

# Overcoming Consumer Hesitation: Using Trusted Ingredients to Achieve Retail Success in the Premium Beauty Industry

By ClearForMe

In today's competitive market, standing out in the premium beauty industry is more challenging than ever, as consumers are becoming increasingly selective about the products they purchase. A 2022 survey found that about 61% of millennial beauty shoppers in the U.S. reported searching for specific ingredients when choosing skincare products, and around 48% of Gen X respondents said the same (Statistica 2022). As consumer knowledge grows, retailers are under greater pressure to offer products that not only meet customer expectations but also provide clear results.

One significant obstacle retailers face is consumer hesitation toward rare and unfamiliar ingredients, despite the rising demand for effective skincare solutions. The following insights address the challenges of consumer hesitation, discuss current trends, and suggest strategies for being successful in this demanding market.

## Idea in Brief

### PROBLEM

Consumers are increasingly cautious about trying skincare products with ingredients they don't recognize, making it difficult for premium beauty brands to build trust around new products and stand out in a crowded market.

### REASON

Shoppers tend to gravitate toward ingredients they know and trust, even if they're open to trying new products. Consumers are researching and relying on familiar ingredients, especially in a market where transparency is highly valued.

### SOLUTION

To build trust, meet consumer expectations, and boost sales, premium beauty brands should innovate with well-known, trusted ingredients in their products.

## Obstacle: Consumer Hesitation Toward Rare Ingredients

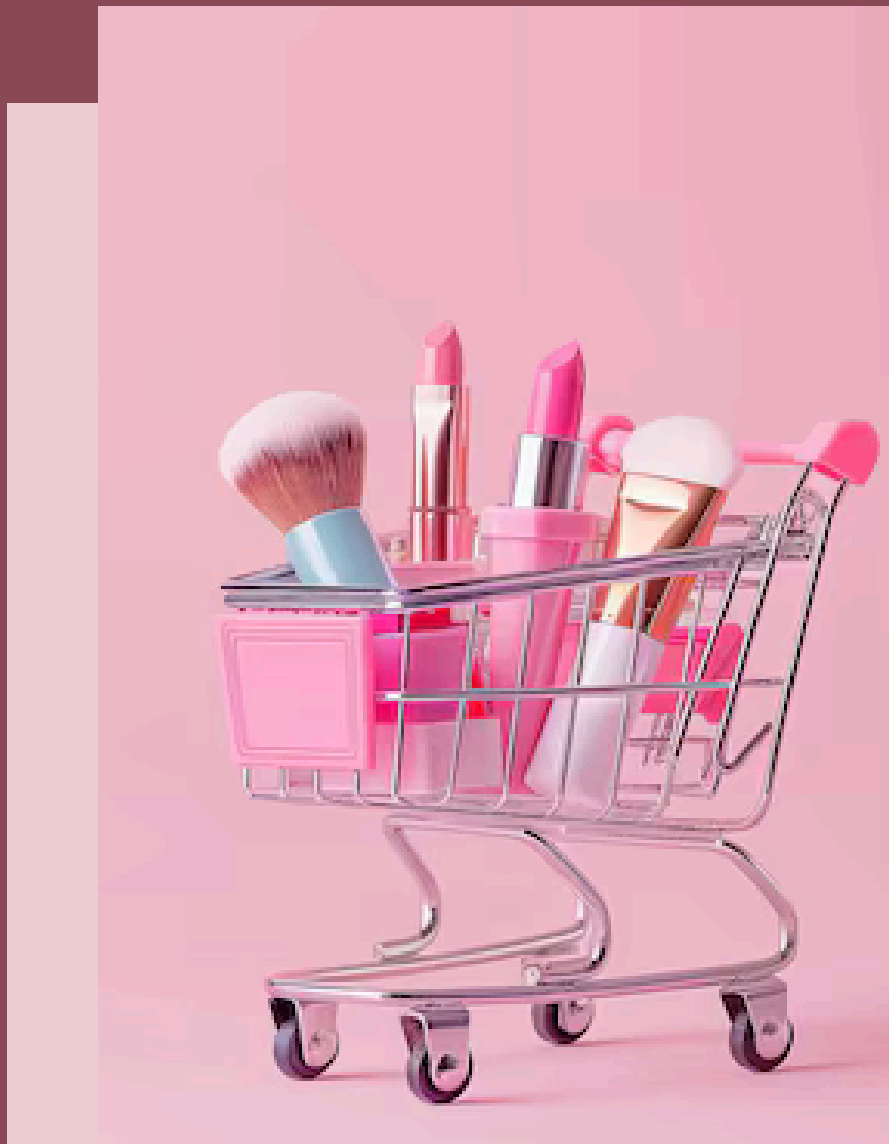
The prestige beauty sector is experiencing rapid growth, with major retailers competing for a leading position. The most pressing challenge is how to maintain a competitive edge in an increasingly crowded market filled with similar offerings. Although premium beauty customers have shown that they are willing to invest in products containing trusted active ingredients, the prevalence of certain key actives has made it difficult for products to stand out. The introduction of new skincare products is essential, yet consumers remain cautious about trying products with rare or unfamiliar ingredients.

## Insight: The Transparency Trend in Premium Beauty

With no industry standard for clean ingredients, consumers have taken it upon themselves to research and identify which ingredients will meet their needs. Internet searches for clean products have skyrocketed, and social media platforms like TikTok have become the go-to resource for information on clean beauty. Consumers are now demanding even more from their products; beyond clean labels, they also want to see effective results from their purchases. As a result, they are increasingly relying on online ingredient searches to guide their product selection and purchasing decisions. Among the most searched ingredients are:

- Retinol
- Ferulic acid
- Niacinamide
- Bakuchiol
- Sodium hyaluronate
- Glycolic acid
- Vitamin C
- Salicylic acid
- Astaxanthin
- Ceramides

As the market becomes increasingly crowded, even industry leaders are finding it challenging to compete, particularly against mass-produced products that offer popular active ingredients, like Vitamin C, at lower prices.



## Strategy: Innovate with Trusted, Well-Known Ingredients

Rather than relying on rare or unfamiliar ingredients, retailers can gain a competitive edge by focusing on innovation with ingredients that are already trusted by consumers. By improving and reimagining these popular ingredients, retailers can meet a variety of skincare needs, build customer loyalty, and encourage repeat purchases.

Innovation in skincare product actives has led to the development of newer, more effective derivatives of these familiar ingredients. These advancements give consumers the results they're looking for while also minimizing risk.

For example, retinol—a well-known active for acne, wrinkle, and pigmentation reduction—has been enhanced by a new generation of derivatives that notably improve performance. These new forms of retinol cater to different skin types and concerns, making it easier for consumers to find products that meet their needs. Some of these new derivatives include:

- **Retinyl palmitate:** The most stable form and least irritating, but less effective than others, making it ideal for younger skin.
- **Retinal:** The precursor of other forms of vitamin A and the strongest version, working faster than retinol and most effective for mature skin.
- **cis-Retinoic Acid:** Also known as isotretinoin, this is an acne treatment drug that, due to its strength and possible side effects, is available by prescription only.
- **Hydroxypinacolone Retinoate:** A relatively new version that can be used at low concentrations, offering a gentler approach.
- **Retinyl acetate:** A milder form of vitamin A than retinoic, which provides gentler effects.
- **Retinyl linoleate:** Upon contact with the skin, it converts slowly to retinol and linoleic acid, causing minimal irritation while delivering benefits.
- **Retinyl retinoate:** A molecule created by attaching retinol to retinoic acid, improving its effectiveness.
- **Adapalene:** A synthetic retinoid derived from naphthoic acid, which doesn't need to be converted to retinoic acid before it becomes active, thereby reducing side effects.

In addition to these well-established retinoids, some newer, cutting-edge versions are worth keeping an eye on:

- **Granactive Retinoid Pro+:** Offers more stability and less irritation.
- **CycloRetin:** A peptide that makes the retinol more effective.
- **Seletinoid G:** Dubbed a fourth-generation retinoid, it is a non-irritating anti-ager.





As new and improved versions of well-known ingredients continue to appear, retailers have a chance to stay ahead of the curve and offer what their customers want. By keeping up with these trends, retailers can help shape the future of the prestige beauty industry and establish themselves as leaders in the market.

Brands can minimize risk and safely innovate by enhancing the top active ingredients that consumers already trust and look for. Not only do these new derivatives work more efficiently, but brands can satisfy their customer base in the process, marking a win for both parties.

## **Achieving Lasting Success in the Premium Beauty Industry**

In an era where consumers are more informed and discerning than ever, retailers must rise to the challenge of providing effective, trustworthy skincare products. By focusing on innovation around popular and proven ingredients, retailers can differentiate themselves in a crowded market, build consumer loyalty, and secure their place in the industry. As the premium beauty industry continues to grow, those who prioritize customer needs and preferences will be best positioned to succeed.

### **Source**

Statista. "Skincare shoppers looking for specific ingredients in the U.S. 2022, by generation." 2022.

<https://www.statista.com/statistics/1334331/skincare-consumers-looking-for-specific-ingredients-us/#statisticContainer>