

GLOBAL BEAUTY MARKET ANALYSIS & MERIT BEAUTY'S STRATEGY

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EMPOWERING DATA

METHODOLOGY & STRUCTURE

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This work was shaped through a synthesis of **data, trend analysis,** and **brand exploration,** aiming to capture the key forces currently transforming the global beauty industry. The research began by establishing the evolution of the market using *quantitative indicators* from trusted sources such as McKinsey, GlobalData, and Grand View Research. These data points were then layered with *qualitative insights* from beauty news sources and brand communications to understand how consumer expectations and aesthetic shifts are reshaping the industry.

From this synthesis, three macrotrends were identified as the most structurally impactful for today's beauty landscape: **Personalization Through AI, Clean Beauty,** and **Minimalist Beauty.** These trends were selected based on their scale, longevity, and influence on brand strategy, product design, and consumer adoption.

Merit Beauty has been selected as a case study because it exemplifies a new generation of beauty brands that successfully leverage macrotrends through a strong and consistent brand DNA. Its **minimalist product architecture, high-standard clean formulations,** and **cohesive communication strategy** allow it to build a loyal customer base rather than chasing viral trends. Observations from the *brand's website, social media presence, distribution model,* and *product positioning highlight* how these factors **collectively drive market relevance, customer satisfaction,** and **sustainable growth.**

If extended into a deeper analysis, the study would evolve to include ***consumer segmentation, competitive benchmarking within clean/minimalist beauty, pricing*** and ***assortment analysis*****,** and a deeper review of *Merit Beauty's operational model and financial structure.*

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GLOBAL BEAUTY MARKET OVERVIEW

Global beauty is shifting from volume **driven growth to value driven differentiation,** powered by **personalization, region specific momentum,** and **escalating competitive pressure on innovation** and **pricing.**

GLOBAL OVERVIEW

Following a post-pandemic rebound when the beauty industry grew by roughly **7%** annually between **2022–2024** thanks to accelerated e-commerce adoption and rising interest in skincare and self-care, the **market is now entering a steadier,** more mature phase. As post-pandemic behaviors **normalize** and saturation increases, slowing expected growth to around **5%** annually from **2025–2030,** momentum is cooling. In this environment, brands must compete through **higher-value innovation, more precise regional strategies,** and **tighter pricing discipline** to sustain relevance and growth.

Beauty and Personal Care Products Market Size Forecast 2025 - 2034 (USD Billion)*



REGIONAL OVERVIEW

ESTIMATED REGIONAL BEAUTY MARKET OUTLOOK (2024-2030)**

Middle East & Africa (MEA): ~10% CAGR, driven by halal beauty, ultra-premium products and local cultural activations.

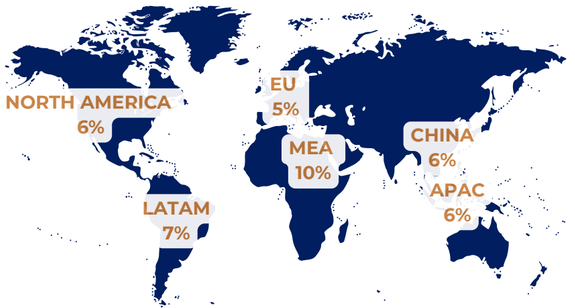
Latin America: ~7% CAGR, fueled by clean and experiential beauty created with local ingredients and supported by digital engagement. (babassu oil, papaya, and guava..)

Asia-Pacific: ~6% CAGR, growth is led by Gen Z demand, and K-/J-Beauty innovations.

China: ~6% CAGR, luxury skincare is supported by premium skincare innovation, blending botanicals and modern wellness formulations.

North America: ~6% CAGR, steady growth driven by clean, wellness-focused, and eco-conscious beauty trends.

Europe: ~4–5% CAGR, mature market with sustainability and natural product trends driving continued value growth.



As of **2024**, core categories such as **skincare (~39%), haircare (~21%), makeup (~17%),** and **fragrance (~13%)** continue to dominate the beauty market. Adjacent areas are expanding, with projected growth over the next **several years** including **sun care (~8% CAGR), wellness (~7% CAGR), men's grooming (~6% CAGR),** and **aesthetic treatments (~9% CAGR).**

*Sources: L'Oréal 2024 Beauty Market breakdown: I *Beauty and Personal Care Products Market Size to Hit USD 1,151.25 Bn by 2034, Precedence Research. I **McKinsey, State of Beauty 2025 report*

TRENDS: PERSONALIZATION THROUGH AI

HYPERPERSONALIZED TARGETING

L'Oréal-backed startup **Noli** leverages generative AI to create fully personalized beauty experiences, analyzing users' **"BeautyDNA"** through **10 million face scans and 50,000+ user reviews.** Unlike traditional AI, Noli's generative AI can produce tailored recommendations, marketing visuals, and content for each individual, combining customer data, and brand expertise to deliver customized skincare and haircare routines from brands like *Lancôme, La Roche-Posay, and CeraVe* boosting engagement and conversion rates by **up to 40%.**



PERSONALIZED PRODUCT RECOMMENDATIONS

Perfect Corp's AI tool analyzes *users' skin concerns and matches* them with brand products, creating personalized routines while reducing manual work. **As a platform serving multiple brands,** it combines skin analysis and automatic product matching, meeting the **75% of consumers** who want brands to "**remember them personally.**"



INNOVATIVE PRODUCT DEVELOPMENT

At in-**Cosmetics Global 2025, LipoTrue** showcased its AI-designed **peptide Cellaigie™,** developed to enhance **skin regeneration** by analyzing ingredient interactions and biological mechanisms. Using AI, the company reduced **Research and Development cycle** times by **up to 40%,** enabling faster, more targeted formulation, while testing combinations for optimal efficacy. This approach highlights how AI can accelerate product innovation, predict benefits, and streamline skincare development like never before.



Why It's Working

- **Precision**
- **Higher Conversion**
- **Efficiency**
- **Engagement**

Source: L'Oréal's CreAItech / Noli AI-powered beauty marketplace backed by L'Oréal I Perfect Corp's real-time AI skin analysis upgrade (2023) I LipoTrue's AI-designed peptide Cellaigi, in-Cosmetics Global 2025

TRENDS: CLEAN BEAUTY

SOURCE-TO-SHELF TRACEABILITY

Aveda uses **blockchain technology** to track its ingredient supply chain, giving each farmer a unique **QR code** that records every step from harvest to final product. Consumers can scan the code to see the full journey of **ingredients like Madagascar vanilla,** providing transparent proof of origin and meeting the growing demand for **“proof, not promises.”**



ECO-INTELLIGENT FORMATS:

Brands are moving beyond **refillability to circular, low-impact systems like lightweight concentrates, waterless formulas, and mono-material packaging. Shiseido** launched **LiquiForm** in March 2023 and expanded in May 2025, **reducing plastic by up to 56% and CO_2 emissions by ~48%,** showing how sustainable packaging can scale effectively.





EVIDENCE-BASED INGREDIENTS

Minimalist skincare emphasizes scientifically proven actives while **removing unnecessary ingredients** like **fragrances and silicones.** Brands such as **Drunk Elephant** exemplify this approach, with simplified formulas like **Protini Polypeptide Cream** showing up to 35% improvement in skin firmness in clinical tests and driving over 60% repeat purchase rates, highlighting the effectiveness of targeted, streamlined formulations.



Why It’s Working

- **Trust**
- **Transparency**
- **Compliance**
- **Loyalty**

Source: “Aveda champions transparency with beauty’s ‘largest scale’ blockchain programme” Becky Bargh, Cosmetics Business| Packaging Insights(2025) | Drunk Elephant Blog

TRENDS: MINIMALIST BEAUTY

“LESS, BUT BETTER” ROUTINES

The “**skinimalism**” trend emphasizes simplified routines with **multifunctional products.** Brands like **Dr. Jart+** combine **hydration, sun protection,** and **light coverage** in **BB and CC creams,** allowing consumers to streamline their regimens. While clinical data is limited, industry reports indicate that **30–40%** of skinimalism adopters are using fewer products, showing the growing demand for efficiency and simplicity.



FUNCTION OVER HYPE

The trend emphasizes scientifically validated, high-concentration actives over marketing claims or flashy packaging. Brands like **HBN Skincare** focus on products backed by clinical data and measurable results. **In 2024**, the brand achieved **¥7 billion** in revenue, highlighting growing consumer demand for evidence-based skincare.



EFFORTLESS AESTHETIC

Natural, **healthy-looking skin** replaces heavy coverage; hybrid skincare–makeup grows fast. Brands **Indie Lee** combines skincare benefits with subtle cosmetic effects, as seen in its **2025 Bronzing Drops,** which provide a **natural glow** while **supporting the skin barrier.**



Why It’s Working

- **Trust**
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Source: “Less is More: How Skinimalism Is Redefining Beauty Routines and Packaging” ; Global Cosmetic Industry (2025) I “BeautyHealth Releases 2024 Skintuition Report” ,BeautyHealth / Hydrafacial

MERIT BEAUTY: BRAND VISION

MERIT

BRAND HISTORY

Roots

Merit Beauty was founded by Katherine Power in 2021. Inspired by her mother's love for elegant, natural, and minimalist beauty, she created a 5-minute makeup video reflecting this aesthetic. The positive response to the video encouraged her to launch a brand celebrating effortless, intentional beauty. Launching with just seven simple, "impossible-to-mess-up" products, Merit positions itself as the opposite of complex routines: minimalist, effective, and sustainable, with cruelty-free, clean formulas at its core.

By **2023**, Merit had reached over **$100 M** in omni-channel sales. By **2024**, industry estimates put the revenue between **$100–125 M.**

STRATEGIC POSITIONING

Brand Vision

- Minimalist luxury: **"effortless beauty"** simplifying routines with a high-end feel.
- Mission: **High-quality, multitasking makeup** that is natural yet sophisticated.
- Inspired by **Scandinavian minimalism,** 90s editorials, and modern art.
- Omnichannel Experience: Builds loyalty through an omnichannel approach, **integrating online platforms** and **select retail partners** with personalized experiences and responsive service.
- 5-Minute Makeup Concept: Products designed for **quick**, **effortless application,** allowing users to achieve a **elegant look** in minutes.



TARGET AUDIENCE

Generations

- More than **50%** of its customers (2023) are aged **25–55,** showing broad appeal **across generations.**

Target Consumer Profile

- Typically **seeks minimalist, functional**, and **elegant** products that reflect a refined lifestyle.
- Chooses brands that align with **ethical** and **sustainable** practices, including **cruelty-free, environmentally conscious** options, and minimal packaging.
- Prefers **clean**, **non-toxic formulas** and **transparency** about ingredients.
- Looks for products that **simplify routines** without sacrificing **quality** or **aesthetic appeal**.

Source: "INTERVIEW: Merit Founder Katherine Power On The Minimalist Luxury Beauty Brand ..." Hamptons.com,, 2021. I "Minimalist Makeup with MERIT" — The Strategy, 2021.

MERIT'S BEAUTY: PRODUCT STRATEGY

MERIT

PRODUCT STRATEGY

Product Range

- Merit launched in early 2021 with hero products like **The Minimalist complexion stick** and **Flush Balm blush.**
- Merit has a small, tightly edited line of **~18 products**, in line with its **minimalist ethos.**
- Focus areas: **Makeup** (core), **Skincare** (1 serum, 1 Cleanser, 1 Moisturizer), and **Fragrance** (1 perfume).
- Sets like the '**Five Minute Morning Routine'** express their minimalist, routine-first approach while also encouraging **repeat purchases** and **brand loyalty.**

Pricing

- Positioned as **accessible luxury;** priced **~30% below** traditional prestige brands.
- Makeup ranges around mid-premium **($30–35)** pricing; fragrance slightly premium **($92)**.

Main Launches



INGREDIENTS & CERTIFICATIONS

Ingredient Philosophy

- **Clean, vegan, cruelty-free** formulations.
- EU-compliant standards with a strict "no-list" ingredients created with esthetician **Biba de Sousa.**
- Focus on **non-comedogenic, irritation-safe ingredients.**
- **Vegan** across the entire line.

Certifications

- **Leaping Bunny certified** (cruelty-free) since **2020**, requiring annual renewal and full supply-chain verification to ensure long-term cruelty-free practices
- **'Clean at Sephora'** standards, placing it alongside brands like Ilia and Herbivore as a trusted, safer clean-beauty option.
- Awarded by **Allure** in **2024**, highlighting its recognition and credibility in the beauty industry as a Clean Beauty.







PACKAGING & VISUAL IDENTITY

Design Style

- Minimalist, **neutral color palette** with subtle **gold accents** to convey premium feel.
- **Smooth**, **circular** packaging shapes feel soft, modern, and functional.
- **Simple typography** that reflects clarity and ease.

Sustainability

- Use of **post-consumer recycled plastic** and **FSC-certified paper.**
- **Reusable Signature Bag** included with first orders.
- Shipping materials are **recyclable or compostable.**





Source: Allure – Merit Minimalist Beauty Products Review (2021) I Financial Times – Merit: The Minimalist Beauty Brand (2023) I GCIMagazine – Merit Launches First Fragrance: Retrospect (2024) I Merit Official Website – FAQ & Product Info I Violet Artistry – Merit Beauty Review & Minimalist Products (2024) I PR Newswire – Merit Introduces Its First Fragrance Retrospect (2024)

MERIT'S BEAUTY: COMMUNICATION & DISTRIBUTION STRATEGY

MERIT

PLATFORM STRATEGY

Instagram-Focused + Experimental Balance

- Merit allocates its marketing budget evenly **per platform**, focusing on **Instagram** for **storytelling** and using **OOH, print ads.**
- **TikTok** as an **"insane bet"**: small-budget, high-risk content tested for potential viral reach, combining lo-fi visuals, **micro-influencers (<100K followers),** and lifestyle **"Get Ready With Me"** videos. This approach delivers an average **14% engagement** rate, a **strong performance** for the beauty category, and reinforces Merit's strategy of **building a long-term, recognizable brand.**
- Campaigns include nostalgic figures to engage Millennials, while also collaborating with younger creators to resonate with Gen Z. (Kelly Rutherfor, Billie Eilish)



BRAND INSTAGRAM



OOH


AMBASSADOR POST

POP-UP STRATEGY

Offline Engagement

- Events serve as both **sales** and **engagement spaces,** helping customers connect emotionally with the brand.
- Merit creates immersive pop-ups, like the **Sephora collaboration in Covent Garden in London** (April 2025) and **"Maison MERIT" in Paris** (March 2025).
- Pop-ups feature hero products like Flush Balm and Shade Slick, **quick-touch stations,** and **small experiential perks.**



POP-UP (COVENT GARDEN)



POP-UP (COVENT GARDEN)


POP-UP (MAISON MERIT)

DISTRIBUTION STRATEGY

DTC & Sephora

- DTC: Launched Jan 2021 in online website; and now **~50% of sales** from there. Offers perks like the **"Signature Bag"** and collects customer data.
- Sephora: **US Feb 2021, UK Mar 11, 2025**; nearly 400 US stores. Uses **custom pale-wood fixtures** to match Merit's minimalist Scandinavian aesthetic. Some DTC perks (Signature Bag) aren't available in-store.
- Model Insight: **~50/50** split balances DTC control with official website and retail visibility with Sephora.



MERIT BRAND-ZONE (SEPHORA)

Source: Karin Eldor, Forbes, 2023. I Cosmetics Business, 2025. I The Business of Fashion, 2025. I The Industry Beauty, 2025.

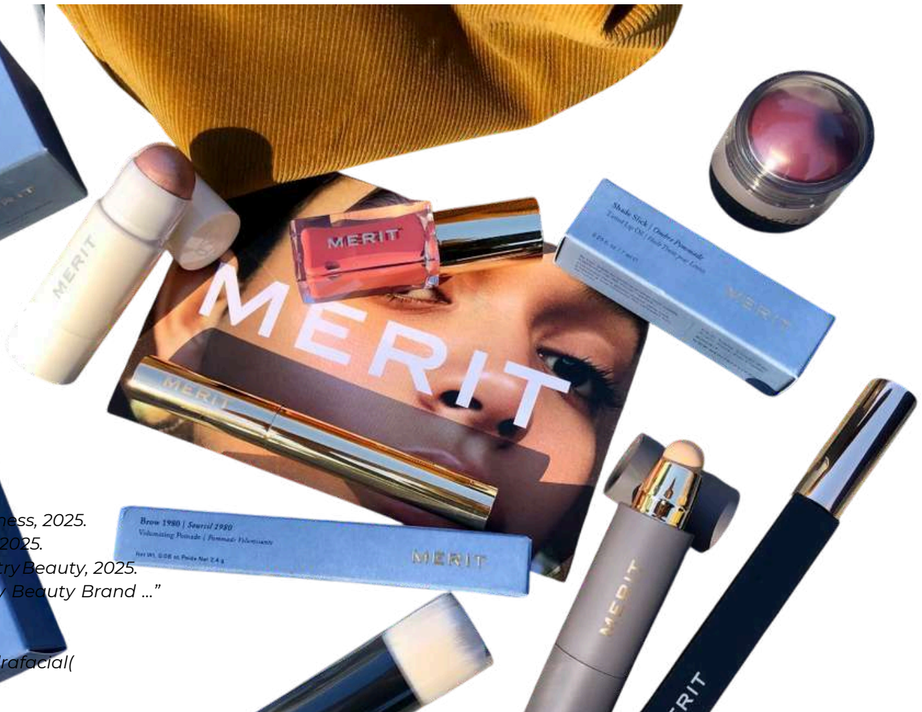
MERIT'S BEAUTY: KEY SUCCESS FACTORS & CHALLENGES

MERIT

Merit Beauty's success stems from its strong and **consistent brand DNA.** Its environmentally **conscious**, **minimal**, and **refined** approach creates aesthetic coherence across all physical touchpoints, from pop-ups to Sephora stands. On **Instagram** and **TikTok**, the brand **avoids trend-driven content** and instead adopts a **selective, curated communication** style that reinforces its identity. This cohesive and intentional positioning strengthens **customer trust and loyalty.** Many consumers first experience Merit at **Sephora**, where the **clean and minimalist visual merchandising** expresses the brand's ethos, creating a seamless online-to-offline experience.

However, the market is not yet fully stabilized. Following the post-COVID surge, **the beauty category** has become **increasingly crowded** with **new brands** and **fast-moving competitors,** many of which share similar values, adopt trends quickly, and offer broad product ranges. This intensifying landscape creates challenges for a young brand like Merit. As a result, **Merit Beauty's future** success will depend on shaping its distribution and marketing strategies staying true to its **core DNA**, enabling the brand to maintain and strengthen its position in a rapidly maturing market.





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