” by insiders) sold into the U.S. market. According to Bain, the U.S. K-beauty market is expected to more than double by 2026. Last year, Amorepacific (the South Korean beauty corporation that owns beauty brands Laneige, Aestura, and Cosrx) saw its North American business outpace its China business for the first time.

The rise of social media, e-commerce, and global marketplaces has helped democratize beauty and contributed to the growing cultural beauty movement. According to Euromonitor, “With the continued significance of social media platforms, notably TikTok and Instagram, user generated content has been a key factor boosting awareness and

adoption of cultural beauty rituals and brands.” They note opportunities in developing markets: “As e-commerce grows in emerging market regions, notably Africa, Latin America, and the Middle East, more beauty brands and traditions are yet to enter the limelight on the global stage.”

Societal shifts toward diversity and inclusivity also create opportunities within the cultural beauty movement. According to a 2024 Kantar study, 75% of consumers say that a brand’s diversity and inclusion reputation influences their purchase decisions. Consumers have become aware of their power to demand greater representation from brands, leading cosmetic companies to promote inclusivity by offering customizable products and catering to niche constituencies, increasing relevance to individuals that may not feel they’ve been adequately represented via traditional offerings. McKinsey says, “Brands must navigate a constantly changing and vast landscape of consumer needs — from differences in skin tone and hair type to cultural preferences.”



Gender-inclusive beauty brand Pleasing uses gender-neutral pack forms and colors.

Berlin Packaging's exclusive MODA design is e-commerce ready for the global marketplace.

Packaging Opportunities

Global Aesthetic | Culturally Sensitive Brand Design | Accessible Package Design | Gender-Neutral Design Cues | E-Commerce Friendly Packaging

A Focus on Longevity

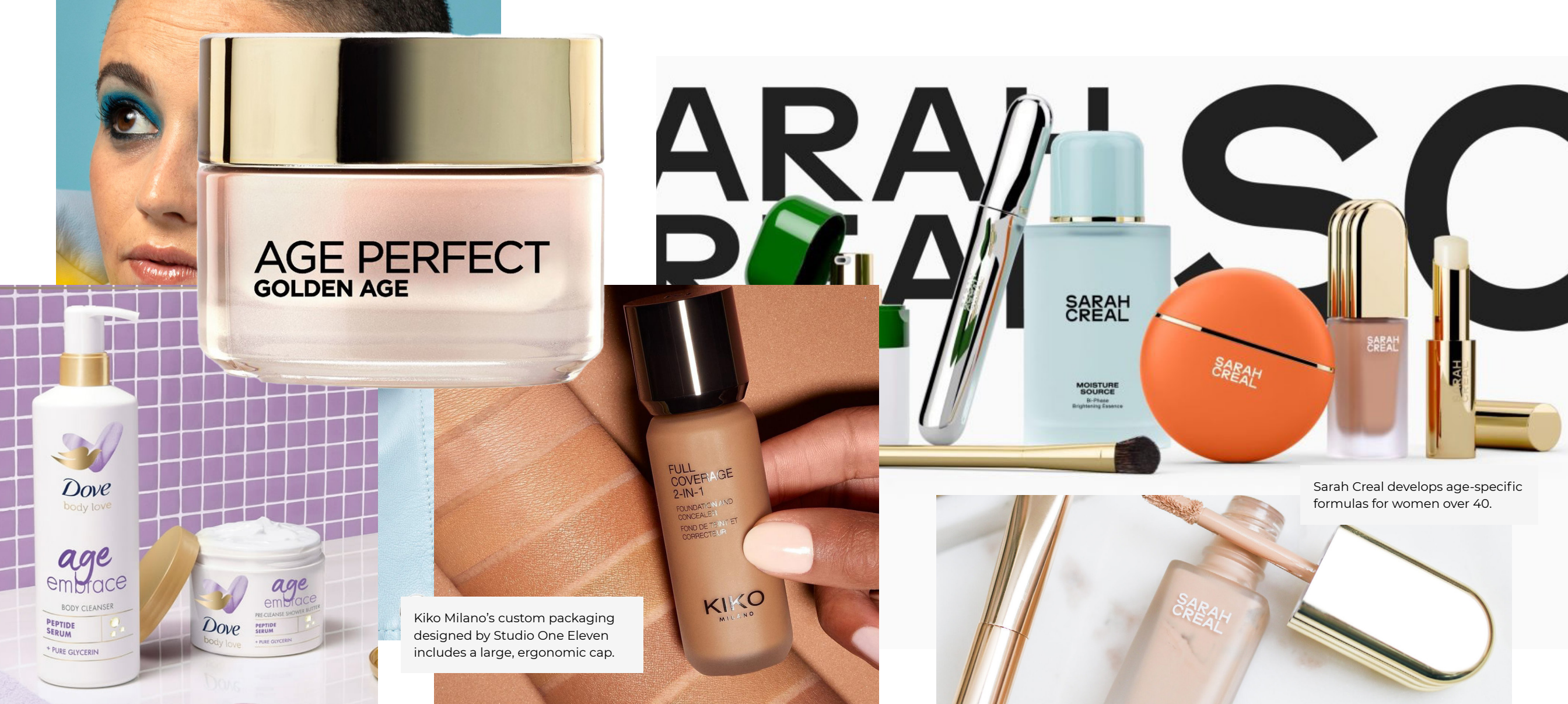
According to GlobalData, “longevity” will be the buzzword of healthy living in 2025 and 2026. Supporting this, a recent McKinsey survey found that more than 60% of consumers consider it “very” or “extremely” important to purchase products that help with healthy aging and longevity. People don’t just want to live longer; they want to live healthier and feel and look better longer.

“Brands are recognizing longevity is not just about anti-aging but extends to overall vitality, wellbeing, and prevention.” - GlobalData

Consumers are changing their behaviors and focusing more on prevention vs treatment. Mintel says, “The focus is a mindful, long-term approach to beauty, emphasizing prevention over repair.” People are starting beauty care routines earlier in life and adopting a more holistic approach that focuses on mental, physical, and emotional wellness. There is also interest in total body management and products targeted to different life stages. Euromonitor suggests, “As people are looking for preventative solutions and products that target specific concerns, brands should focus on creating practical, targeted solutions for specific audience segments.”

As consumers live longer, their attitudes toward aging are also evolving. Growing health consciousness, greater access to information about health and wellness, and technological advancements are driving this evolution. Mintel data shows an increase in North American product launches that promote “well-ageing,” signaling a shift away from anti-aging messaging and mindsets. Beauty brands must take note of this age-positive mindset when developing and marketing products for older consumers. For example, using sensitive, positive terminology like “collagen supporting” or “barrier building” instead of “wrinkle repair” or “age reversing.”





Packaging Opportunities

Ergonomically-Designed Form Factors | Age-positive Messaging | Upbeat Brand Design | Personalization



“The health and beauty industry is no longer just about products, but also about culture, conversations, and communities.”

– GlobalData

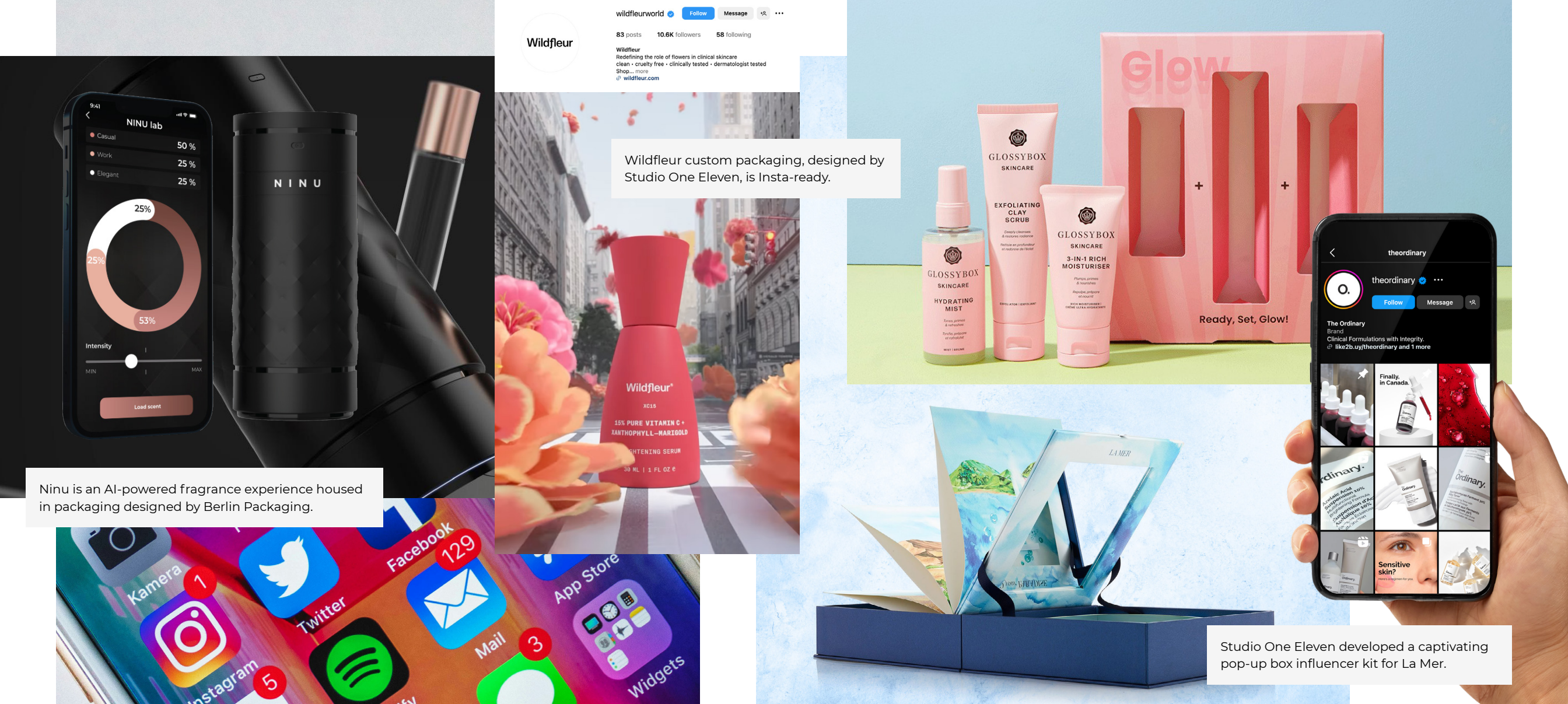
Digital Brand Engagement

More so than ever, consumers seek experiences and memberships, not just products. A GlobalData survey found that people are “willing to pay more for products that satisfy them on a more experiential level,” and McKinsey states that “Proprietary analysis of online consumer reviews of select hero beauty products suggests a link between the product experience (including design, formulation texture, and scent) and emotional attachment.” Demand for unique experiences, combined with the rise of social media and popularity of sharing experiences on Instagram and TikTok, is transforming the beauty industry.

Digital brand engagement has become essential for beauty brands. According to McKinsey, 64% of global Gen-Z consumers say social media is one of their top sources of beauty inspiration. While social media is especially popular among Gen Z and Millennials, older generations are also increasingly engaging with social platforms. Global insights company GWI listed “social boomers” as one of 2024’s top consumer trends, noting that older consumers are increasingly using social media apps to scroll and shop online. Brands are reaching a broad audience, influencing viral trends, and driving brand

engagement on platforms like TikTok, Instagram, and YouTube. McKinsey recommends that brands “Push the boundaries on novelty and unconventional placements to stand out. Double down on brand storytelling and user-generated content as social algorithms prioritize content over creators.”

The growing popularity of digital tools, including artificial intelligence and smart packaging, is also enabling brands to engage with consumers in new ways. According to GlobalData, “AI is a transformative force in cosmetics and toiletries, driving personalization, efficiency, innovation, and sustainability while reshaping consumer-brand interactions.” AI-driven technologies enhance individualism, enabling hyper-customization that caters to consumers’ unique needs in skincare, haircare, cosmetics, and more. This aligns with consumers’ demand for more personalized products. Smart packaging – such as QR codes – can redirect consumers to a brand’s website for information about customized recommendations, product reviews, sustainability initiatives, and more.



Wildfleur custom packaging, designed by Studio One Eleven, is Insta-ready.

Ninu is an AI-powered fragrance experience housed in packaging designed by Berlin Packaging.

Studio One Eleven developed a captivating pop-up box influencer kit for La Mer.

Packaging Opportunities

Buzz-worthy Structural Design | Insta-worthy Brand Design | Unique Unboxing Experiences | Smart Packaging (i.e.: QR codes)



De-Mystifying Sustainability

Sustainability remains one of the most significant trends impacting the CPG industry, including beauty care. According to Bain, approximately 80% of consumers report that they began “shopping sustainably” in the last five years. However, they aren’t always aware of what the most sustainable choice is. Bain notes that more than 80% of consumers are unable to identify which of two packaging products has a lower carbon footprint.

Looking ahead, beauty brands need to address consumer confusion, ambiguity, and greenwashing, which diminishes brand confidence and loyalty.

Much like consumers seek clinical claims and proven efficacy in beauty products, there is an opportunity for brands to provide more substantiated sustainability claims. According to Euromonitor, “Beauty brands can tap into consumer demand for sustainability by using specific claims (e.g., mono-materials, FSC-certified, etc.), rather than generic ‘environmentally friendly’ claims that cannot be substantiated.”

In addition to packaging metrics, quantifying water savings, energy savings, and carbon emission reductions can help brands evaluate their choices and make informed decisions. Euromonitor adds, “Brands can also expect to provide evidence and obtain certifications on how their sustainable decisions ‘saved’ a specific quantity of waste from being produced. This will help build greater loyalty among consumers.”



**REFILL
80%
LESS
PLASTIC***

*than two 16 oz bottles

Berlin Packaging's sustainability team helped Babo Botanicals transition their hair care and body wash bottles to 100% PCR plastic and launch their first eco-friendly refill pouch.

Studio One Eleven designed Amika's reusable "Forever Friend" bottle.

Packaging Opportunities

Lifecycle Analyses & Substantiated Sustainability Claims | Lightweighting | Refillable Systems | Post-Consumer Recycled Materials



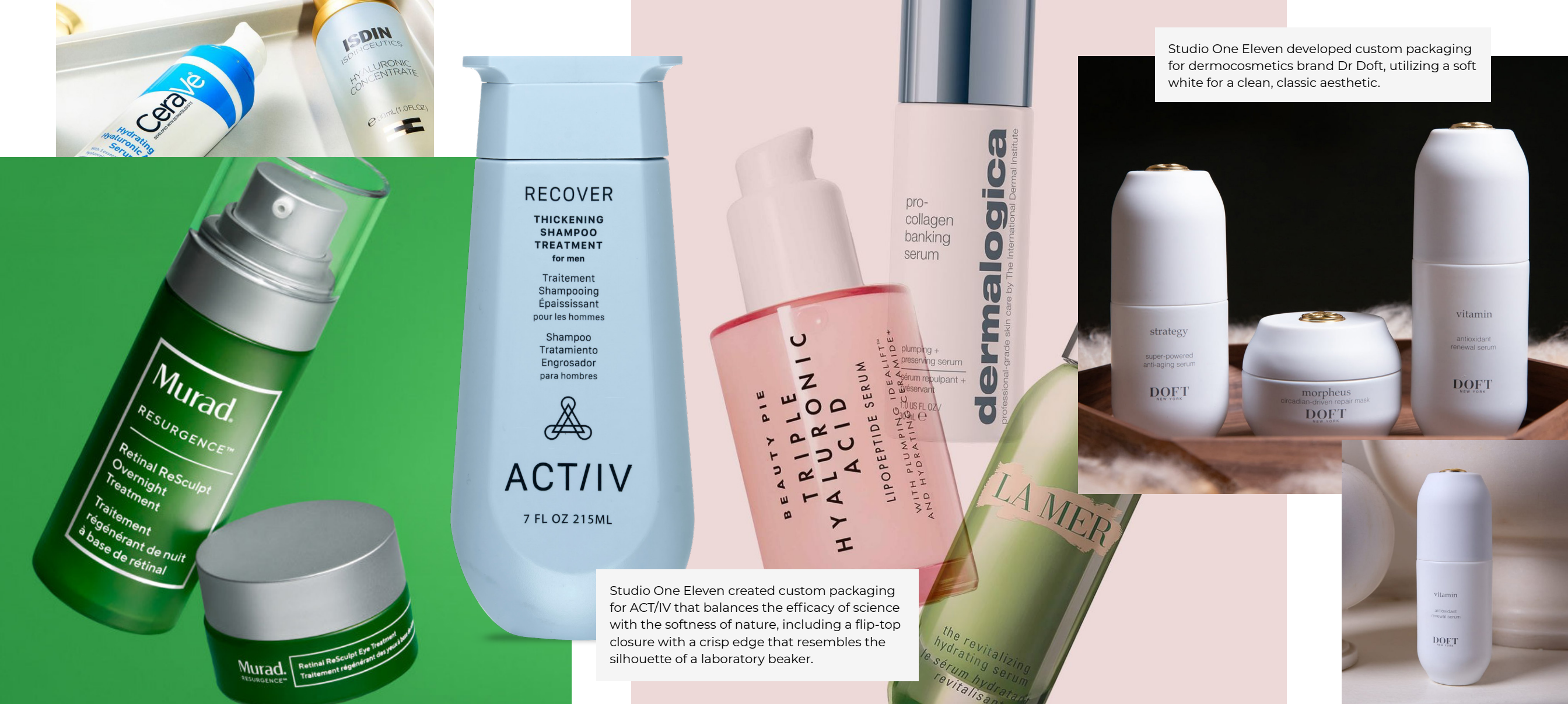
According to Mintel's 2025 Global Beauty and Personal Care Trends report, "The beauty landscape is increasingly driven by informed and empowered consumers prioritizing functional efficacy and ingredient knowledge."

Proven Efficacy

As consumers become more discerning and careful with their spending, product performance and efficacy are becoming paramount. McKinsey notes that today's shoppers "are focused on product efficacy and a shared aesthetic point of view." People are educating themselves about technological advancements, ingredient benefits, product safety, and other related topics.

People want proven results and seek medical endorsements, certifications, and expert recommendations. Beiersdorf chief executive Vincent Warnery says, "If you look at luxury brands today, if you look at the communication, it's much less fluffy marketing. It's much more claims, data, proven efficacy." However, data-driven efficacy isn't limited to just luxury brands. According to McKinsey, 63% of consumers do not believe that premium beauty products perform better than mass products. The rise (and continued success) of "dupe culture" reflects this sentiment. Some mass brands, including The Ordinary and e.l.f., are incorporating science-backed evidence and clinical claims to challenge the notion that low prices mean low efficacy.

As beauty, health, and science converge, consumer expectations are evolving. Dermocosmetics are experiencing tremendous growth as consumers seek skin care and hair care products that address conditions typically treated by dermatologists or other health care professionals. According to Euromonitor, "With many aesthetic treatments becoming financially out of reach, beauty has emerged as an accessible and affordable substitute or complement, offering at-home solutions that help bridge the gap between professional procedures and budget-conscious consumers." Brands that invest in research, clinical trials, and substantiated claims can demonstrate proven efficacy, adding value for budget-conscious consumers.



Studio One Eleven created custom packaging for ACT/IV that balances the efficacy of science with the softness of nature, including a flip-top closure with a crisp edge that resembles the silhouette of a laboratory beaker.

Studio One Eleven developed custom packaging for dermocosmetics brand Dr Doft, utilizing a soft white for a clean, classic aesthetic.

Packaging Opportunities

Clean and “Clinical” Brand Design | Prominent & Substantiated Efficacy Claims | Certifications or Endorsements

The beauty industry moves fast.
We stay ahead of the trends so you
don't have to. Contact your local
Packaging Consultant for insights
tailored to your brand.

Summary

The Cultural Beauty Movement - Continued interest in other cultures, the influence of social media, and the global reach of e-commerce have led to the rise of the cultural beauty movement. Brands can utilize authentic, inclusive, and e-commerce-friendly packaging to capitalize on this growing trend.

A Focus on Longevity – As consumers live longer, they are focused on prevention, vitality, holistic wellness, and age positivity. Catering to aging consumers with accessible package solutions, age-positive messaging and design, and personalization can win with this older demographic.

Digital Brand Engagement – Consumer demand for unique product experiences, combined with the rise of social media, is driving the importance of digital brand engagement in the beauty industry. Buzz-worthy design, smart packaging, and unique unboxing solutions create interactive, memorable, and sharable brand engagement.

De-Mystifying Sustainability – While consumers increasingly prioritize sustainability, they don't always know how to make the most sustainable product choices. Brands can help them understand the environmental benefits of their products – and avoid greenwashing - by using sustainable packaging solutions with quantifiable benefits and sharing substantiated claims.

Proven Efficacy – Today's budget-conscious consumers are more discerning with their purchase decisions and seeking product efficacy and credibility that adds value. Clean brand design, high-performing structural design, on-pack certifications, and substantiated claims can reinforce product efficacy and build trust.





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Berlin Packaging combines the best elements of manufacturing, distribution and logistics, and value-added service providers to deliver cost-effective packaging solutions to our customers. Our mission is to improve our customers' net income through packaging products and services. We are the world's largest Hybrid Packaging Supplier®.



Best Elements of
a Manufacturer

Distribution
& Logistics

Value-Added
Specialty Services

Value-Added Specialty Services

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