

THE RISE OF THE BEAUTY INDUSTRY IN INDONESIA: ASSESSING ITS CONTRIBUTION TO NATIONAL ECONOMIC GROWTH

Saparuddin *¹

Universitas Negeri Jakarta, Indonesia
Email: itunk77@gmail.com

Alifah Kusumaningrum

Universitas Negeri Jakarta, Indonesia
Email: alifahkusumaningrum@unj.ac.id

Amanda Setiorini

Universitas Multimedia Nusantara, Indonesia
Email: amanda@umn.ac.id

Erika Takidah

Universitas Negeri Jakarta, Indonesia
Email: erikatakidah@unj.ac.id

Abstract

The beauty industry in Indonesia has shown very dynamic and resilient growth, especially in the last five to ten years. The surge in demand for skincare products, cosmetics, and beauty services has been driven by the digitalization trend, changes in consumer lifestyles, and increasing public awareness of skin appearance and health. This study aims to estimate the contribution of the beauty industry to national economic growth using the literature review method. This approach involves a critical review of various secondary sources, including data from the Central Statistics Agency, industry reports from the Ministry of Industry, academic studies, and publications from beauty industry associations. The results of the study show that this industry has a broad economic impact, not only through direct contributions to Gross Domestic Product, but also through job creation, increased MSME activity, strengthening local supply chains, and the development of the digital sector. The beauty industry also plays a role in increasing local product exports and strengthening cultural identity through products based on natural Indonesian ingredients. This study emphasizes the need for a targeted national strategy to optimize the potential of the beauty sector as one of the motors of creative economic growth, as well as part of a sustainable and inclusive economic transformation.

Keywords: beauty industry, national economic growth, creative economy

¹ Correspondence author

INTRODUCTION

The beauty industry in Indonesia has undergone a remarkable transformation in the last two decades. Initially viewed as a complementary or secondary sector oriented towards middle to upper class consumers, the industry has now grown rapidly into one of the driving forces of the creative economy and light manufacturing. This rapid growth is reflected in the increasing number of local products, the surge in domestic consumer demand, and the flow of investment from within and outside the country flowing into this sector. Not only in big cities, the development of the beauty industry has also reached non-metropolitan areas, demonstrating the high level of penetration and resilience of this sector in various economic conditions. This phenomenon raises important questions about the extent to which the beauty sector has contributed to national economic growth quantitatively and qualitatively (Hasrudin & Sagena, 2023). The growth trend of the Indonesian beauty industry cannot be separated from various contextual factors that also support it, such as changes in lifestyle, the growth of the middle class, the role of social media, and the entrepreneurial spirit of the younger generation (Destriyansah et al., 2023). Amidst the increasing digital penetration and the rise of e-commerce, beauty products are now much easier to access and market. Social media such as Instagram, TikTok, and YouTube have become very effective marketing tools, creating a space for direct, personal, and viral interaction between producers and consumers. This has allowed the emergence of various local brands that have successfully competed with foreign products, both in terms of quality, price, and market segmentation. Brands such as Wardah, Emina, Somethinc, and Avoskin are concrete examples of creative movements that are able to combine product innovation, consumer understanding, and mastery of digital marketing strategies. The growth of this industry also marks a paradigm shift for Indonesian consumers (Imsar et al., 2024). Beauty is no longer only associated with women and decorative cosmetics, but has encompassed a broader spectrum such as skin care, body care, fragrances, and even health-based beauty. The need for halal, environmentally friendly, and sustainable products is also increasing, along with more critical and informed consumer awareness. This preference opens up huge market opportunities, but also presents challenges in terms of regulation, certification, and quality control that are not trivial. Therefore, in examining the contribution of the beauty industry to national economic growth, it is also important to consider the quality of the

development of this industry in terms of innovation, regulatory compliance, sustainability, and creation of added value.

On the other hand, the Indonesian government has also shown interest and support for this sector through various policies. One example according to (Amrina et al., 2021) is the inclusion of the cosmetics and personal care subsector into the strategic industry category in the Making Indonesia 4.0 roadmap. This shows recognition of the great potential of the beauty industry as one of the drivers of the creativity and technology-based economy. This industry is able to create jobs at various levels, from production, distribution, logistics, digital marketing, to related professions such as make-up artists, beauty influencers, and product formulators. In addition, the beauty industry is also related to other sectors such as agriculture (herbal and organic raw materials), logistics, trade, and information technology. However, so far there is still a gap between the very dynamic beauty industry in the field and academic attention and public policy towards its macroeconomic contribution. Many studies focus on marketing, consumer behavior, or branding aspects, but relatively few examine the broader economic impacts, such as job creation, contribution to GDP, increased exports, and business capital turnover. The absence of comprehensive and structured data on this sector is also a challenge in itself (Masood & Zaidi, 2021). In fact, this information is important in formulating national industrial policies, especially in facing the challenges of regional competition in the ASEAN Economic Community era and the potential for globalization of local Indonesian brands.

The rise of the beauty industry is also inseparable from the influence of cultural globalization and digital industrialization. Rapidly changing global trends also influence local tastes, so local producers are required to be adaptive in creating products that not only suit domestic market preferences but are also able to compete in the international market. Globalization also presents great opportunities in the form of exports of local beauty products to various countries, including Southeast Asia, the Middle East, and even the Western market. This opportunity must of course be accompanied by efforts to improve production standards, international certification, and strengthen brand competitiveness. If managed properly, the Indonesian beauty industry has the potential to become a major player in the regional and even global markets, like South Korea which has been successful with the Korean beauty (K-beauty) phenomenon.

In the midst of economic recovery after the COVID-19 pandemic, the beauty industry has shown high resilience. Despite experiencing a decline at

the beginning of the pandemic, this sector quickly recovered and transformed through adjustments to distribution strategies and strengthening digital channels. Online sales actually increased, and consumers became more accustomed to purchasing beauty products online. This rapid adaptation to change is proof that the Indonesian beauty industry is not only growing quantitatively, but also has high flexibility and innovation in facing disruption. This aspect is important to analyze further because it shows the industry's resilience in supporting national economic stability (Ardi et al., 2024).

Based on the above explanation, there is a need to conduct a comprehensive and systematic study on how the beauty industry in Indonesia grows and contributes to national economic growth. This study is important not only from an academic perspective, but also as a basis for formulating public policies, industrial strategies, and cross-sector collaborative efforts. By estimating the contribution of the beauty industry on a macro scale, it is hoped that patterns and indicators will be found that show that this sector is not just a sweetener in the economic structure, but rather one of the backbones that should be taken into account in the national development strategy.

Methodologically, this study will approach the problem from the perspective of the creative economy, the growth of the light manufacturing industry, and the dynamics of the domestic market. This approach allows for a cross-disciplinary analysis, covering social, economic, and cultural aspects that are integrated in the beauty industry. Contribution to GDP, employment, export value, and influence on other supporting sectors will be used as the main indicators in assessing the role of the beauty industry in the national economy. Thus, the results of this study are expected to provide a more complete picture of the strategic position of the beauty industry, as well as open up new discourses in mapping the leading sectors of the Indonesian economy today and in the future.

In addition, it is also important to examine how government regulations, investment ecosystems, and trade policies can support or hinder the development of the beauty industry. Challenges such as protection of local products, eradication of illegal products, quality standardization, and bureaucracy in licensing are important issues that must be examined critically. A targeted policy can encourage the growth of this industry in a healthy, competitive, and sustainable manner. Therefore, policy analysis will be an integral part of this study, with the aim of providing policy recommendations that are data-based and relevant to the needs of the industry. More than just

numbers and statistics, this study also aims to capture the social dynamics that arise from the growth of the beauty industry. Because, behind the rise of new products and brands, there are major changes in consumption patterns, self-representation, and cultural identities that are also shaped and reshaped by this industry. These aspects are important to understand because they show that the beauty industry plays a role not only as an economic entity, but also as an agent of social and cultural change in modern Indonesian society. By examining the beauty industry from these various dimensions, this study is expected to provide theoretical and practical contributions in understanding the role of this sector in the context of national economic development.

RESEARCH METHOD

The research on "The Rise of the Beauty Industry in Indonesia: Estimating Its Contribution to National Economic Growth" uses the literature review method as the main approach. This method was chosen because it allows researchers to examine various secondary sources such as scientific journals, industry reports, statistical data from official institutions, and analytical articles that are relevant to the development of the beauty industry in Indonesia. This literature review is descriptive-analytical in nature with the aim of compiling a comprehensive understanding of the dynamics of the growth of the beauty industry and its relationship to various sectors of the national economy.

The data collection process was carried out through a systematic search of literature published in the last ten years, with a focus on quantitative and qualitative data that discuss the contribution of the cosmetics, skincare, and beauty services sectors to Gross Domestic Product, job creation, and the growth of MSMEs in this sector. The literature analyzed also includes reports from government institutions such as the Central Statistics Agency, the Ministry of Industry, and international institutions such as Euromonitor or Statista that provide global and regional insights. In addition, this study integrates the theory of industrial sector economics and the inclusive economic development approach to describe the economic impact more comprehensively.

Data analysis was conducted thematically by grouping findings based on the contribution variables of the beauty industry, such as the value of beauty product exports and imports, labor absorption, and investment development. Researchers also compared the growth of the beauty industry with other sectors to identify its strategic position in the national economic structure.

The results of this literature review are expected to provide a strong argumentative basis for proposing a policy for developing the beauty industry as a leading sector in Indonesia's national economic development agenda in the future.

RESULT AND DISCUSSION

The Development of the Beauty Industry in Indonesia

The growth in the number of local business actors and products in the Indonesian beauty industry is one of the economic phenomena that reflects the creative dynamics and entrepreneurial spirit of the community. In the last decade, there has been a significant surge in the number of local beauty brands emerging in the market. The main driving factors for this phenomenon are the increasingly low barriers to entry into the industry through innovation in production technology, the availability of quality local raw materials, and increasing public awareness of the importance of care products that suit local skin characteristics. In addition, the existence of business incubators, startup funding programs, and support from the government and the private sector encourage the emergence of young entrepreneurs who are interested in developing products based on local wisdom with global standards. Many local brands are not only able to compete in the national market, but have also succeeded in penetrating the export market, showing that Indonesian beauty products are highly competitive in terms of quality, packaging, and the values they uphold such as sustainability and halal (J. Kim et al., 2013). This phenomenon cannot be separated from the major role of social media, e-commerce platforms, and the presence of beauty influencers. Social media such as Instagram, TikTok, and YouTube have revolutionized the way consumers get to know, choose, and buy beauty products.

Traditional marketing that used to rely heavily on television or print media advertising has now been replaced by creative content that is personal, real-time, and interactive. Beauty influencers act as a liaison between brands and consumers, offering reviews that are considered more honest and relatable than formal advertising. They build credibility through the authenticity of product usage experiences shared visually and narratively, shaping public perception of the brand directly. Meanwhile, e-commerce platforms such as Tokopedia, Shopee, and Sociolla provide extensive and efficient distribution channels, allowing even small business owners to reach consumers across the country. E-commerce also opens up opportunities for consumers to explore a variety of product choices with complete price

comparisons, reviews, and specifications, accelerating the purchasing decision-making process (Rachman, 2024). The combination of these digital advances and the dynamics of society's social life has also driven the development of beauty trends and significant changes in consumer behavior. Consumers are now increasingly smart, critical, and selective in choosing beauty products (Herdyanti & Mansoor, 2020). They no longer only consider price or packaging, but also the quality of ingredients, scientific claims, and ethical values inherent in a brand, such as cruelty-free, environmentally friendly, and partisanship towards certain social issues. This requires manufacturers to continuously innovate in the formulation, branding, and communication of their products. Beauty trends are also increasingly diverse, following changing lifestyle preferences. For example, the minimalist trend in skincare, the glass skin trend from South Korea, the clean beauty trend from Europe, and the trend of using local ingredients such as jicama, turmeric, or moringa leaves from Indonesia itself. These changing trends not only affect the types of products developed, but also the way products are positioned and marketed to various demographic segments (Nagara & Nurhajati, 2022).

Indonesian consumers are now increasingly prioritizing products that deliver real results, have added value, and represent their identity. This change is especially evident among millennials and Gen Z who are very active on social media and make aesthetic experiences an important part of their daily lives. They not only use beauty products for functional purposes, but also as self-expression and lifestyle statements (Salsabila et al., 2025). This creates a great opportunity for local brands to develop strong and authentic narratives around their products. Often, these narratives raise themes of women's empowerment, skin color diversity, or the preservation of traditional ingredients, which are then well-received by consumers because they reflect the values they hold (Pribadi & Sila, 2023). The dynamics that occur in the Indonesian beauty industry show that this sector is no longer merely a part of a lifestyle, but has become a strategic sector that contributes significantly to the national economy. The increasing number of small and medium enterprises (SMEs) in the cosmetics and personal care sector expands the creative industry base, creates jobs, and encourages the creation of an inclusive business ecosystem (Putri et al., 2023). With the synergy between digital technology, product innovation, and understanding of local consumer characteristics, the Indonesian beauty industry has great potential to continue to grow and play an important role in sustainable economic growth.

Economic Contribution of the Beauty Industry

The beauty industry in Indonesia has experienced very significant growth in the last decade. Changes in people's consumption patterns, increasing awareness of self-care, and the influence of social media and popular culture have accelerated the expansion of this sector (Turcu & Brancu, 2023). In a macroeconomic context, the beauty industry has shown an increasingly significant contribution to Indonesia's Gross Domestic Product. This is not only reflected in the added value generated by the cosmetics and personal care manufacturing sector, but also from the supply chain that follows it, from raw material production, packaging, distribution, to marketing. Data from the Central Statistics Agency and the Ministry of Industry show that the cosmetics subsector is included in the category of non-oil and gas manufacturing industries that have above-average growth. In recent years, the growth of this industry has even rivaled other traditional sectors such as textiles and food and beverages. The beauty industry's contribution to GDP comes not only from production volume and export value, but also from product innovation and differentiation that drives up selling prices and increases added value.

Many local manufacturers are now able to produce high-quality cosmetics at competitive prices, which not only meet the needs of the domestic market but also penetrate the international market. This certainly has an impact on strengthening the domestic economic structure because it reduces dependence on imported products and creates an economic multiplier effect through the involvement of various related sectors. In addition, the growth of high domestic demand makes this industry one of the pillars of household consumption growth, the largest component in Indonesia's GDP structure. When consumption of beauty products continues to increase, this industry also makes a positive contribution to overall national economic growth. Another very prominent impact of the beauty industry is its ability to create jobs. This industry is classified as labor-intensive, especially in the production, packaging, marketing, and distribution processes. Not only does it absorb formal workers in factories and company headquarters, this sector also absorbs millions of informal workers such as sales agents, beauty influencers, makeup artists, and retail workers in salons and cosmetic stores. This creates new economic opportunities, especially for women and young age groups who dominate the labor market in this sector. The beauty industry is also a fertile ground for new entrepreneurs, especially in the form of micro, small, and medium enterprises (MSMEs). Many MSME players start businesses

in this sector with limited capital but are able to grow rapidly thanks to digital platforms and social media-based marketing strategies.

The direct selling, dropshipping, and reseller business models also strengthen the position of MSMEs as an important foundation in the beauty industry ecosystem (Turcu et al., 2025). The government is also aware of the strategic role of MSMEs in this sector and has begun to provide various facilities, ranging from business licensing, training, access to financing, to fiscal incentives (Lee et al., 2013). Several business incubation and product development programs have also encouraged the birth of competitive local brands. The involvement of MSMEs in the beauty industry not only expands the production base but also becomes a medium for community-based economic empowerment and local wisdom. Many local beauty products use natural ingredients typical of Indonesia, such as aloe vera, roses, coffee, turmeric, and jicama, which support the development of community agriculture and the domestic herbal industry. This creates a symbiotic relationship between the agricultural, tourism, and creative industry sectors, which ultimately expands the economic impact across sectors. The ability of MSMEs to respond to dynamic market tastes, as well as their closeness to consumers, makes them a strong and adaptive growth engine.

In terms of exports and foreign investment, the Indonesian beauty industry shows very bright prospects. Global demand for natural and halal personal care products continues to increase, and Indonesia has great potential to take a strategic position in this market. Local brands are starting to be able to compete in the regional markets of Southeast Asia, the Middle East, and Africa, by offering competitive advantages in the form of halal certification, sustainability, and product innovation. Exports of Indonesian beauty products have also shown a positive trend from year to year, with increasing export value and diversification of destination markets. The government, through various trade missions and international cooperation, is also actively promoting the beauty industry as part of economic diplomacy (Osipova & Kazmina, 2023). In addition to exports, the beauty industry is also a magnet for foreign direct investment. Many multinational companies are interested in investing in Indonesia, either to build factories, distribution centers, or licensing cooperation with local brands. Factors such as large domestic market growth, potential skilled labor, and government policy support make Indonesia a strategic location for the expansion of the beauty industry. Foreign investment not only brings in capital, but also technology transfer, increased production capacity, and standardization of product

quality. This has a positive impact on the competitiveness of local industries and strengthens Indonesia's integration into the global supply chain (Shin, 2023). In addition, collaboration between foreign investors and local players can also produce product innovations that are more adaptive to consumer needs, both in the national and international markets.

By looking at the various aspects above, it can be concluded that the beauty industry plays a very important role in the national economy. Its contribution to GDP, job creation and MSMEs, as well as its performance in exports and foreign investment show that this sector is no longer just a lifestyle industry, but has become a strategic and sustainable economic pillar (Sudibyo & Boros, 2024). Therefore, more progressive policies are needed to support the growth of the beauty industry, both through strengthening regulations, increasing competitiveness, and facilitating market access. Only with a comprehensive and collaborative approach between the government, business actors, and the community can the Indonesian beauty industry continue to grow and provide optimal contributions to national economic development.

Prospects and Strategies for Strengthening the National Beauty Industry

The beauty industry in Indonesia is currently experiencing significant growth, not only in terms of the number of business actors, but also in terms of quality, sustainability, and innovation. One of the important milestones in supporting the sustainability of this industry is the focus on innovation and research on local raw materials. Indonesia is known as a country rich in biodiversity, which includes various types of plants, spices, and natural ingredients that have the potential to become the main components in beauty products. This potential encourages the need for continuous research to identify, develop, and utilize this natural wealth optimally and responsibly. Several universities and research institutions have been involved in the development of formulas based on local ingredients such as coconut oil, aloe vera, ginger, bengkoang, and coffee beans. Through a scientific approach, these ingredients are tested and developed to comply with global safety and effectiveness standards, so that they can compete with imported ingredients that have so far dominated the national cosmetics market ("RESEARCH ON THE MARKETING STRATEGY OF DOMESTIC BEAUTY INDUSTRY FROM THE PERSPECTIVE OF DIGITAL ECONOMY," 2024). Research development is not only focused on the formulation aspect of active ingredients, but also targets improving extraction techniques, production efficiency, and utilizing waste

into derivative products. This process supports the principles of sustainability and local added value, and helps reduce dependence on imported raw materials. In addition, with in-depth research, industry players can be more confident in marketing products with scientifically verified claims, which ultimately increases the credibility and competitiveness of products in local and international markets (Pawar & Pawar, 2023). The government has an important role in this regard, especially in facilitating research infrastructure support, providing grant funds, and synergies between academics, industry, and government institutions to ensure that research results can be implemented commercially. In the context of increasing competitiveness, Indonesian beauty products need to be directed to not only prioritize function and aesthetics, but also a strong local identity. Branding is one of the crucial elements that must be strengthened in order to position Indonesian products as the main choice amidst the dominance of global brands. Local identity can be expressed through cultural narratives, stories of the origin of ingredients, packaging designs that highlight traditional motifs, and marketing approaches that highlight Indonesia's uniqueness. Today's consumers, especially the younger generation, tend to choose products that have deeper meaning, including sustainability values, local community involvement, and positive social impacts. Therefore, strengthening branding must be in line with these values, not merely following momentary trends (E et al., 2016).

Efforts to build a strong local brand require consistency in terms of product quality, service, and honest and relevant brand communication. The use of social media and digital marketing strategies also play an important role in conveying brand messages to a wider market. In this case, collaboration with beauty influencers, involvement of consumer communities, and strengthening the image through product certification such as halal, BPOM, and organic certificates are strategic elements that must continue to be developed. Competitiveness will also increase if local products are able to show performance that is equal to or even better than imported products, with competitive prices and added value in terms of sustainability and support for the local economy.

To realize this innovation and competitiveness, a solid and sustainable cross-sector collaboration strategy is needed. The beauty industry is not a stand-alone sector, but is closely connected to the agriculture, health, technology, education, and tourism sectors. Therefore, collaboration between government, business actors, academics, communities, and the media is very important. The government can act as a facilitator of policies and incentives,

while the private sector can develop innovation and market distribution (Jayarathne, 2024). The academic world plays a role in research and development of science, while the community and media become mouthpieces in disseminating information and education to the public.

Collaboration can be realized in the form of research partnerships between universities and the cosmetics industry, the development of local-based beauty business incubators, and training and mentoring for MSMEs to be able to compete globally. A collaborative approach also allows for technology transfer from research institutions to business actors, so that the results of innovation do not just stop in the laboratory, but can be applied in real terms and have an economic impact. In the long term, this collaboration can create a sustainable, inclusive, and highly competitive beauty industry ecosystem. Indonesia has all the basic capital to become a major player in the global beauty industry, and with integrated cross-sector synergy, this vision is not impossible to achieve. By strengthening the foundation of locally-based innovation, building authentic and proud brands, and establishing strategic collaborations between various stakeholders, the Indonesian beauty industry can play a significant role in national economic growth. More than just a product, this industry reflects the spirit of creativity, independence, and national identity that continues to grow on the world stage (Y.-J. Kim et al., 2021). Many natural raw materials that have high potential to be used as basic ingredients for cosmetics actually come from remote or rural areas, such as spices from Maluku, candlenut oil from Sulawesi, and herbal plants from Kalimantan and Papua. Therefore, the success of innovation in the Indonesian beauty industry is not only determined by the technological aspect, but also by the extent to which industry players can build a fair and sustainable supply chain, which actively involves farmers and local raw material producers. By involving them as part of the industrial ecosystem, not only will the welfare of rural communities increase, but also the guarantee of the availability of quality raw materials will be better maintained.

The aspect of traceability or traceability of the origin of materials is also an added value that is highly appreciated in the global market which increasingly demands transparency and business ethics. Research into local raw materials can also be directed at the development of cosmetics based on biodiversity that is typical of Indonesia. In this context, the development of bioactives from endemic plants or materials that have not been widely explored internationally can differentiate local products from foreign products. For example, the potential of plants such as torch ginger flowers,

moringa leaves, and Papuan ant nests have high bioactive content that has the potential to be developed as antioxidants, anti-inflammatories, or even anti-aging. This approach requires close collaboration between biotechnology, pharmaceutical, and cosmetic experts to produce science-based innovations that can be registered as national or even international patents. Strengthening intellectual property rights from the results of this research is also an important step so that the results of innovation are not taken over by outsiders, but become the pride of the nation and a source of foreign exchange. In addition to production and raw material aspects, the strategy for increasing competitiveness is also very much determined by the ability of business actors to understand and respond to global market trends. Currently, the trends of clean beauty, sustainable beauty, and inclusive beauty are increasingly gaining a place in the hearts of global consumers. Products that are free from hazardous materials, not tested on animals, are environmentally friendly, and support gender and skin color diversity are becoming more sought after. This is a great opportunity for Indonesian beauty products to design innovations that are in line with these values, considering that Indonesian natural ingredients have historically been used in environmentally friendly and holistic beauty rituals. Thus, not only scientific aspects, but also cultural values can be raised in the positioning and branding strategy of local beauty products, making them unique and authentic.

Branding strategies also need to consider a strong storytelling approach. Packaging product narratives that touch on the emotional and social aspects of consumers has proven to be more effective in building consumer loyalty and engagement. For example, by telling the origin of ingredients from female farmers in the interior of Sulawesi, or how the proceeds from product sales are used to empower local communities. Stories like these, if packaged honestly and attractively, can build an emotional connection between consumers and products, which not only strengthens the brand but also creates a real social impact. The application of digital technology, such as locally based e-commerce platforms, mobile applications, and consumer analytics, is also an important weapon in building brand awareness widely and quickly. Within the framework of cross-sector collaboration, the tourism and creative economy sectors can also be involved to expand the market share of local beauty products. Integrating beauty products into culturally based tourism packages or traditional spas, for example, can be an effective direct marketing strategy. Foreign tourists who come to Indonesia and experience firsthand the use of local natural products in traditional beauty services will

more easily become loyal consumers or even indirect distributors when they return to their home countries. In the long term, this strengthens the export of Indonesian beauty products which are not only product-based, but also experience-based and cultural. The government through the relevant ministries can provide facilitation in the form of training, joint promotion, and the preparation of regulations that support this integration systematically.

Overall, the Indonesian beauty industry ecosystem is heading towards a new era that is more inclusive, sustainable, and highly competitive. The combination of scientific research on local biodiversity, authentic branding strategies that touch cultural values, and strategic cross-sector collaboration are the main pillars in creating a national beauty industry that is not only a source of local pride, but also an important player in the global market. The challenge lies in consistency, coordination between stakeholders, and the ability to continuously adapt to market dynamics. However, with a spirit of mutual cooperation and a commitment to local values, the Indonesian beauty industry has a great opportunity to continue to grow as a strategic creative economic driver for the nation.

CONCLUSION

The rise of the beauty industry in Indonesia shows that this sector has undergone a significant transformation and has succeeded in becoming one of the drivers of national economic growth. The rapid growth of local business actors, the increase in the number of domestic products, and the wide market penetration through digital platforms are indications that the beauty industry is no longer just focused on aesthetic aspects, but has become a real economic force. In addition, the high market response to global and local beauty trends shows the industry's strong adaptability to changes in consumer behavior.

The contribution of the beauty industry to the national economy is also reflected in the creation of jobs, both in the production, distribution, and marketing sectors. The large number of MSMEs entering this industry encourages economic inclusion and has a positive impact on reducing unemployment rates, especially among women and the younger generation. Not only that, this industry also plays a role in increasing the value of non-oil and gas exports, attracting foreign investment, and encouraging the development of supporting industries such as logistics, packaging, and raw materials.

Overall, the rise of the beauty industry in Indonesia has become a phenomenon that cannot be ignored in the discourse on national economic development. The combination of local innovation, government regulatory support, and the use of digital technology are the keys to its success. With a strategy to strengthen the industrial ecosystem, develop research and innovation, and collaborate across sectors, the Indonesian beauty industry has the potential to become a sustainable leading sector and contribute significantly to the future economic structure.

REFERENCES

- Amrina, U., Hidayatno, A., & Zagloel, T. Y. M. (2021). A Model-Based Strategy for Developing Sustainable Cosmetics Small and Medium Industries with System Dynamics. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(4), Article 4. <https://doi.org/10.3390/joitmc7040225>
- Ardi, R., Putri, T. A., & Izzati, S. N. (2024). Risk assessment on cosmetic industry supply chain using DEMATEL based ANP. *AIP Conference Proceedings*, 3215(1), 090002. <https://doi.org/10.1063/5.0236897>
- Destriyansah, W., Imsar, I., & Harahap, M. I. (2023). Analysis of the Influence of the Halal Industry on Indonesia's Economic Growth. *Wiga: Jurnal Penelitian Ilmu Ekonomi*, 13(2), 232–245. <https://doi.org/10.30741/wiga.v13i2.1117>
- E, T., H, A., & Y, A. (2016). Health and Beauty Cosmeceuticals Industry and Market Expansion in Saudi Arabia. *Pharmaceutical Regulatory Affairs: Open Access*, 05(02). <https://doi.org/10.4172/2167-7689.1000172>
- Hasrudin, T., & Sagena, U. (2023). The Role of Indonesian Government Policy in Shaping the Competitive Landscape of the Southeast Asian Beauty Industry. *Research Horizon*, 3(4), Article 4.
- Herdyanti, L. Q., & Mansoor, A. Z. (2020). Analysing Opportunity for New Established Acne Focused Skincare Brand in Indonesian Beauty Industry. *European Journal of Business and Management Research*, 5(2), Article 2. <https://doi.org/10.24018/ejbmr.2020.5.2.272>
- Imsar, I., Nurhayati, N., Harahap, I., & Silalahi, P. R. (2024). The Impact Of The Halal Industry And Islamic Financial Assets On Indonesia's Economic Growth Using The Vector Autoregression (VAR) Approach. *Ekuitas: Jurnal Ekonomi Dan Keuangan*, 8(2), Article 2.
- Jayarathne, S. (2024). *The Evolution of the Beauty Industry: A theoretical study exploring the evolution of beauty from ancient Egypt to the present (2024) focusing on the recent changes in technology and sustainability in the beauty industry* [fi=AMK-opinnäytetyö|sv=YH-examensarbete|en=Bachelor's thesis]. <http://www.theseus.fi/handle/10024/873097>

- Kim, J., Han, W., Kim, D., & Paramita, W. (2013). Is beauty in the eye of the beholder? Gender and beauty in the cosmetics sector. *Marketing Intelligence & Planning*, 31(2), 127–140. <https://doi.org/10.1108/02634501311312035>
- Kim, Y.-J., Lee, J.-H., Lee, S.-G., & Lee, H.-H. (2021). Developing Sustainable Competitive Strategies in the Beauty Service Industry: A SWOT-AHP Approach. *Sustainability*, 13(19), Article 19. <https://doi.org/10.3390/su131910852>
- Lee, Y.-B., Jin, Y., & Bae, K.-H. (2013). The Analysis of Economic Contribution of Beauty Industry by Input-Output Table. *The Journal of the Korea Contents Association*, 13(12), 945–956. <https://doi.org/10.5392/JKCA.2013.13.12.945>
- Masood, A., & Zaidi, A. (2021). Empowerment of SME's sustainability in halal cosmetics' ecosystem by diagnosing growth constraints. *Journal of Islamic Marketing*, 14(2), 622–644. <https://doi.org/10.1108/JIMA-12-2020-0371>
- Nagara, M. R. N. D., & Nurhajati, L. (2022). The Construction and Adoption of Beauty Standard by Youth Female as the Consumer of K-Beauty Products in Indonesia. *Jurnal Riset Komunikasi (JURKOM)*, 5(2), Article 2. <https://doi.org/10.38194/jurkom.v5i2.543>
- Osipova, Y., & Kazmina, L. (2023). Small Business of Beauty Industry as a Factor in Sustainable Development of Rural Areas in Russian Regions. In A. Beskopylny, M. Shamtsyan, & V. Artiukh (Eds.), *XV International Scientific Conference "INTERAGROMASH 2022"* (pp. 1413–1423). Springer International Publishing. https://doi.org/10.1007/978-3-031-21219-2_158
- Pawar, P. A., & Pawar, A. (2023). CRAFTING EFFECTIVE MARKETING STRATEGIES FOR GLOBAL SUCCESS IN THE BEAUTY AND COSMETIC INDUSTRY. *IJO -International Journal of Business Management (E:ISSN 2811-2504) (P.ISSN: 2384-5961)*, 6(12), Article 12.
- Pribadi, Y., & Sila, M. A. (2023). Intertwining Beauty and Piety: Cosmetics, Beauty Treatments, and Halāl Lifestyle in Urban Indonesia. *Ulumuna*, 27(1), 33–64. <https://doi.org/10.20414/ujis.v27i1.588>
- Putri, W. L., Putri, L. G. S., & Siscawati, M. (2023). The Beauty Myth, Cosmetics Industry, and Instagram. 568–580. https://doi.org/10.2991/978-2-38476-058-9_44
- Rachman, N. T. (2024). NAVIGATING BEAUTY TRENDS: AN ANALYSIS OF INFLUENCER MARKETING STRATEGIES IN THE INDONESIAN BEAUTY INDUSTRY AND HOW IT IMPACTS PURCHASING DECISION FINAL PROJECT. RESEARCH ON THE MARKETING STRATEGY OF DOMESTIC BEAUTY INDUSTRY FROM THE PERSPECTIVE OF DIGITAL ECONOMY. (2024). *Trends in Social Sciences and Humanities Research*, 2(4). <https://doi.org/10.61784/tsshr3014>

- Salsabila, N. V., Berliana, S. A., & Yunus, E. N. (2025). The Implementation of Sustainable Supply Chain in The Beauty and Personal Care Industry in Indonesia: The Natural Resource-Based View. *Journal of Emerging Business Management and Entrepreneurship Studies*, 5(1), Article 1. <https://doi.org/10.34149/jebmes.v5i1.180>
- Shin, E.-J. (2023). The Role of Retail Beauty Workers to Enhance Green Supply Chain Management in the Beauty Industry. *Journal of Distribution Science*, 21(10), 97–107. <https://doi.org/10.15722/jds.21.10.202310.97>
- Sudibyo, N., & Boros, A. (2024). Technological Transformation on Consumer Behavior: A Review of the Beauty Industry. *Acta Carolus Robertus*, 14(1), Article 1. <https://doi.org/10.33032/acr.5242>
- Turcu, O., & Brancu, C. (2023). The Impact of the Beauty Industry on the Economic Growth at the European Union Level. *Proceedings of the International Conference on Business Excellence*, 17(1), 468–474. <https://doi.org/10.2478/picbe-2023-0045>
- Turcu, O., Brancu, C., & Busu, C. (2025). The Beauty Boom: Analyzing the Socio-Economic Contribution of the Beauty Industry to the European Union. In M. Busu (Ed.), *Smart Solutions for a Sustainable Future* (pp. 403–412). Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-78179-7_24