The Value of the Beauty Consumer

What Changes in 2026?

NielsenIQ x CEW

Eric Mills & Claire Marty

NielsenIQ

Today's Topics

#1 The Constrained Consumer

#2 Where Beauty Still Earns Value

#3 What Value Looks like in 2026

#4 How to Win the Consumer's Value

Your Speakers

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The Constrained Consumer

Economic Concerns are Still Top of Mind; Political Discontent Adds to Uncertainties

Consumers are spending less but expecting more in an increasingly constrained environement

Only

17%

of consumers say that they can **spend freely**

Total FMCG

-0.2%

Volume growth Q3 2025 vs YA

			% point change vs. year ago
1	Increasing food prices	29%	-3.5
2	⬆ Global conflict/Escalation of crisis/War *(was #5 in 2024)*	23%	9.5
3	Economic downturn	20%	0.6
4	⬇ Increasing utility bills *(was #2 in 2024)*	17%	-3.2
5	Self/Family welfare/happiness	12%	-0.1
6	Job security	11%	-0.1
7	⬆ Political unrest *(was #11 in 2024)*	11%	2.4
8	Increased housing costs	10%	-0.1
9	⬇ Global warming/Climate change/ Environment *(was #4 in 2024)*	10%	-3.6
10	Ability to provide basics (food/ shelter) for myself/family	10%	-0.5

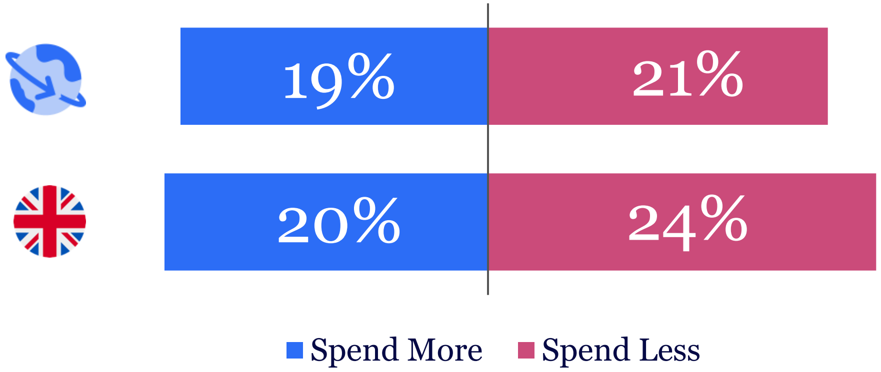
Economic Polarization Divides Beauty Intention Heading Into 2026

A divided economic landscape sets the stage for polarisation between premiumisation and luxury vs affordability

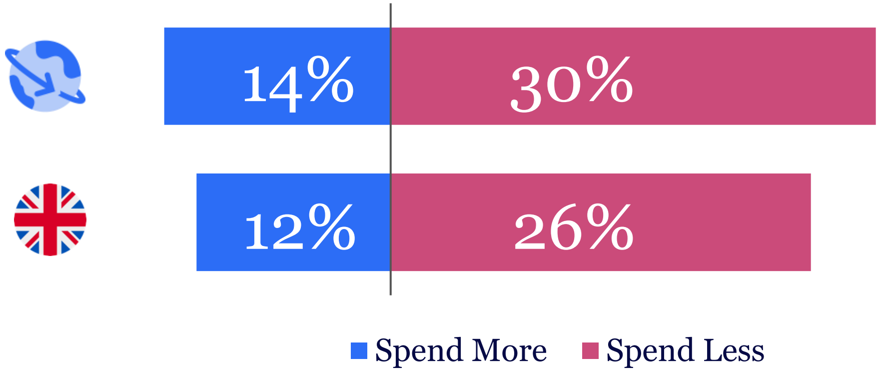
Spending Intention in next 12 months

Global Consumers

Beauty Products



Beauty Services



Source: NielsenIQ Consumer Outlook Mid Year 2025 | Q4A. Looking ahead, how will you manage your spending in the next 12 months?

When Pessimism Fuels Indulgence

As financial milestones seem more out of reach, consumers are open to spending on small indulgences to make their day-to-day experiences more enjoyable

21% of Gen Z are **less interested in achieving certain life milestones**

(e.g. owning a home, getting married, having a child, retiring as a senior, etc.)

17% of Gen Z are **buying more small personal luxuries** instead of spending on costly alternatives

(e.g. home hair treatment instead of salon)

"I don't have enough money for these bigger investments, so *why don't I just be gorgeous?*"

33-year-old interviewee from Chicago - Bustle.com

Source: NielsenIQ Consumer Outlook 2025 | Bustle.com

The Homebody Economy Returns

Beauty routines and occasions continue to evolve as consumers spend more time at home

40%

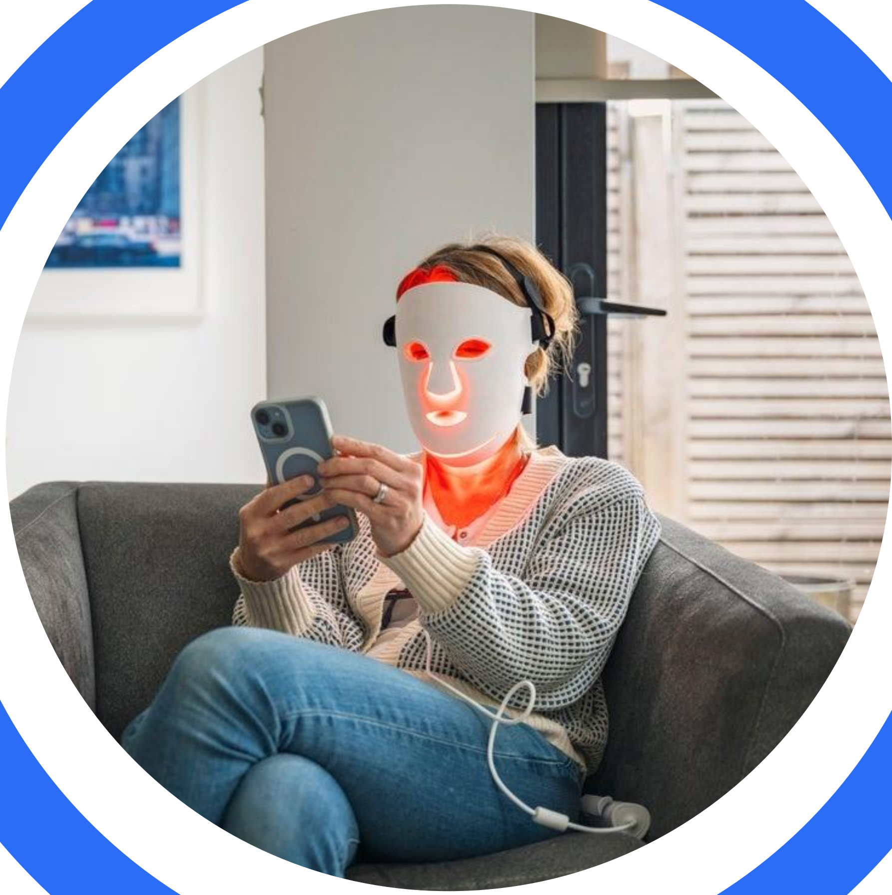
of consumers say that they are **spending more time at home** and going out less often

43%

25%

of consumers say that they are **more stressed** than they have been before

23%



Source: NielsenIQ Consumer Outlook Mid Year 2025

Where Beauty Still Earns Value

Momentum Continues for Beauty Sales Growth

Regional Beauty value % growth MAT Q3 2025

Developing markets drive global growth, while West Europe's slow momentum signals cautious

Global: +10%

UK: +7%

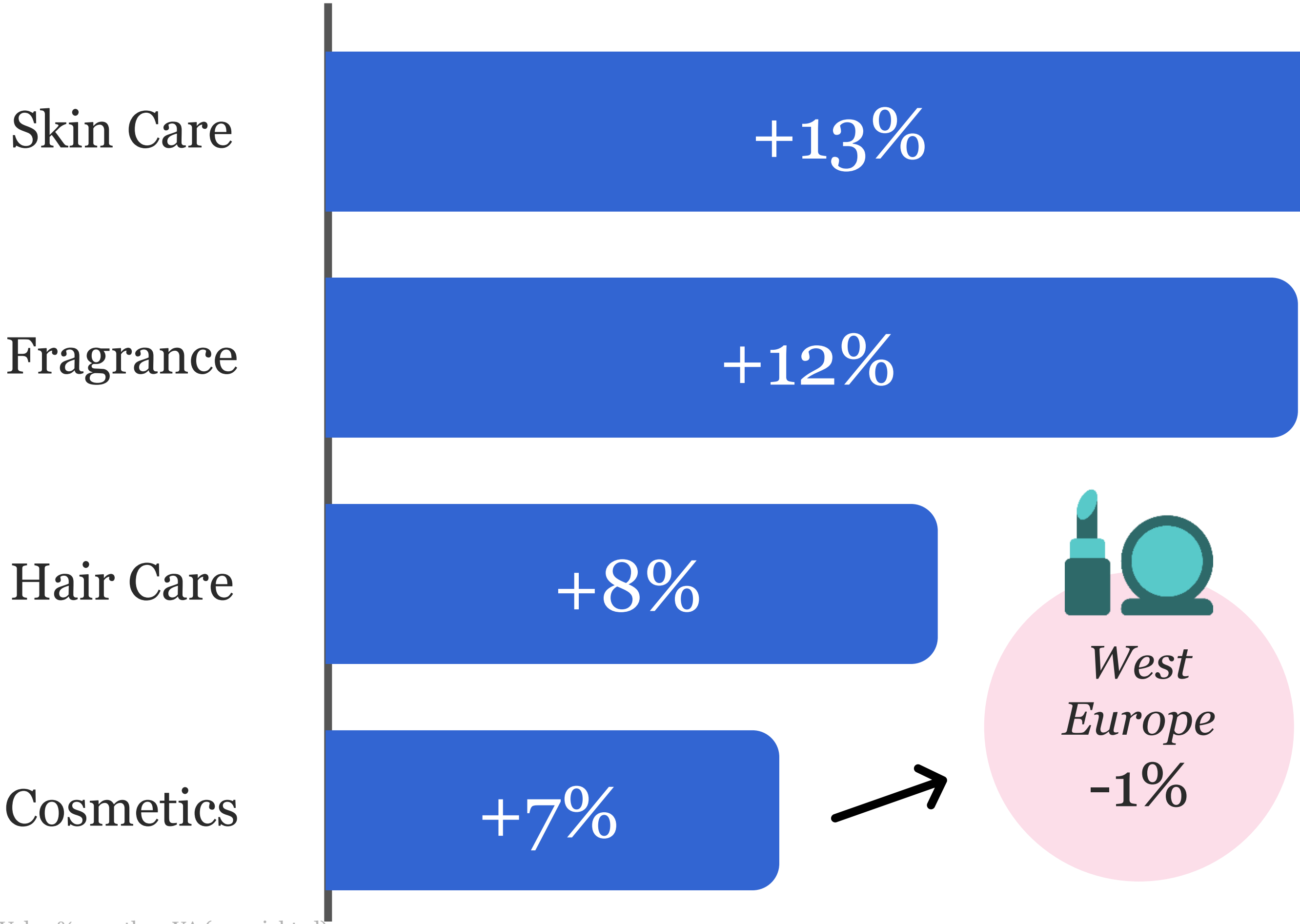
North America	+10%
West Europe	+4%
East Europe	+8%
Latin America	+14%
Africa Middle East	+16%
Asia Pacific	+14%

Fact: Value % growth vs YA (unweighted)
Beauty = Hair, Skin, Fragrance, Cosmetic & Nail (per available coverage by market)
Sourcing: 52 markets - Omnisales (FR, DE, IT, ES, GB, AT, BE, CH, NL), Omnishopper (US, CA, AU), incl TikTok (CN), incl ecom (KR), SPG WEEKLY (BA, HR, DK, EE, GR, HU, LV, LT, NO, PL, PT, RO, SI, SE, UA, AR, BR, DO, EG, HK, IN, ID, KZ, MY, MX, MM, NZ, PE, PH, PR, SA, SG, ZA, TW, TH, TR, AE, VN)

Skin & Scent Drive Industry Growth

Momentum shifts to skin care as consumer prioritise efficacy in their daily routine

Value % Change vs YA - Global

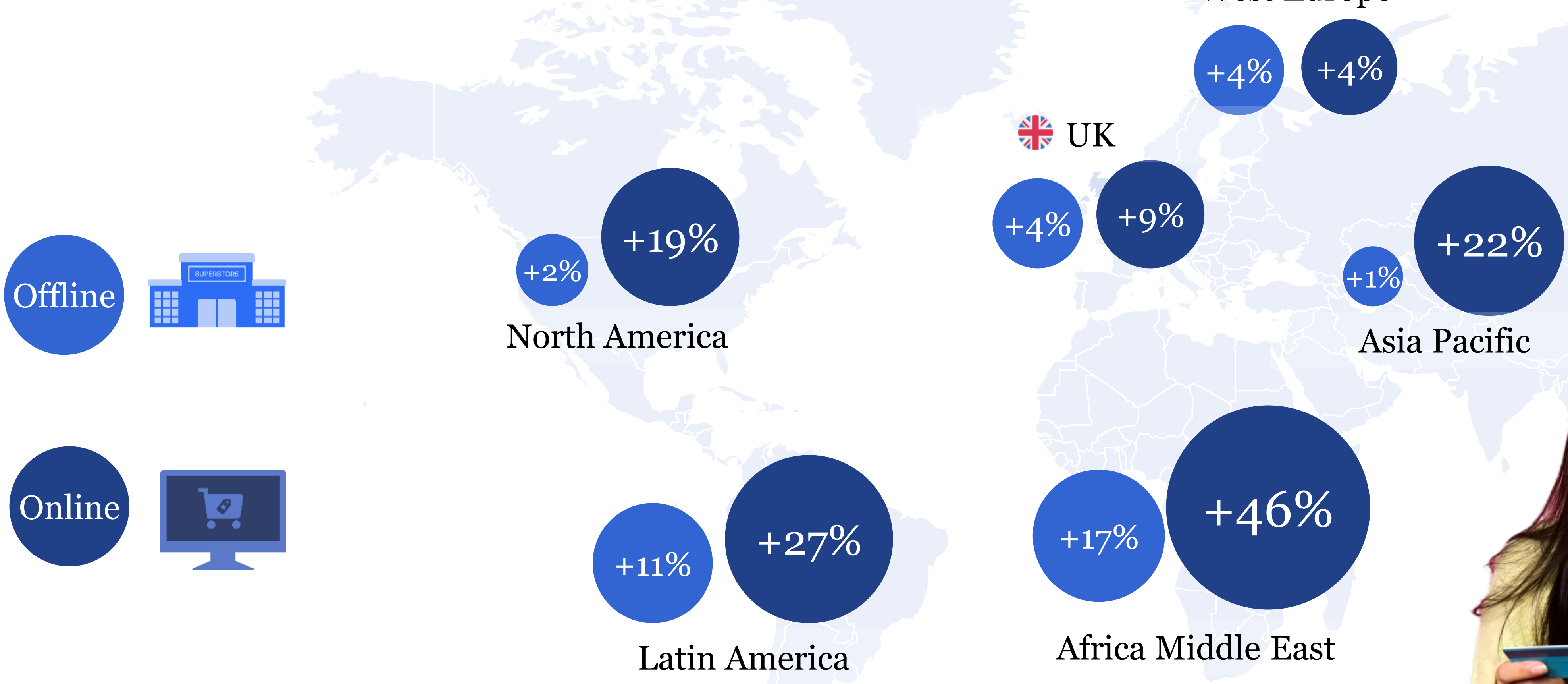


*Fact: Value % growth vs YA (unweighted)
Sourcing: 52 markets - Omnisales (FR, DE, IT, ES, GB, AT, BE, CH, NL), Omnishopper (US, CA, AU), incl TikTok (CN), incl ecom (KR), NIQ QBN BA, HR, DK, EE, GR, HU, LV, LT, NO, PL, PT, RO, SI, SE, UA, AR, BR, DO, EG, HK, IN, ID, KZ, MY, MX, MM, NZ, PE, PH, PR, SA, SG, ZA, TW, TH, TR, AE, VN) *).
Key exclusions: China & South Korea excludes cosmetics & fragrances, UK excludes fragrances. Beauty specialist offline channel only captured in US, ES, CH, CA, AU

Online Wins Across Every Market

Regardless of maturity, digital channels outperform instore in all regions

Beauty - % Change vs YA – Latest 52 Weeks *(MAT Q3 2025)*



Source: NielsenIQ Omnishopper Panel (US, CA, AU), Omnisales (FR, DE, IT, ES, GB, AT, BE, CH, NL), NIQ ecommerce measurement (CN, KR), SPG Weekly (BA, HR, DK, EE, GR, HU, LV, LT, NO, PL, PT, RO, SI, SE, UA, AR, BR, DO, EG, HK, IN, ID, KZ, MY, MX, MM, NZ, PE, PH, PR, SA, SG, ZA, TW, TH, TR, AE, VN) Key exclusions: China & South Korea excludes cosmetics & fragrances, UK excludes fragrances. Beauty specialist offline channel only captured in US, ES, CH, CA, AU

The Online Beauty Landscape

UK consumers are embracing new retail channels through social commerce, second-hand and Chinese discounters

Top Online Beauty Merchants by Value - UK

#1	#2	#3	#4	#5	#6	#7	#8
amazon	TikTok Shop	Boots	LOOKFANTASTIC	ebay	SEPHORA	Vinted	TEMU

60% of online beauty consumers have purchased beauty on Amazon

P.Louise #1 beauty brand in 2025

9% of online beauty shoppers have purchased a second-hand item

£2.70 average cosmetics item price

Source: NielsenIQ Digital Purchases Latest 52 weeks ending 15th Feb 2025 – Hair Care, Cosmetics, Fragrances, Skin Conditioning & Moisturising, Face Cleansing & Sun Care

What Value Looks like in 2026

Themes to Watch in 2026

Minimalism & Multi-functionalism

K-beauty's Global Takeover

Personalisation & Artificial Intelligence

Beauty x Wellness Blur

A Return to Simplicity

Overconsumption concerns and bloated beauty routines lead a drive towards multifunctional products and timesaving winners

52%

of global consumers are willing to pay more for products that make tasks easier / less time consuming

***62%** of Gen Z*

O Boticário Liquid Foundation SPF50 + Retinol H+ Make B.

Liquid Foundation

- *Double Retinol*
- *Hyaluronic Acid*
- *SPF50, UVA+++*

Gntl Skin Wash and Skin Emulsion Two-Step Ritual

*Gntl is a celebration of **radical simplicity**—a return to the essentials and a gentle reminder that **all you need is less.***

33%

of global consumers say that the last few years have made them realize "less is more"

Source: NielsenIQ Consumer Outlook 2025

K-Beauty Goes from Strength to Strength

Korean beauty has become more than just a trend, fuelling a global innovation system

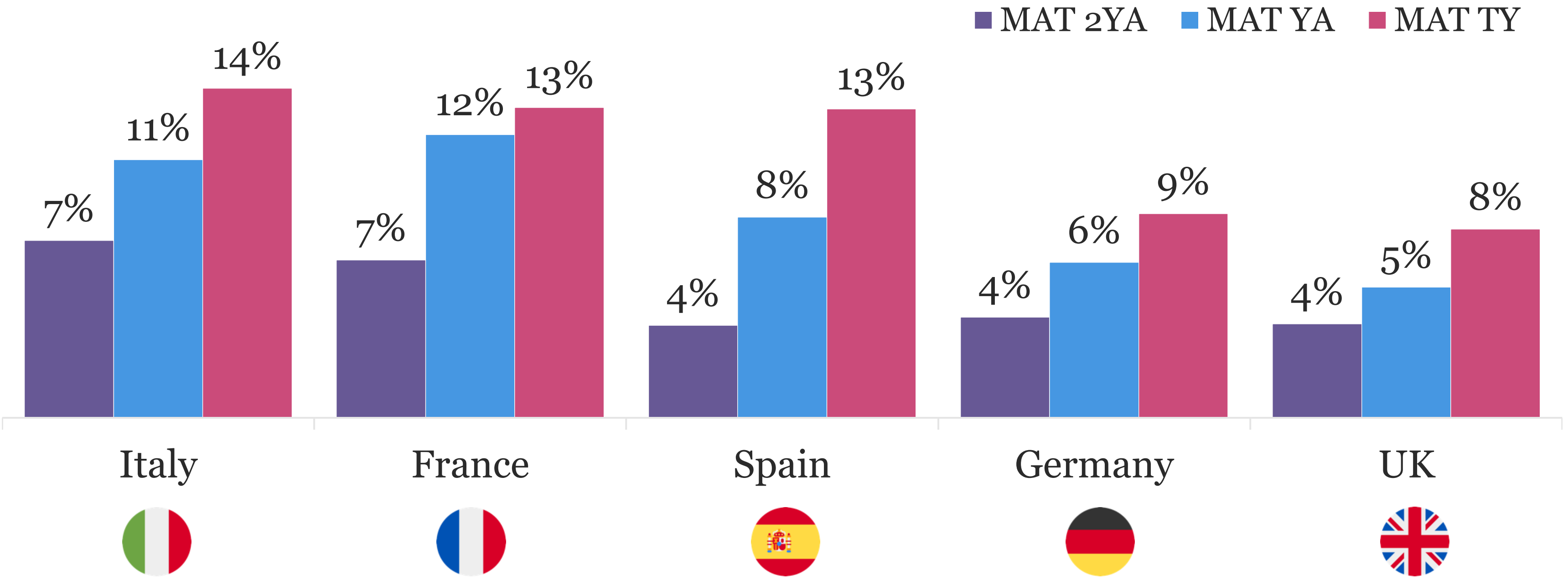
+54%

value growth vs 2024

West Europe

+61%

K-Beauty Value Share of Skin Care - Ecommerce



Source: NielsenIQ – Omnishopper Panel, Omnisales, Retail Measurement - 12 markets (US, CA, AU, GB, FR, DE, ES, IT, AT, CH, BE, CN)

Wellness & Beauty Converge Brings New Opportunities

*Expanding the beauty $ opportunity by **64%***

Top priorities – sleep, muscle tone, supplements, menopause

Happy Viking *Protein Meal*

Lemme *Supplements*

Slip *Silk Sleep Mask*

Dietary Aids

Vitamins, Minerals & Supplements

Sleeping Aids

Feminine Hygiene

Core Beauty

(Cosmetics, Skin care, Hair Care, Fragrances)

Sexual Wellness

Oral Care

Candles & Incense

Shaving

Rael *Organic Pads*

Pleasing *Vibrator*

Cocolab *Cocofloss*

Loewe *Candle*

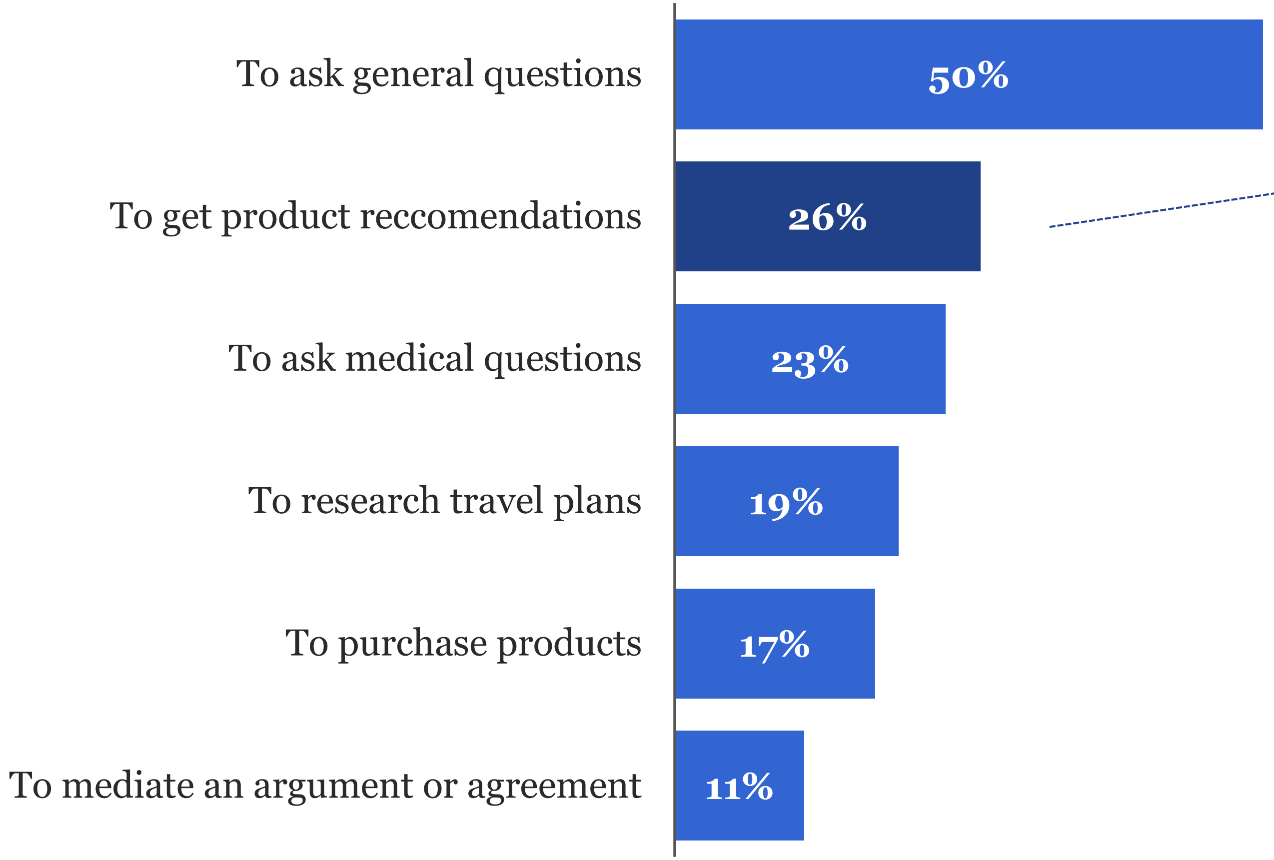
Billie *Ultimate Shave Set*

Source: NielsenIQ Omnishopper Panel Total US Latest 52 Weeks Ending 11/1/2025 ; 58 Markets - NIQ Omnisales, Omnishopper panel, Strategic Planner Global –Latest 52 Weeks October 2025, NIQ 2025 Global Health & Wellness survey.

Generative AI is Reshaping the Path to Discovery & Purchase

Brands and retailers now need to optimise for AI search to ensure discoverability

Q. Have you used Generative AI (e.g. Chat GPT, Gemini, Copilot) for any of the following?



49% of have gotten ***Beauty Products*** recommendations from Gen AI

Source: NielsenIQ LLM Survey US, Oct 2025 – Base: 1021

AI Will Transform Shelf Strategy, Introducing An Even More Challenging Environment To Achieve Visibility

Source: NIQ Digital Shelf

How to Win the Consumer's Value

NielsenIQ

The Blueprint for Standout Performance in 2025

Winning brands combine trust, efficacy and accessible premium positioning

Top 10 Beauty Brands by Value % Growth vs YA

Victoria's Secret
Lattafa
Valentino
e.l.f. eyes lips face
Medik8
Bali Curls
Beauty of Joseon
Umberto Giannini
Kérastase Paris
P.Louise

Global Influences: *international appeal and cross-market credibility*

Affordability: *Accessible price points combined with clear value perception*

Innovation & Science: *Cutting-edge formulations, clinically backed actives and product differentiation*

Social Savvy: *Harnessing social platforms, content creators, and trends to convert engagement into both discovery and purchase*

Wellness: *A focus on holistic self-care, wellbeing, and sensorial experiences delivering functional and emotional benefits.*

Source: Global - NielsenIQ Omnisales, Omnishopper panel, RMS data, SPG Weekly – Latest 52 weeks 5th October 2025 – top 250 brands by value size – top 10 by % growth

Beauty’s *Unresolved* Questions

Where consumer value is still being negotiated – and the opportunities to win

Gen Alpha

Supply Chains

Male Beauty

Affordability

Treatments

Earning Value in 2026

1 **Beauty has more pricing power than you think, drive the value equation with price balancing simplicity and multi-benefits**

2 **Be Open To Global Expansion And Non-Traditional Retail Distribution To Unlock New Growth**

3 **Optimise for the New Era of Digital - Those who master the essentials of AI will dominate the next wave of beauty**

Get in touch to know more about our Reports and Solutions

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How the score is calculated:

0 1 2 3 4 5 6	7 8	9 10
Not Satisfied	**Neutral**	**Satisfied**

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