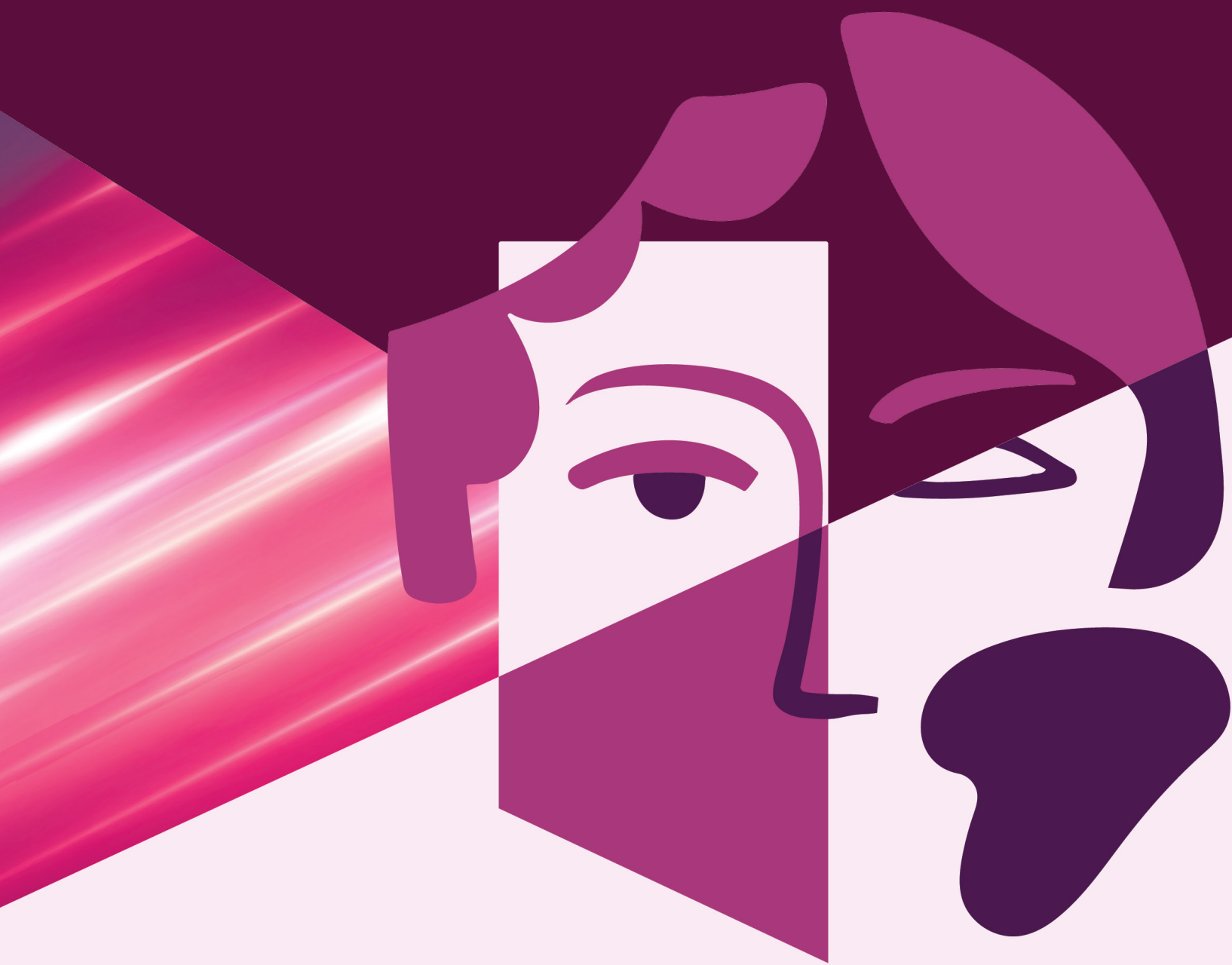


2025 Consumer Sentiment Index | Beauty

# Age of Admission

From self to shelf: Understanding the radically honest, totally optimized beauty x health x wellness consumer





# Letter from the editors

We're amid a vibe shift—and beauty looks way different than it ever has before.

We aren't concealing our routines; we're posting them on social. We aren't lying about getting work done; we're giving referrals to our plastics. We aren't publicly ignoring menopause; we're asking for a fan during hot flashes. We've entered the "Age of Admission."

There has been a fundamental change in the makeup of the consumer psyche, and the Consumer Sentiment Index is the tool we use to understand this shift. We surveyed 5,293 beauty consumers to scope their changing needs and wants—and to ensure our clients know what it takes to serve, surprise, and stick with them.

The data revealed six industry-defining trends: the Consumer PhD, the wellness flex, the loyalty experience, the new power influencers, the problem with discovery, and the fully loaded value equation. We'll unpack these in the report, and show you the headline data points (p6), but here's a cheat sheet ...

For years, beauty was confined to the bathroom—today, it's in your bedroom, kitchen, and gym. Oh, and it includes health and wellness, too, as consumers have self-educated and self-matriculated as Consumer PhDs—a new class of elite shoppers demanding pharmacological efficacy and holistic solutions (p8).

This dynamic enables beauty, health, and wellness to bring subcultures to the mainstage. Take the life-tracking and bio-hacking phenom among men; it defined 2025 and has instructive lessons about men's communication patterns that could (finally) help move the needle for male beauty (p10).

Miscommunication between brands and their customers comes to the fore when we look at loyalty. It's no longer driving purchases, but it does have an important role in the experiential play (p12).

Without loyalty as our rudder, we've turned to mega-influencers. For a while, they gave us safety, security, and direction ... until the gen pop figured out how much they were getting paid. With Gen Z sniffing out posts that should have a #sponsored disclosure, many have turned to peers and professionals for guidance (p14).

There are some winners at digital discovery—Sephora's online creator storefronts could become as valuable as its trending-product gondolas—but most retailers have struggled to make the scroll as meaningful as the stroll. They fail to tap into the underlying psychological need for play, missing that the medium is simply the playground (p 16).

The price of the game is the other big moving piece—the kaleidoscope has re-focused on fully loaded value. It's an even more complicated and individuated conundrum companies have long been trying to untangle: how Consumer PhDs determine value (p18).

Our role with this research is to make sense of the change and forecast where it's headed next. This report will guide you through the disrupted beauty x health x wellness industry (p4), dive deep into our themes, talk about the retailers ranking highest with consumers (p22), and tell you what to do next.

Let's talk results. It's time for a new protocol.

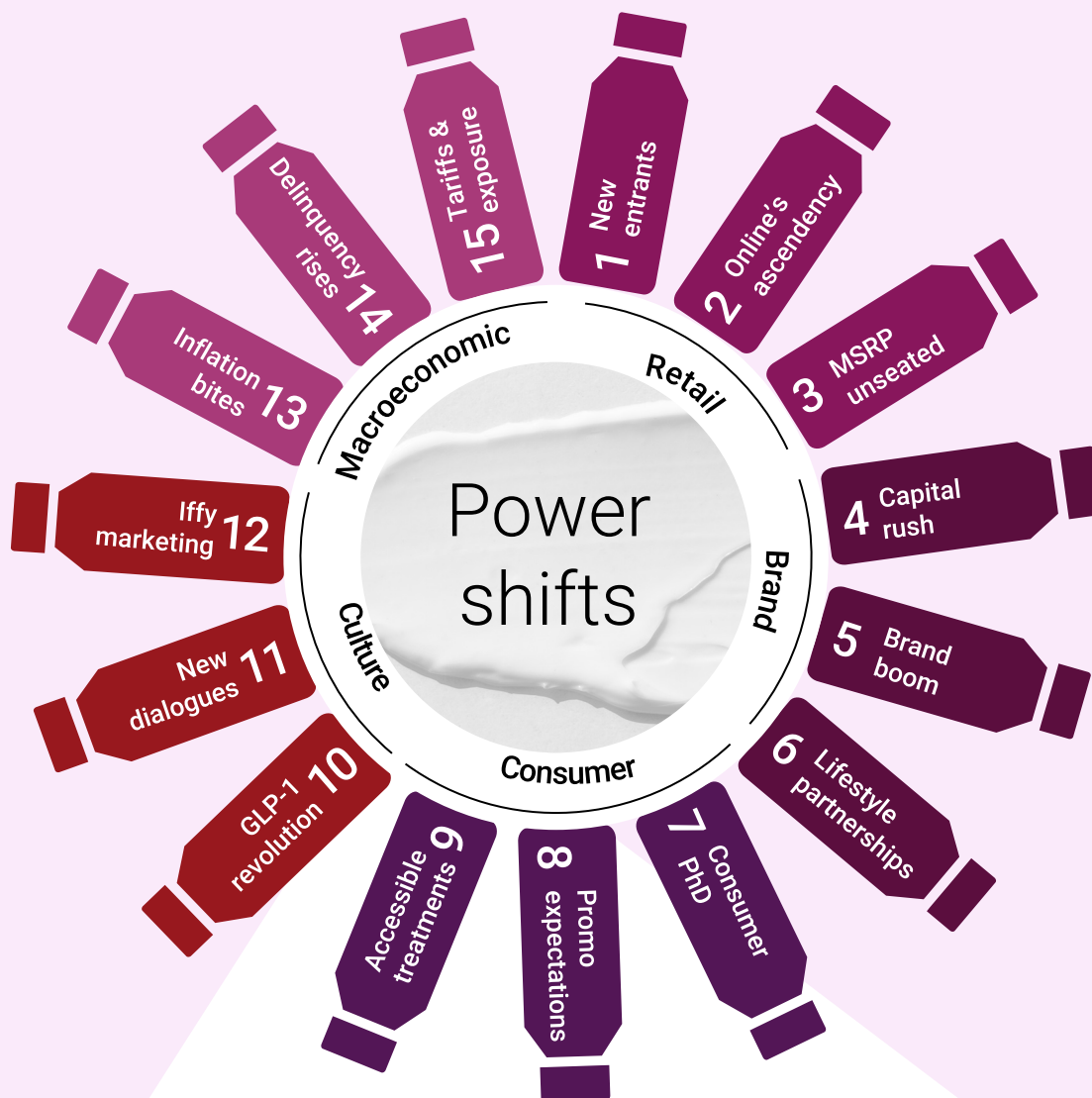
Lindy Firstenberg

Catherine Nekavand

# Beauty, disrupted

In the beauty, health, and wellness market, disruptive forces are pushing brands and retailers to rethink formerly sacrosanct practices and establish new norms.

From consumer behaviors to macro conditions, it requires a new playbook—retailers can't wing it through this shift.



## Retail

1

More retailers entering—often ones that can afford to subsidize categories + leverage non-sellable assets

2

Digital natives (Amazon, FullScript, TikTok Shop) continue to increase their share

3

Historically a non-negotiable, MSRP is being dethroned by competitive, dynamic pricing

## Brand

4

More investors are allocating funds to the industry, waking up sleepy subsectors and creating new ones

5

More capital and lower entry barriers have caused a brand proliferation, making differentiation tougher in a crowded field

6

Brands go beyond traditional "collab" partners to reach consumers at habitual touchpoints, embedding themselves in consumers' lifestyles

## Consumer

7

Greater self-educated consumer demand for medical-grade ingredients, proof of efficacy, and holistic beauty x health x wellness plays

8

Consumers have been trained to expect promotions and often won't bite without them, leading to a negative cycle compressing margins

9

The blurring of the surgery/treatment boundary has brought medical-grade beauty to the masses and changed budget allocations

## Culture

10

A watershed weight-loss moment bringing new needs and wants as people overhaul their lives and vanities

11

Formerly taboo topics—vaginal care, "hole care," and sperm care—make headlines as new solutions hit the marketplace

12

Increased scrutiny puts mediated marketing (deceptive concentration of ingredients, controlled trials, before-and-afters etc.) to the test

## Macroeconomics

13

Demand for non-essentials shrinks in inflationary environments; however, sports, beauty, and wellness are proving more resilient

14

There is no more paying it forward on delinquencies; consumers carry student loans, mortgages, and credit card balances

15

Cost-transfer game sees companies balance brand power, demand elasticity, and other dynamics to determine who absorbs incremental costs, including consumers.

# Your readout is ready



1

## The Consumer PHD

A new breed of self-educated, self-matriculated Consumer PhDs has emerged and is asking for an **integrated, efficacious beauty x health x wellness protocol**

**76%**

want to purchase personal care and wellness with their beauty products

**77%**

say ingredient and benefit information is important to purchase

**#4 & #5**

ranked specialty beauty destinations are spas and doctor/derm offices

+ Optimize assortments for holistic programs + growth

+ Strengthen brand partnerships for profit + relevance

## The wellness flex

**Health and wellness have successfully infiltrated the male psyche**, tapping into experience and brand resonance—gains beauty can draw from to finally win men

Men value the beauty shopping experience

**13% more**

than women

Men value brand resonance

**63% more**

than women

**77%**

of men (+16pps vs. women) shopped monobrand stores in the past 6 months



2

+ Optimize assortments for holistic programs + growth

+ Strengthen brand partnerships for profit + relevance



3

## The loyalty experience

Loyalty looks less like emotional connection and more like isolated conveniences; **though it doesn't drive purchase, loyalty powerfully enhances the experience**

Product availability is

**+40%**

more important than loyalty in driving purchase

**7%**

say a loyalty program they feel connected to is most important value driver

**#2 driver**

of overall consumer experience is loyalty

+ Elevate experience via man-centric engagement

+ Monetize loyalty via momentum maps

# ... the diagnosis and the Rx

## The new power influencers

As mega-influencer trustworthiness declines, so does their earned media value; **consumers seek authentic reccos from peers, professionals, and micro-influencers**

Influencer relationships  
**rank last**  
in consumer purchase  
motivators

**26%**

say they do not trust  
influencers at all<sup>1</sup>

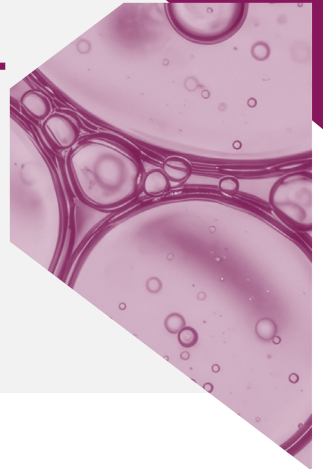
**73%**

of consumers say  
ratings and reviews are  
an important online driver

+ Maximize marketing ROI  
with precise reallocation

+ Reinforce brand identity  
with experiential storytelling

4



5

## The problem with discovery

**Consumers seek a playful, nouveau digital discovery experience of newness**, not another digital replication of in-store—discovery is play, the medium is the playground

**80%** of Gen Z and

**90%** of Millennials  
shopped beauty  
via social in past  
year

**#1**

purchase driver in  
monobrand and specialty  
is access to new  
brands/products

**74%**

of online and social  
consumers find it  
important to have access  
to new brands

+ Expand digital discovery  
and channel reach

+ Deploy AI-driven  
discovery engines

## The fully loaded value equation

There's a divergence of price and value; **consumers evaluate products via a fully loaded cost mental model**—an equation that goes well beyond price

**#1**

pricing factor  
is price consistency

**68%**

believe brands exploit  
them with dynamic  
pricing strategies<sup>2</sup>

**42%**

would even pay more  
if price stability were  
guaranteed<sup>3</sup>

+ Enable value analytics  
for pricing architecture

+ Know the fully loaded value;  
what lies beyond price

6



# The Consumer PhD is the new FDA

Beauty consumer approval comes down to efficacy accompanied by a strong health and wellness play

## Our beauty brief

### A new breed of self-educated and self-matriculated “Consumer PhDs” has emerged.

They are asking more than ever of beauty: an integrated beauty x health x wellness protocol and heightened, science-backed efficaciousness.

Consumers no longer shop for beauty; they shop for “self-care”—everything from topicals, infusions, injectables, and ingestibles to tools, wearables, therapies, and trainings. What used to be a clear-cut sector is now one with seemingly no boundaries as consumers shop for holistic programs—ones that treat and elevate the body from the inside-out and outside-in. Retailers and brands cannot simply aim to own the bathroom—they must own the bedroom, kitchen, and gym, too.

Additionally, consumers are no longer basing their purchase decisions on “Millennial” packaging, vague claims, or celebrity endorsements, but on hard science. The Consumer PhD knows the difference between exosomes, peptides, and growth factors—and is asking to be engaged on such a level. With this shift, pharmacology and medical-grade products are being brought to the Land of the Consumer by popular demand.

The integration of beauty, health, and wellness, and the rise of the Consumer PhD are inextricably linked, and the overlap defines how players win in this space. Gen Z and Millennials in particular prioritize retailers that offer beauty, health, and wellness, while Gen X and Boomers anchor on detailed ingredient transparency.

## By the numbers



### The 'beautification' of health and wellness has created a convergence

The U.S. personal beauty, health, and wellness market is forecast to hit \$320 billion by 2026.<sup>1</sup> Some categories are leading the growth charge, with beauty supplements (nutricosmetics) growing at +8% CAGR through 2030 and med spas at +15% CAGR.<sup>2</sup>



### Consumers demand comprehensive cross-category shopping experiences and programs

76% of consumers want beauty retailers to also offer personal care and wellness products, highlighting demand for one-stop self-care. 77% value wide assortment breadth (even higher—above 80%—in drug & mass), making variety essential to delivering holistic beauty x health x wellness programs.



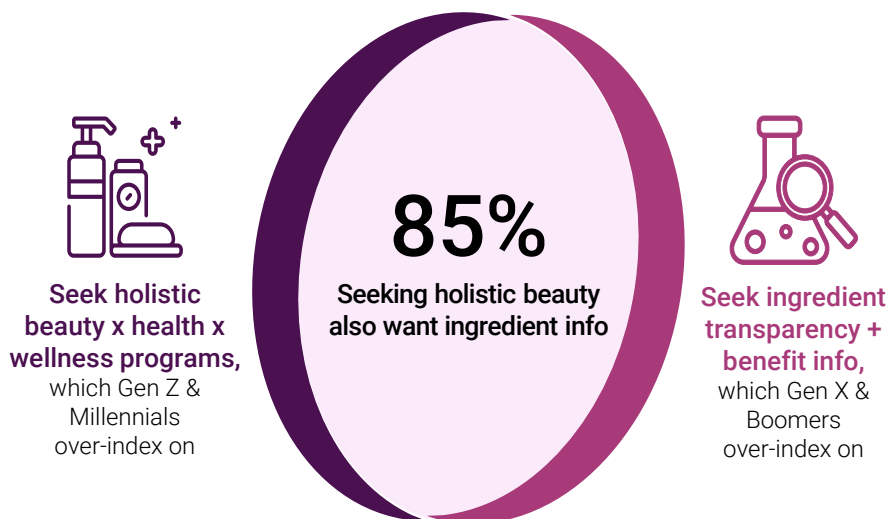
### Self-education is on the rise as consumers demand higher efficacy, greater transparency, and rigorous science

77% of consumers say ingredient and benefit information is important to purchase decisions—ranking more important than “clean” claims. Consumers are increasingly buying products through med spas/salons and doctor/derm offices, which now rank #4 and #5 among specialty beauty destinations.

## The consumer PhD

# Beauty's house has welcomed health and wellness

Overlap of consumers seeking to shop for beauty, health, and wellness holistically and be informed about product ingredients



## Our reccos

### Optimize assortments for holistic programs + growth

Curate holistic assortments spanning beauty, health, and wellness. Apply AI/ML to model category trade-offs and optimize product discovery pages (PDPs), delivering the ingredient and benefit education consumers expect to drive relevance, conversion, and margin.

### Strengthen brand partnerships for profit + relevance

Reconceptualize negotiations to programmatically strengthen partnerships, and secure margin, product exclusives, and trade support while enabling brand success through data-driven feedback, productivity support, and investment in launches—a complex reset requiring scale, leverage, discipline.

## Powerful protocols

### Detox Market

Sets the gold standard for clean beauty and wellness with a transparent “Banned Ingredients List”—each exclusion clearly justified—and an ultra-selective curation process that accepts under 2% of brands. Its community-driven consultations and educational resources empower savvy consumers to craft personalized detox protocols that integrate beauty, health, and wellness (incl. nutrition) seamlessly.<sup>3</sup>

### Clean Market

Ranked #3 in specialty by Gen Z, Clean Market is a functional wellness center offering medically backed, customized treatments (nutrition IV drips, lymphatic drainage, infrared saunas) as well as products (wellness, health, nutrition, beauty) to curate holistic programs guided by health professionals. The company also partners with Matchaful Cafés to provide botanical nutrition.<sup>4</sup>



Two principles apply: First, there is no beauty industry—it's beauty, health, and wellness. These are inextricably linked. Second, we can't call them 'customers' anymore—they're Consumer PhDs and deserve such respect. If they can talk the talk on exosomes, peptides, and growth factors, we can meet them there.



**Lindy Firstenberg**

Co-Leader in Beauty, Health, Wellness practice

# Wellness is the new flex

Men over-index on health and wellness optimization as male beauty lags behind in identity resonance and brand experience

## Our beauty brief

Sundays are no longer just for football and beers; instead, think breathwork to regulate CO<sub>2</sub>/O<sub>2</sub> balance, intermittent fasting to boost metabolic flexibility, and cold plunging to kickstart thermogenesis.

Health and wellness offerings have successfully infiltrated the male psyche, creating an ideology around data-driven biohacking that Consumer PhDs fondly call “longevity optimization.”

This looks like experimentation with performance supplementation, wearables, and protocols—and has permeated men’s podcasts, Discord channels, and hangs. Beauty, on the other hand, has not been embedded in the male performance-hacking and life-tracking mentality, despite servicing the same optimization subculture. In part, this is because men’s partners have long been the ones to purchase their beauty topicals, wipes, and washes.

As a result, retailers and brands don’t always communicate with the men they design product for. So it is not surprising to find that brand resonance and identity matter significantly more to men than the product itself when considering purchase. Men seek brands that align with their lifestyle, humor, and cultural references—not those of their partner. The success of Dude Wipes (“wipes for everyday sh\*tuations”) and Laurel Bath House (“stop putting junk on your junk”) in part comes down to those brands speaking to men in their language—a lesson with wider-reaching applications for a new experience-focused optimizer.

Male health and wellness habits are typically experiential, performative, and action-oriented. And men have the same expectations for their beauty products. The experience is much more important to men than women (who care more about product). Winners in this category align the investment of time—on supplementing nutraceuticals, tracking wearables, observing protocols, and applying topicals—with the ultimate ROI: longevity. The ultimate winners in the post-GMC, post-Hims wellness Thunderdome are yet to be determined.

## By the numbers



### The shopping experience is more important to men than women

Men value the beauty shopping experience 13% more than women, with its importance to men rising 18% YOY. Discovery is also rooted in experience: 70% of men who find products online want to see them in-store, compared to 40% of women.



### Men value connection with a brand’s identity more than women

Men value brand resonance 63% more than women, especially in monobrand settings where belonging is reinforced. Reflecting this, 77% of men shopped beauty at monobrand stores in the past six months, compared to just 61% of women— suggesting potential for monobranders to capitalize on identities that are either not targeted or not captured by multi-brand retailers.



### Male skincare could be the bridge from health and wellness to beauty

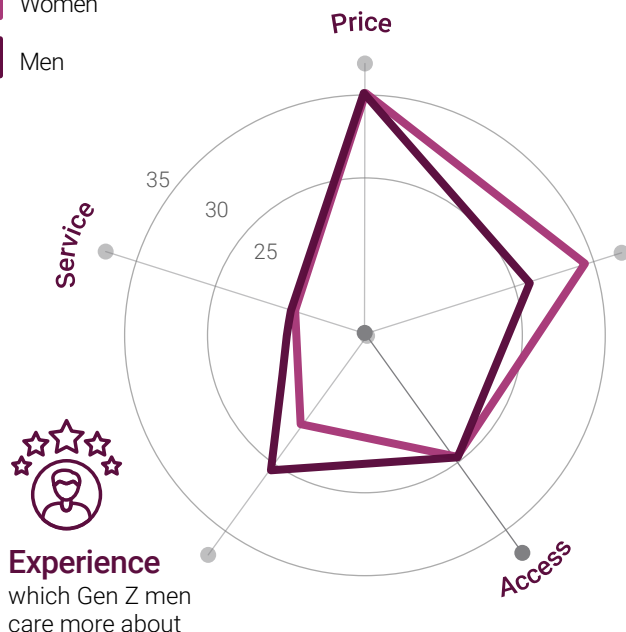
52% of men now use facial skincare, up from just 31% in 2022, signaling rapid adoption.<sup>1</sup> At the same time, 60% of men who previously purchased personal care products have switched brands due to ingredient concerns uncovered through self-education.<sup>2</sup>

## The wellness flex

# She's about product, he's interested in experience

Consumer importance of pillars that drive purchase decision for Gen Z men vs. Gen Z women, Scale: 0-5

- Women
- Men



**Product**  
which Gen Z women care more about



**Experience**  
which Gen Z men care more about

## Our reccos

### Unlock new male categories via CLV-driven strategy

Use AI-driven consumer insights and advanced customer lifetime value (CLV) models to glean and segment male and other shopping motivations and behaviors. Analyze successful gateway and segue products to define strategies to target desirable customers, maximizing CLV.

### Elevate experience via man-centric engagement

Design brand experiences beyond the aisle that align with the biohacking lifestyle and optimization mindset. Reimagine a man's customer journey from his perspective, not his partner's, and tailor it to deepen understanding, reinforce trust and reestablish connection—driving bigger baskets and higher repeat.

## Powerful protocols

### Kiehl's

Stands out for combining self-care with performance-driven, identity-aligned offerings, personalized skin diagnostics, data-backed biohacking regimens, and longevity-focused formulations. In-store skin assessments, bespoke treatment plans with progress tracking, "Grooming Lab" workshops, and a partnership with Life Time has turned routine grooming into a biohacking optimization ritual.<sup>3</sup>

### Aesop

Excels at engaging the modern male consumer by transforming retail into an immersive self-optimization journey with boutiques that double as serene labs for fragrance-forward formulations, ritualized product exploration, and science-driven skincare in a calm, sensory environment. Bespoke consultations and tactile workshops curate personalized grooming rituals that marry performance with experiential self-care.<sup>4</sup>



Conventional wisdom says that men don't buy beauty products (their partners do), but companies that buy into that myth are leaving a huge CLV on the table. They're also missing the bigger implication for personalization in the age of optimization: brands that can speak to consumers in their niche dialect can differentiate.



### Catherine Nekavand

Co-Leader in Beauty, Health, Wellness and Luxury practices

# 'Loyalty' is an ode to revenues past

It helps to zhuzh the customer experience, but doesn't drive purchase

## Our beauty brief

### Loyalty isn't dead; it's hiding under a weighted blanket with a jade roller.

In the 2000s, loyalty looked like showing up to your favorite brand's counter at Saks and getting a full face of makeup. In the 2010s, loyalty meant shopping exclusively from Ulta or Sephora to rack up points. In the 2020s, loyalty has been sidelined as the industry has grown (subsuming adjacent categories), fragmented (splitting share with new retailer entrants), and flipped (fueling indie vs. strategic battles).

Today, loyalty looks less like emotional connection and more like isolated conveniences—going to Amazon for two-day free shipping, Target for protein powders and prestige brands, and TikTok Shop for instantaneous purchase post-discovery. Truthfully, the concept of retailer or brand loyalty can feel like an ode to beauty's past.

To combat loyalty's downward spiral, brands have (somewhat unsuccessfully) leaned on tiered points programs, educational programming, behind-the-scenes content, and peer community building. The latest and greatest attempt to rekindle loyalty is the monobrand store.

Beauty brands with strong balance sheets are bringing consumers out from under their weighted blankets and leveraging stores in an effort to capture hearts, minds, and repeat purchases through storytelling. Tom Ford has joined a list of other prestige and luxury brands in opening dedicated beauty boutiques (think Le Labo, Kiehl's, MAC, Chanel, Dior, and Aesop). Conversely, brands from complementary categories (with their own store fleet) are leveraging the loyalty they do have to parlay that into beauty—think Louis Vuitton and Gap.

Too many substitutes abound for loyalty to drive purchases today. However, loyalty is a significant enhancer of the experience—to create brand resonance and retention (rather than immediate purchase). Until we see another reinvention of loyalty, it serves as a method of connectivity more than cash.

## By the numbers



### Loyalty in beauty has been on a downward trajectory for years

Beauty brand loyalty has dropped 20% in just two years,<sup>1</sup> underscoring weakening ties between consumers and brands. In general, on Amazon, 90% of purchases are unbranded,<sup>2</sup> showing that convenience and price often outweigh traditional loyalty.



### Existing loyalty programs are not driving purchase behavior

Product availability is 40% more important than loyalty programs in driving purchase decisions, highlighting reliability—not loyalty—as the primary trigger. Just 7% of consumers say a loyalty program they feel connected to is their most important experience driver.



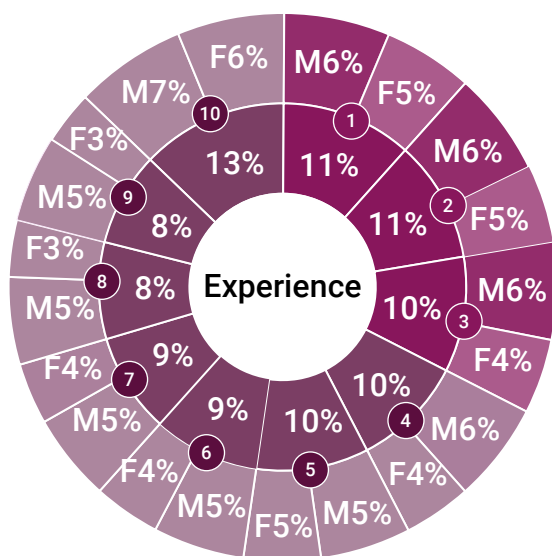
### Experience anchors on loyalty, which can serve as an amplifier

Loyalty now functions as the #2 driver of overall consumer experience, signaling its role as an amplifier rather than a purchase trigger. Easy loyalty program tracking ranks as the #1 experience driver across all consumers.

## The loyalty experience

# Loyalty is a small piece of the customer compact

Relative importance of loyalty programs within the experience pillar in driving consumer purchase decision



32% of the consumer shopping experience is shaped around  
**Loyalty programs...**

- 1 tracking
- 2 connection
- 3 centralized buy
- 4 Retailer brand
- 5 Ratings & reviews
- 6 Product help
- 7 Personalized ads
- 8 Staff connection
- 9 Influencer collabs
- 10 Buying convenience

## Our reccos

### Reinvent the loyalty program, full stop

Shift loyalty programs away from the convenient discount death spiral to experience-led, identity-resonating ecosystems centered on personalization, exclusivity, and recognition. Use financial and consumer insights to measure ROI, a reinvention demanding deep data insights.

### Monetize loyalty via momentum maps

Leverage loyalty as a marketing platform, using a "momentum map" to plan brand exposure and monetize customer data by offering insights to beauty partners. Layer in premium plays like a beauty pass subscription for early access and convenience.

## Powerful protocols

### Sephora

Consumers ranked Sephora #1 in specialty; a place where the Beauty Insider program transforms points into immersive, relationship-building moments. From exclusive educational offerings—Rouge-only masterclasses, one-on-one custom makeovers, and virtual workshops—to intimate social events like private in-store celebrations, brand activation evenings, and meet-and-greets with beauty founders, the program creates emotional connections.<sup>3</sup>

### Le Labo

An immersive experience, Le Labo ranked #5 for monobrand among high-income consumers (\$150,000 p.a.), and has transformed its boutiques into sensory "labs" where guests explore manifesto-inspired fragrances tied to time and place. They are guided through a Proust Questionnaire-driven dialogue to craft bespoke blends, deepening the emotional connection. The refill program reinforces loyalty and ritual continuity—customers return to any lab or online for discounted refills via a personalized ceremony.<sup>4</sup>



Brands are overinvested in loyalty program expense and liability without seeing measurable gains in customer frequency or average spend. Those leveraging loyalty data effectively are producing incremental gains by creating personalized and differentiated consumer experiences.



### Jim Umberger

Leader in Marketing practice, focused on retention and loyalty

# Mega-influencers are getting 86'd

Customers value authenticity above all, prioritizing trust and community when looking for product recommendations

## Our beauty brief

### We've swung too far with influencers.

Airbrushed skin, golden hour filters, and expensive shoots are being dislodged by naked pores, bathroom lighting, and backseat touch-ups. Consumers are scrolling by polished paid partnerships and ads to pause on micro-influencer testimonials and try-ons.

Gen Z—the first generation of digital natives—has led the charge toward authenticity, developing parasocial connections to influencers and, in turn, demanding honesty and vulnerability. They didn't grow up yearning for the unattainable fantasy in glossy magazines. Gen Z knows when lashes aren't real, and they're unwilling to suspend disbelief. For them, authenticity looks like embracing breakouts with a Hero Cosmetics Starface selfie; for older generations, it looks like real talk and a #sponsored disclosure.

As such, consumers of all ages want authenticity, not aspirational content; and paid mega-influencers do not telegraph authenticity to the discerning social native. This trend is amplified by the rise of the Consumer PhD, who is working to de-stigmatize topics such as vaginal care, butt care, and sperm care.

Informed consumers seeking honesty, advice, and solutions for both mainstream and formerly taboo topics have created a new set of needs to feel understood: peer-to-peer validation and identity; brand resonance. The former has resulted in a (very) strong emphasis on reviews and testimonials, creating the need for emotional connection with content creators. The latter translates to a focus on the ethos of a brand or retailer—a company's purpose cannot be skin deep anymore.

To illustrate the difference, a 44-year-old customer does not want a retinol review by a 21-year-old mega-influencer; she wants someone over 50 telling her what works, or a doctor posting a video that explains the science behind a brand formulated for mature skin. This approach is efficacious: the top over-50 influencers deliver among the highest earned media value (EMV). It's simple: parasocial pays.

## By the numbers



### Consumers want authenticity, not mega-influencers

Influencer relationships rank last in consumer purchase motivators, with only 57% considering them important. Trust is also low: just 5% of consumers trust influencers completely, while 26% say they do not trust them at all.<sup>1</sup>



### Over-investment in influencer spend has reduced marketing efficiency

Beauty selling and marketing budgets grew at a 14% CAGR from 2021-2024<sup>2</sup>—but higher spend on paid partnerships often delivered limited ROI. At the same time, earned media value on Instagram beauty and influencer accounts fell 28% in Q1 2025 versus 2024.<sup>3</sup>



### Ratings, reviews, and customer resonance are dominant forces behind consumer purchase decisions

73% of online and social consumers say ratings and reviews are an important driver of purchase decisions. Brand identity resonance is also rising sharply, with the share of consumers valuing it "very important" jumping from 23% in 2024 to 36% in 2025.

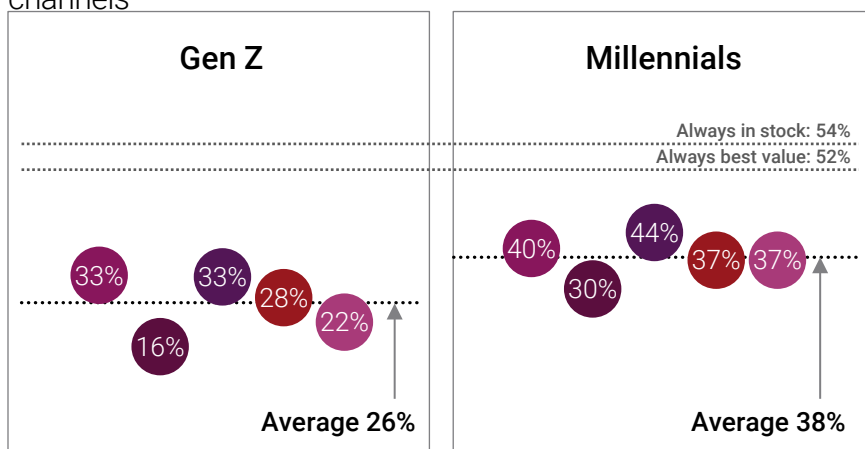
1. Better Business Bureau (BBB);

2. Capital IQ; 3. Vogue Business; 4. Amazon website; 5. Goop website

## The new power influencers

# Gen Z is putting influencers on notice

Share of Gen Z and Millennials who consider "exciting influencer partnerships" to be "very important across channels"



**Gen Z are least motivated by influencers** as a purchase driver

● Department store ● Drug & mass ● Monobrand  
● Online & social media ● Specialty

## Our reccos

### Maximize marketing ROI with precise reallocation

Rebalance spend from over-indexed influencers to authentic content, reviews, and community engagement. Apply advanced AI/ML analytics to pinpoint channels and messages that deliver incremental growth, demanding integrated data and disciplined execution of marketing campaigns.

### Reinforce brand identity with experiential storytelling

Elevate visual identity and craft emotionally resonant campaigns that feel real and experiential. Tie procurement marketing to personalization at scale, creating lasting brand connection across the discovery channels that consumers trust most.

## Powerful protocols

### Amazon

The top-ranked online retailer, Amazon is a standout at restoring authenticity in product discovery by leveraging its vast ecosystem of verified customer reviews, real-time Q&A, and the Vine Voices program—platforms where everyday users share unfiltered experiences rather than polished influencer endorsements. Featuring contextual photos and community-driven recommendations, it empowers shoppers with genuine insights and builds trust.<sup>4</sup>

### Goop

What started as a newsletter is now a successful journalism-meets-retailer model with high, medically-backed standards where beauty editors and expert-driven educational content replace traditional influencer marketing. It's a retailer driving commerce via authentic, knowledge-based recommendations. Paltrow may be a celebrity, but she was the first person on her own staff to pilot this kind of review.<sup>5</sup>



Brands that invest in earned credibility—not rented reach—will own the future of consumer trust. Marketing efficiency in 2026 won't come from negotiating better influencer rates, but from shifting capital into authentic voices that generate earned media value at scale.



### Libra Balian

Leader in Marketing practice, focused on marketing procurement

# You can't swatch a serum through a screen

Customers seek a fresh, nouveau online and social discovery experience, not a digital replication of the store

## Our beauty brief

**Newness in beauty, health, and wellness is really a promise—one filled with hope that a new level of aesthetics, longevity, or wellbeing can be attained.**

But what happens when your favorite MAC Cosmetics Metal Rock lippie is discontinued to make room for a new launch? Newness for newness' sake has never succeeded—particularly when it isn't activated via playful discovery. Whether you're amplifying discovery in the stroll or in the scroll, you need different and distinct strategies.

The journey that leads customers to swipe a product onto the back of their hands in-store is very different than the reveal on their phone of a limited-edition color drop. Accordingly, discovery needs to be strategized differently for in-person and online spaces. Discovery is play; the medium is the playground.

In store, this involves touching the packaging, trying on the product, and talking to your advisors (friends, sales associates, fellow shoppers). Countless brands and retailers have tried, and failed, to replicate this experience online, because they have taken what works in the physical world and simply applied it to the digital world. Just consider the (lack of) success with virtual try-ons.

Customers seek an online beauty experience filled with entertainment, fantasy, and connectivity. This looks like LoveShackFancy's Tinder partnership to launch its Secret Crush perfume that sought to "bring back butterflies" on a first date. It looks like the Drest 2.0 gaming platform that allows you to try Josh Wood Colour's Gloss Treatments on your avatar before buying them through the platform. It is the novel, entertaining digital experience that enables discovery and activates newness.

Consumers don't want benign "personalization"—first-gen digital natives can sniff that out from a mile away—they want a sense of playful self-discovery. What would it look like if beauty retailers created their own versions of Ralph Lauren's "Ask Ralph"?

## By the numbers



### Digital is the new gateway to consumers

80% of Gen Z and 90% of Millennials shopped beauty via social in past year, making digital discovery the gateway to conversion. Over half of consumers spend 40-60% of their annual beauty dollars online or on social—and one-third of teens ages 12-14 already use augmented reality in their shopping journey.<sup>1</sup>



### Discovery often starts online, with newness driving conversion

28% of consumers begin their beauty search online or on social, with women over-indexing vs. men. For Millennials in particular, access to new brands and products ranks as the #1 purchase driver in monobrand and specialty channels, making newness critical to conversion.



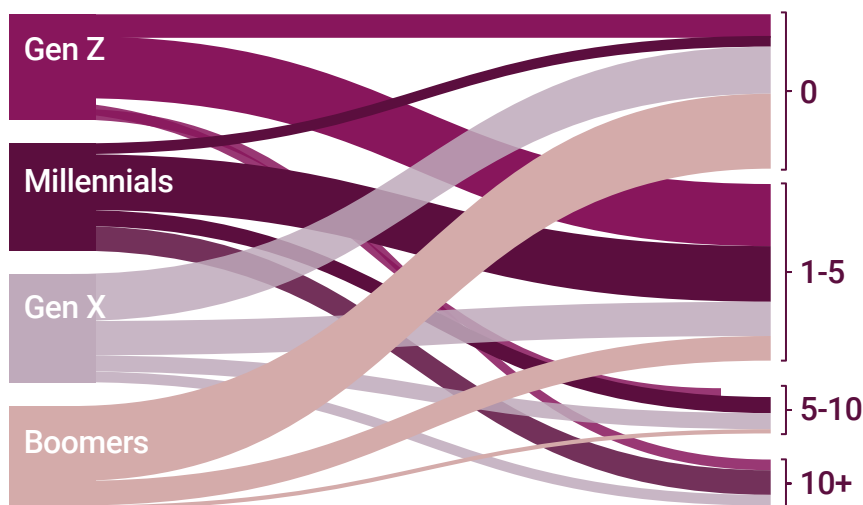
### Ratings, reviews, and customer resonance prove dominant forces behind consumer purchase decisions

Beauty and personal care cost per click has risen over 40%, and is now the sixth highest across 23 industries at \$5.70 on average.<sup>2</sup> At the same time, the category saw the largest decline in click-through rates,<sup>3</sup> as new platforms like TikTok Shop and Amazon reshaped digital shopping behavior.

## The problem with discovery

# An increasingly popular makeup swipe: the in-feed purchase

Annual beauty purchase frequency via social media by generations



**80% Gen Z | 90% Millennials** purchase at least once a year from social channels

## Our reccos

### Expand digital discovery and channel reach

Lean into social commerce and discovery platforms to keep assortments fresh while managing complexity and maximizing reach. Use AI/ML to fuel digital transformation, building “newness pipelines” that deliver the right products to the right channels.

### Deploy AI-driven discovery engines

Integrate Personalization 3.0 into channel profitability: Chatbots have a bad rep, but agentic AI can deliver a new digital bestie that brings together a blend of stylist + advisor + shopping assistant that is tailored to the brand. This mobile buddy can cut search friction, surface products, reinforce brand identity, drive profitability.

## Powerful protocols

### TikTok Shop

TikTok Shop revolutionized how consumers find new products, with 70% of users discovering brands on the platform,<sup>4</sup> and ranked #2 for online & social. The algorithm seamlessly blends entertainment with commerce, creating organic discovery experiences, and proving that social platforms have become the primary driver of discovery.<sup>5</sup>

### Ulta

Ranked #1 in specialty for <\$75k households, and for Gen Z, Ulta is reimagining discovery via its integrated online and social discovery ecosystem: the GLAMlab virtual try-on tool, GlamXplorer gamified quests,<sup>6</sup> and curated shoppable social feeds on TikTok and Instagram let customers explore and experiment with products in real time. Ulta blends immersive digital experiences with community-driven content and influencer collaborations.



Beauty retailers have struggled to make online sticky. It’s all about harnessing agentic AI to create Personalization 3.0 where chatbots become your best friend, stylist, and checkout gal. Ventures by Sephora into creator-fronted marketplaces on their sites are early forays into this space.



**Sonia Lapinsky**

Head of Global Fashion  
Retail practice

# The value equation is getting a makeover

There's a new divergence of price and value as consumers evaluate products via a 'fully loaded' mental model

## Our beauty brief

**If the \$160 Louis Vuitton lipstick gave you sticker shock, was it about the price or about the value?**

For years, beauty has retailed within an understood price range and there were handshake deals to stick to the manufacturer's suggested retail price (MSRP). Unless there were retailer promotional periods, consumers could expect to get the same product at the same price at their preferred retailer. There were limited customer elasticity models and no dynamic pricing models. Those times were peaceful, profitable, and filled with loyalty. Today looks a little different.

Earlier this decade, new entrants—the Amazons, Targets, and Walmarts of the world—came to town and brought their sophisticated Mass Retailing 101 textbooks with them. Beauty entered a death spiral of promotionality, bankrupting many indie brands and shrinking the profit margins of untouchable strategies. Consumers waited for the best deal and focused on price.

Since then, the paradigm has shifted once more. You can get your staple Too Faced Better Than Sex Mascara at Ulta, Revolve, Macy's, Shein, Sephora, QVC, Walmart ... the list goes on. The pricing differs by a couple of dollars—not enough for most customers to price shop, but enough for them to get annoyed. Enter: the elusive, internal, subjective "value" conversation.

Price influences value, but is not synonymous with value. Fully loaded, or true, value is an individualized perception that weights price, service, access, experience, and product (yes, our five pillars of excellence). As chaos in the beauty industry unfolds with a proliferation of brands, new retailer entrants, and uncertain macro dynamics, consumers are adopting a measure of control in determining the value of an item rather than simply accepting its price.

## By the numbers



### Consumers demand pricing consistency to feel treated fairly

The #1 pricing factor that consumers value is price consistency across channels and retailers, prioritizing fairness over fluctuation. Yet 68% believe brands exploit them with dynamic pricing strategies,<sup>1</sup> fueling frustration and eroding trust.



### Pricing consistency builds trust and drives purchase decisions

80% of consumers say consistent pricing builds brand trust, and 85% cite it as the #1 purchase driver. Notably, 42% would even pay more if price stability were guaranteed,<sup>2</sup> underscoring consistency as a core lever of value.



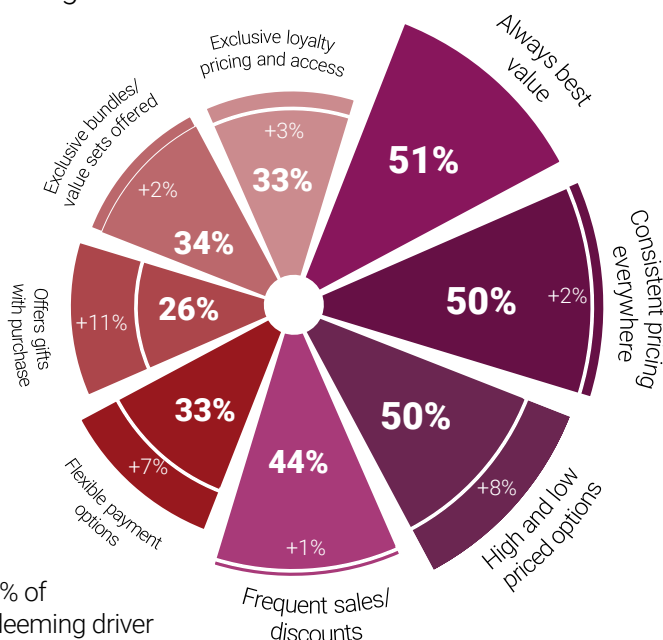
### Consumers are redefining value—prioritizing fairness and best outcomes over simple price comparisons

The importance of offering both high- and low-priced options has fallen sharply (-8% YOY), while "always getting the best value" has risen to the #2 most important pricing factor. This signals a shift away from price toward perceived value.

## The fully loaded value equation

# They don't want to shop the stock exchange

Consistent pricing and best value "always" were the top 2 pricing factors



Outer circle: % of customers deeming driver important 2024 vs. 2025

## Our reccos

### Enable value analytics for pricing architecture

Deploy elasticity modeling, should-cost teardown, and direct sourcing optimization to rebalance pricing. Use advanced analytics to align margin goals with perceived fairness, ensuring consumers experience "always the best value" across channels.

### Know the fully loaded value, what lies beyond price

Reframe value as the blend of product, service, access, experience, and trust that consumers demand. Build models to understand how segments define value, and translate those insights into clear communication, positioning, and customer support programs that resonate.

## Powerful protocols

### Chanel

Became one of the world's most valuable beauty brands in 2025, proving that when brands deliver quality, innovation, and luxury, the brand experiences a halo effect—whereby consumers willingly pay premium prices for value-oriented investments rather than price-oriented purchases. Approx. 60% of luxury consumers choose products based on quality and durability rather than cost alone.<sup>3</sup>

### Costco

Ranked #5 in drug and mass, Costco revolutionized beauty retail with their low-margin, bulk model offering premium brands (e.g., SK-II, La Mer, Perricone MD) at wholesale prices via membership, proving true value comes from eliminating retail frills rather than compromising quality.<sup>4</sup> In 2025, the contracted with Novo Nordisk to offer discounted GLP-1s. The caveat is that off-price can sometimes rely on grey market-sourced inventory, which could face future beauty brand restrictions.



Beauty pricing used to be protected by brand loyalties, but this has been disrupted by innovative new players. Consumers are shifting from price tag to the mix of 'fully loaded' value they are willing to pay for. Yes, this is a threat, but in every threat is a retail opportunity.



### Gaurav Chhabra

Global Co-Leader in Beauty, Specialty, Home, General Merchandise practices

# IRL retail isn't dead, it's riding the escalator

The decline of loyalty, distrust of influencers, the growing interest in experiences and treatments over simple brand identity or product; all the trends we've discussed in this report ... they are all activated by a vibrant in-store strategy.

Thirty years ago, Cher Horowitz headed to the Galleria mall to "find sanctuary." The same month, July 1995, Amazon.com was launched out of Jeff Bezos' home. To say retail was disrupted understates the scale and pace of change. The intervening years have pushed retailers to continually modernize their digital offerings ... and to sometimes forget some of retail's foundations: human connection, play, a place to gather your thoughts and "regain your strength." **Sixty percent of beauty, health, and wellness sales still occur in-store,**<sup>1</sup> and executives need to be there IRL to understand how access, experience, price, product, and service play out among their customers. Retail theater becomes particularly powerful during the holiday season as people shop with high needs, looking for guidance and a bullseye.

1. NielsenIQ

# How well do you know your stores?

## Staying current ... a micro quiz

**1** Do you walk your top doors regularly, meeting with managers and store associates to learn the latest consumer Qs?

- ☐ No
- ☐ Somewhat
- ☐ That defines my role

**2** Are your store associates highly trained to curate beauty x health x wellness holistic, integrated, personalized protocols?

- ☐ No
- ☐ Somewhat
- ☐ Of course!

**3** Does your in-store product discovery deliver the ingredient education and benefit information Consumer PhDs expect?

- ☐ No
- ☐ Somewhat
- ☐ It's a top priority

**4** Does your store offer customer journeys built for various segments (e.g., men)—tapping into their language—to drive baskets and higher CLV?

- ☐ No
- ☐ We try, but mixed results
- ☐ It's core to our brand

**5** Is loyalty an experience-led ecosystem? Do you check all the boxes for personalization, exclusivity, and recognition?

- ☐ No
- ☐ Sometimes
- ☐ Yes, yes, and yes ofc.

**6** Does the in-store storytelling you deploy create peer-to-peer connectivity or any experiences with micro-influencers?

- ☐ No
- ☐ Somewhat
- ☐ Yes, pivotal to creating community

**7** Is your assortment curated via hyper-localized and driven by AI-enabled, CLV-driven demand forecast?

- ☐ No
- ☐ Somewhat
- ☐ Already have the next big thing

**8** Are your associates, activations, curations, journeys, prices generating a meaningfully higher value vs. simply price?

- ☐ No
- ☐ Somewhat
- ☐ Like we can read their minds

### Mostly no

We simply don't believe it; take the quiz again!

### Mostly so-so

You understand the appeal of Glossier's selfie walls and the power of Olfactory's employee-guided fragrance curations. The next step is to go deeper on consumer identities and needs to programmatize logistical and operational decisions to best serve consumers at every age and every stage.

### Mostly yes

You've read Gene Pressman's memoir of Barneys' heyday and have alchemized the lessons of retail: you understand the power of ritual, familiarity, sanctuary, and discovery in creating "brand sillage"—a lingering impression on consumers long after the store, the product, the scent are gone—and can accordingly apply those lessons across in-store and online. Your next power-up might be building out your strategy for male consumers or expanding capabilities in beauty across the burgeoning health and wellness addition.

# Our team

At AlixPartners, our Beauty, Health, and Wellness Practice cuts through the noise. In a space where sectors are converging and promises are abundant, we partner with our clients to define and execute strategies to deliver profitable growth.

## Who are we?

We are leaders in transformation who deliver growth and profit dollars while optimizing long-term brand equity. As market dynamics shift, consumer behaviours change, and cultural codes evolve, staying status quo is fatal.

We are experienced operators, brand enthusiasts, and consumers ourselves who are brought in when it really matters. We have broad and deep consumer, brand, and retail expertise critical for beauty, health, and wellness.

## What we deliver?



### Accelerate commercial excellence via

- Markets and channel expansion
- Pricing, promo, and marketing effectiveness
- Consumer insights, acquisition, and retention



### Unlock margin improvement via

- Assortment optimization + product lifecycle
- COGS improvement
- Gross-to-net and adjusted gross margin enhancement



### Unleash operating power via

- Operating model and G&A optimization
- End-to-end supply chain enhancement
- Working capital and inventory management

## Why us?

Winning today requires placing big, informed bets based on deep consumer understanding—guided by data and executed with precision. To do this while keenly managing risk and ensuring a strong return on every dollar spent ... that's transformation.

Our clients are retailers, strategics, brands, manufacturers, and investors who develop markets, define categories, and delight customers. As a team, we roll up our sleeves and dive into execution—with an ownership mindset—to leverage disruption and drive value.



**Lindy  
Firstenberg**

Lindy co-leads the Beauty, Health, Wellness practice, helping players across the space accelerate their growth with top line initiatives as well as navigate complex transformations. She has an MBA from Wharton and with roots at LVMH, she angel invests in the category—and (firmly) believes in a 9 p.m. sheet mask.



**Catherine  
Nekavand**

Catherine co-leads Beauty, Health, Wellness and Luxury—known for bringing cost discipline without ever dimming the brand magic. She has led operations at iconic maisons, is an engineer by training, has an MBA from HEC Paris, and believes the right strategy, like the perfect red lip, is timeless and high-impact.



**Mitch  
Collens**

Mitch co-leads the Beauty, Health, Wellness practice, specializing in designing and implementing cross-functional transformation programs. He also has deep expertise in manufacturing, supply chain and can go toe-to-toe with plant heads. He buys his own (mountain air-scented) shampoo.



**Gaurav "G"  
Chhabra**

G leads the firm's retail work in Beauty, Specialty, Home, and General Merchandise. He has a deep passion for helping companies refocus their customer strategy and reconfigure their management model to inflect growth. G holds an MBA from Columbia and is a firm believer in the power of chamomile tea with honey at night.



**Nitin  
Jain**

Nitin is the Global Leader of Retail Services, where he guides Fortune 500s and private-equity funds through M&A, strategic sourcing, operating-model transformation, digitalization, advanced analytics, and profitability management. His sleep scores are pretty good.



**Sonia  
Lapinsky**

Sonia is the Global Leader of Fashion and has worked around the globe from Shenzhen to Paris on product-to-market, merchandising strategy, and full-company transformations. An engineer at heart (and by training), she loves to study how beauty consumers behave in the checkout line product gauntlet.



**Abby  
Sattler**

Abby leads our Beauty, Health, Wellness research, helping cut through the noise of shifting consumer trends. She's held strategy roles at Walmart and Abercrombie, sharpening her eye for what makes shoppers tick—and knows exactly how you should spend your loyalty points.



**Randy  
Burt**

Randy is the Americas leader in Consumer Products, with deep functional expertise spanning M&A, commercial excellence, digital strategies, org and op model, and E2E supply chain. He has an MBA from Kellogg and always reads the product reviews.



**Libra  
Balian**

Libra is leader on marketing procurement, guiding Fortune 500 companies on everything from media mastery and agency management to AI/ML enhancement and content optimization. Heralding from LVMH, Libra has a nose to rival the Nose—always finding the next best parfum.



**Jim  
Umberger**

Jim—a globally acclaimed loyalty expert who is a judge for the International Loyalty Awards—is a leader in Marketing, specializing in (unsurprisingly) retention and loyalty. He has created, and turned around, some of the top grossing loyalty programs in the world. And, yes, he has a favorite Peloton instructor.



**Terry  
Darland**

Terry is a Strategic Adviser to Beauty, Health, Wellness. She turned Dior Beauty Americas into the booming business it is today—after an accomplished career at The Estée Lauder Companies. Terry swears by the basics—oh, and a second coat of Diorshow Overvolume Mascara.



**Jill  
Granoff**

Jill is a Strategic Advisor to Beauty, Health, Wellness. Prior to running the consumer fund at Eurazeo, she was the CEO of two public companies. Jill has board experience with three listed companies. Her secret? Serums and SPF (daily).

For your  
back  
pocket...

### Specialty channel | Top 5 winners by income bracket

| Rank | < \$75k         | \$75k-\$149,999k | \$150k+         |
|------|-----------------|------------------|-----------------|
| 1    | Ulta            | Sephora          | Sephora         |
| 2    | Sephora         | Ulta             | Ulta            |
| 3    | Sally Beauty    | Sally Beauty     | Credo Beauty    |
| 4    | Bluemercury     | Credo Beauty     | Med spa / salon |
| 5    | Med spa / salon | Doctor / derma   | Clean Market    |

### Monobrand channel | Top 5 winners by income bracket

| Rank | < \$75K           | \$75k-\$149,999k  | \$150k+           |
|------|-------------------|-------------------|-------------------|
| 1    | Bath & Body Works | Bath & Body Works | Bath & Body Works |
| 2    | VS Beauty         | MAC               | MAC               |
| 3    | MAC               | VS Beauty         | Chanel Beauty     |
| 4    | Chanel Beauty     | Chanel Beauty     | VS Beauty         |
| 5    | Glossier          | L'Occitane        | Le Labo           |

### Overall winners | Top 5 retailers by channel

| Rank | Dept. store    | Drug & Mass | Monobrand         | Online & Social | Specialty       |
|------|----------------|-------------|-------------------|-----------------|-----------------|
| 1    | Macy's         | Walmart     | Bath & Body Works | Amazon          | Sephora         |
| 2    | Kohl's         | Target      | VS Beauty         | TikTok Shop     | Ulta            |
| 3    | JCPenney       | Walgreens   | MAC               | Instagram       | Sally Beauty    |
| 4    | Nordstrom      | CVS         | Chanel Beauty     | Dermstore       | Med spa / salon |
| 5    | Bloomingdale's | Costco      | Glossier          | Revolve         | Doctor / derma  |

### Specialty channel | Top 5 winners by generation

| Rank | Gen Z          | Millennial   | Gen X          | Baby Boomers    |
|------|----------------|--------------|----------------|-----------------|
| 1    | Ulta           | Sephora      | Sephora        | Ulta            |
| 2    | Sephora        | Ulta         | Ulta           | Sephora         |
| 3    | Sally Beauty   | Sally Beauty | Sally Beauty   | Sally Beauty    |
| 4    | Clean Market   | Clean Market | Bluemercury    | Doctor / derma  |
| 5    | Doctor / derma | Credo Beauty | Doctor / derma | Med spa / salon |

# About the CSI

AlixPartners relaunched the historic Consumer Sentiment Index in 2024 to provide a tool for retailers to evaluate and prioritize resources, operational and technological advancements, and growth initiatives to stay ahead of the fast-evolving consumer.

The Consumer Sentiment Index evaluates retailers and purchase drivers across five main pillars—access, experience, price, product, and service—allowing us to identify trends by sector, gender, generation, and income cuts. The retailers that “win” with consumers aren’t crushing it on all five pillars, but they’re nailing consumer demands on the most important factors.

## The value statements they ranked corresponded to the five pillars of excellence:

- **Access:** Ease and convenience in shopping, entailing reliable inventory, location of stores, early access to deals, and mobile apps
- **Experience:** Connectivity to the brand, including customer engagement, personalized experiences in-store and online, and store layouts
- **Price:** Baked into the price point are beliefs about realized and perceived value, and competitiveness
- **Product:** Details around the goods themselves, including quality, craftsmanship, trendiness, sustainability, and inclusivity
- **Service:** Tangible services that happen before, during, and after the sale; and additional value-added services such as styling and customization

In most cases in this report, we refer to “important drivers,” which include any responses where consumers consider attributes as “important,” “very important,” or the “#1 driver of shopping decision.” The term “primary purchase driver” is used when discussing responses where consumers deemed attributes as “very important” or the “#1 driver of shopping decision.”

Retailer ranking data has been normalized for recognition. Consumers were asked whether or not they recognized each retailer to allow for more accurate direct comparisons between large national brands and regional or emerging retailers.

We polled over 5,000 consumers on their preferences and priorities across dozens of major retailers and five sectors: department stores, drug & mass, monobrand, online & social, and specialty.





# About AlixPartners

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges—circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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# AlixPartners