

Boshi Beauty Inc.

SUSTAINABLE SKINCARE TRENDS REPORT 2023:

WATERLESS 

CONSUMER RESEARCH REPORT

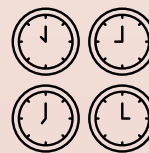


Waterless or “just add water” products have been taking the sustainable world by storm, but today, everyone from Amazon to Unilever is getting in on the trend. Mintel Market Research named “water” as one of four trends driving the beauty and personal care industry through 2025 and noted that **55%** of US consumers are “very concerned” about the environmental impacts of the brands/products they use.

With waterless products making up **23%** of the US’s personal care market, up from **12%** in 2020, entrepreneurial skincare and cosmetics companies are knocking down doors to stake their claim. Detailed research on consumer perception, however, is scant. **That’s why Bōshi Beauty, Inc. surveyed 490 consumers to find out exactly how they feel about water in skincare products, including:**



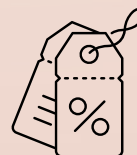
WHERE “WATERLESS” RANKS ON A PERCEIVED SUSTAINABILITY SCALE



WHY/WHEN MIGHT THEY CHOOSE WATERLESS SKINCARE



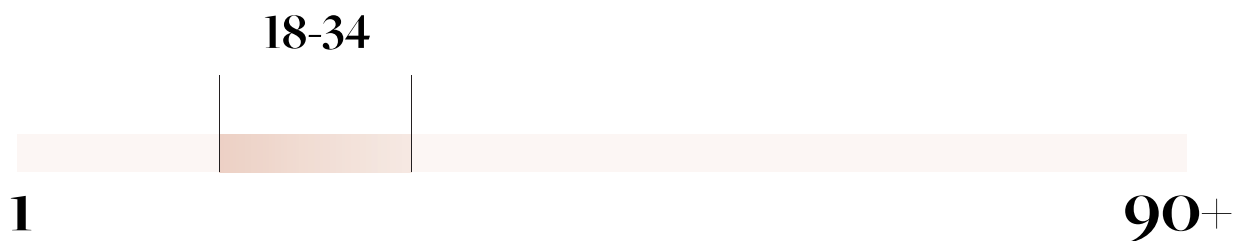
WHAT WATERLESS FORMAT IS MOST ATTRACTIVE



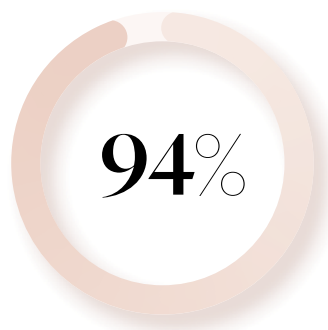
PRICE APPETITE FOR A WATERLESS PRODUCT

KEY TAKEAWAYS

Buyers want sustainable, science-based and waterless skincare products but haven't necessarily connected the dots between those features.



The ideal buyer for waterless skincare is in the 18- to 34-yr-old category, and environmental impact is a critical requirement for the products they purchase.



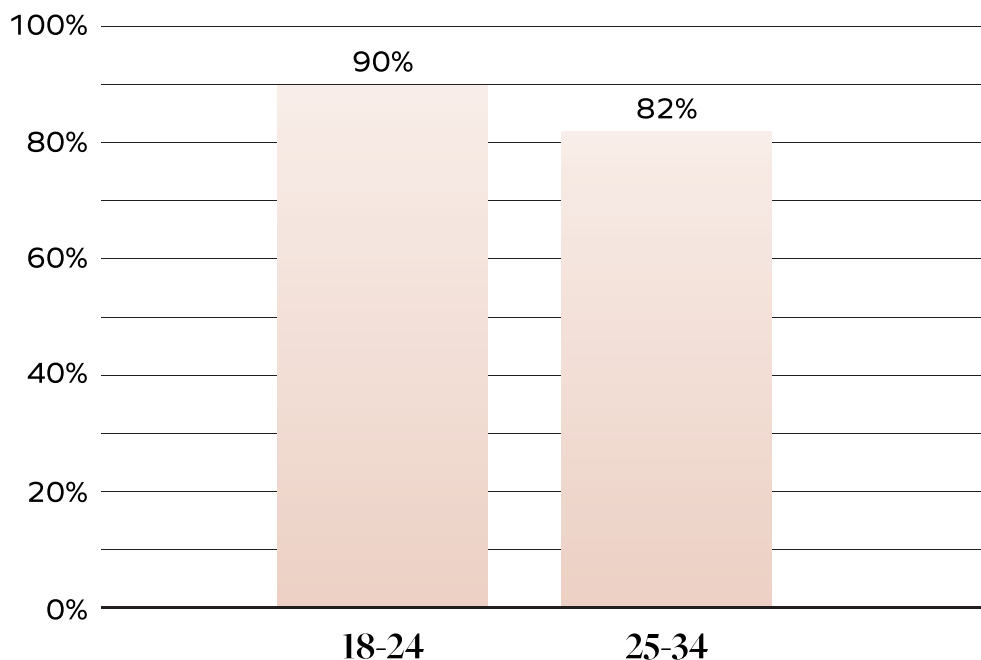
94% of these buyers are already using or plan to start using waterless skincare, and we expect they will be looking for innovations that deliver efficacy in an easy-to-use format.



And they don't mind paying more. A product that hits on all these elements could command **50%** more than an existing, non-waterless formula/format.

01: TAKING ACTION FOR THE GREATER GOOD

Environmental impact matters. With an ever-growing concern for the environment, consumers are becoming increasingly conscious of how their consumption habits are affecting the world around them. This is especially true for younger generations. Ethical concepts, once a nicety, are now a necessity, representing growing demand in the market.



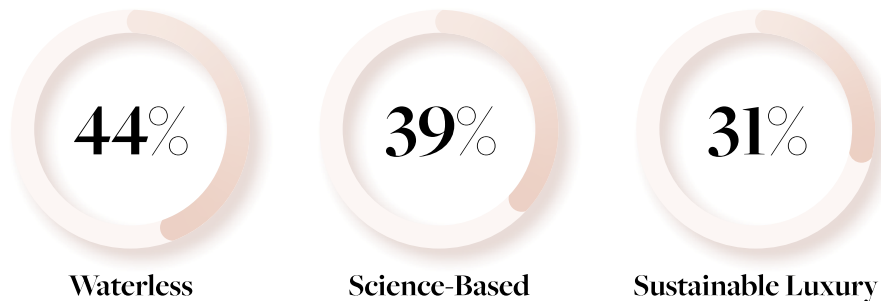
67% of consumers consider the environmental impact of skincare products at least some, if not all, of the time. And that jumps to nearly **90%** for the 18- to 24-yr-old segment and **82%** for the 25- to 34-yr-old segment.

SUSTAINABLE SKINCARE GETS SEXY (AND SCIENCE-Y)

As sustainability grows more mainstream, sustainable skincare buyers are less exclusively green and crunchy and more interested in both ecological benefits and other highly desirable characteristics like efficacy—some of which have historically been in direct opposition to sustainability.

Waterless (**44%**) is the skincare trend consumers are most excited to try. Removing water from the ingredient list allows the precious resource to be preserved for future generations to come.

The second and third most exciting trends are Science-Based (**39%**) and Sustainable Luxury (**31%**). Brands that combine these interesting elements in a single product are more likely to find success. It is no longer just about being sustainable but using scientific expertise to deliver innovative and effective skincare solutions. Or creating a product that delivers sustainability in a high-end, luxury format so consumers can feel glamorous while doing good.



WHY ECO-FRIENDLY?

Shoppers have a variety of reasons as to why they are seeking environmentally friendly skincare products. Consumers in this space appear to be more conscious about how clean the products are that touch their skin and hair, and less concerned about choosing options that are zero waste or carbon neutral.

The #1 reason consumers seek sustainable skincare products is because they are all natural. Products that offer clean ingredients are appealing because of their small, recognizable ingredient list.

Brands must consider the desires of a new generation of consumers and invest in sustainable sourcing and packaging. Generation Z is demanding better. They are demanding hard, scientific proof. Transparency ensures that companies are doing the groundwork to prove that their solutions are safe for human bodies and the planet.

02: RIDING THE WATERLESS WAVE

Waterless solutions are the future of clean skincare, and the survey results bear that out. When consumers were asked which skincare trend they were most excited to try, almost half chose Waterless. With far fewer preservatives and more concentrated ingredients, it is no wonder that waterless products are the wave of the future. Boasting benefits of sustainability adds to the case.

WATERLESS FORMATS TO WATCH

While consumers are excited about waterless skincare, it is still a relatively new concept, which means not everyone will “get” it or have the same desire to buy. There are, however, some guiding trends — formats with a lower barrier to purchase and a demographic that brands are more likely to win with.

Powder is the most familiar waterless format overall, with **41%** of respondents choosing it. Bars and Sheets are also broadly familiar.

But age also plays a significant role in how comfortable consumers are likely to be with waterless skincare products, with the ideal buyers falling in the 18- to 34-yr-old range. Nearly **60%** of 18- to 24-yr-olds are familiar with powders and **46%** are familiar with sheets. 25- to 34-yr-olds are most familiar with bars (**51%**) and powders (**50%**), with sheets only familiar to **40%**.

Older generations are less familiar with waterless skincare overall, with familiarity declining approximately **10%** for every additional decade of age.

WHY WATERLESS?

Indie brands have been leading the way promoting waterless beauty innovations, with luxury brands following, mostly focusing on the sustainability aspect. Skincare brands are being pressured to help alleviate the growing stress on our global water supply.

But shoppers may not have made the connections between waterless products and their innate sustainability. Yet.

Despite Waterless leading the pack for most exciting trends, survey respondents ranked it only 5th out of 7 when they were asked to choose the most important sustainability benefits. This suggests consumers currently choose Waterless skincare for reasons other than sustainability.

When asked directly, respondents (across all age groups) chose Easy to Use and Efficacy as the waterless skincare features they felt were most important.

03: A READY MARKET

Consumers are begging for cleaner solutions and are excited about sustainable and waterless products, in particular. Not only are they more aware of offerings and benefits, but they are also willing to pay the price. The average respondent indicated that they are currently spending \$100/month on skincare products.

The survey suggested that shoppers, on average, are willing to pay **50%** more for a waterless or water-activated version of their favorite product.

Waterless skincare products are primed to meet the desires of a changing market. These products offer solutions that will feed consumers' cravings for cleaner and more effective products.

While just **34%** of respondents overall have already used waterless skin or hair care products, almost **50%** say they plan to use them in the future.

Nearly **50%** of the 25- to 35-yr-old respondents have already used waterless products, and **44%** plan to in the future.

This represents a significant portion of the market primed and ready to buy an innovative product that combines the benefits and trends uncovered so far:



WATERLESS



SCIENCE-BASED



LUXURIOUSLY SUSTAINABLE



EASY TO USE



EFFICACIOUS

About Bōshi

Bōshi nanofiber skincare technology is a joint venture between Taiki Group and Stellenbosch Nanofiber Company — two well-established organizations with years of experience in skincare and nanofiber technology.



TaikiUSA

TaikiUSA is a private-label skincare manufacturer dedicated to helping beauty and skincare brands launch and grow. With an on-staff PhD and 30+ years of experience innovating in the skincare and beauty industry, TaikiUSA has an in-depth understanding of and focus on material science.



Stellenbosch Nanofiber Company

Stellenbosch Nanofiber Company is a South African-based manufacturer serving the biomedical and skincare industry. SNC's patented ball electrospinning technology is a high-throughput nanofiber R&D production platform that helps clients get to market faster with revolutionary concepts.

