

Consumer Trends

Beauty 2025 Special Report

The New Consumer

Coefficient
Capital

IN PARTNERSHIP WITH
view from 32[®]



The New Consumer

- Launched in 2019 by longtime business journalist Dan Frommer
- Exploring how and why people spend their time and money
- Analysis, research, trends, and advisory
- newconsumer.com

Coefficient Capital

- Launched in 2018
- Leading venture and growth stage investments
- Focus on transformational consumer shifts
- Manage ~\$750 million in AUM
- coefficientcap.com

Coefficient Capital Portfolio



Personalized
pet nutrition



Cooking solutions for
the new consumer



Sustainable,
functional hydration



Personalized men's
personal care



Global plant-based
dairy leader



Low-carb
breakfast innovator



Direct-to-patient
healthcare



Next-generation
restaurant brand



Innovative
wellness brand



Clinical
nutritional formulas



Functional energy
beverage company



Pasta sauce for the
modern consumer



Autonomous, robotic
last-mile delivery



Science-backed
personalized nutrition



Healthy
European snacking



Pantry fresh
cat nutrition

NEW

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View From 32

- Beauty-focused strategic advisory firm
- Launched in 2022 by three former Sephora merchants: Cassie Cowman, Lindsay Ullman, and Gabriella Giron
- Partners with clients across the brand, retail, and investor landscape
- viewfrom32.com

Consumer Trends Special

- We're back with a special report on Beauty and Personal Care
- We look for profound changes in the consumer landscape and what matters most for the years ahead
- View the latest and our previous reports:
newconsumer.com/trends

Consumer Trends Survey

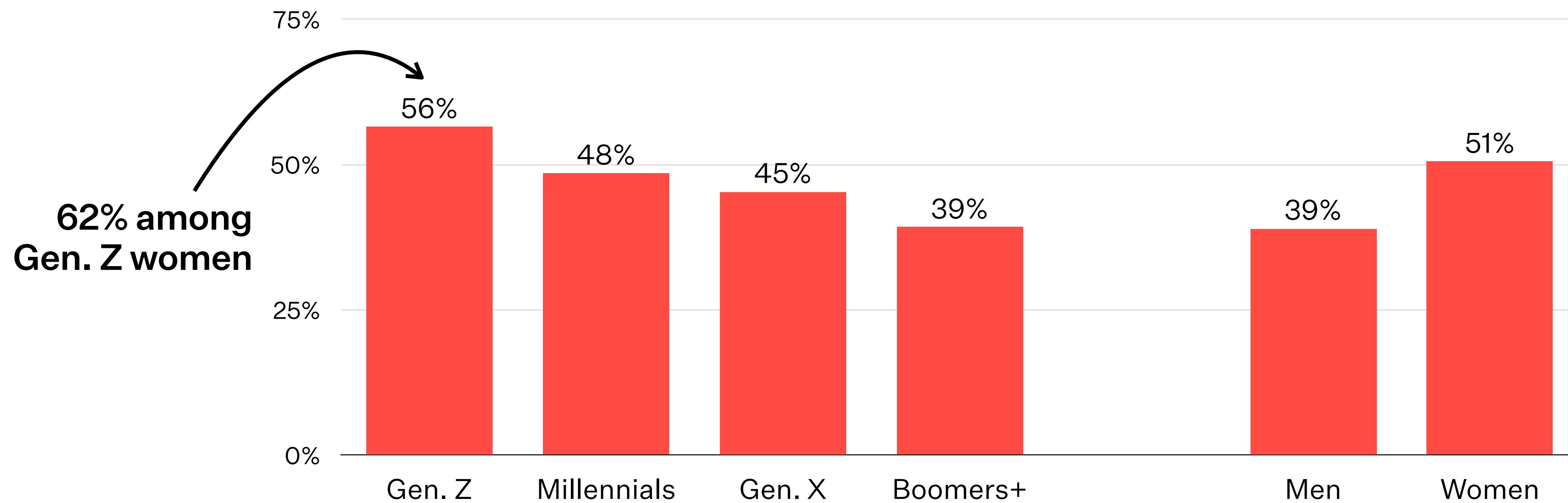
- A big part of our research is our proprietary **Consumer Trends Survey**
- We've now conducted 12 surveys of 3,000+ US consumers, most recently in February 2025
- Powered by Toluna, the leading global research and insights provider: tolunacorporate.com

1

Beauty is one of the singular categories shaping modern youth culture (and consumption).

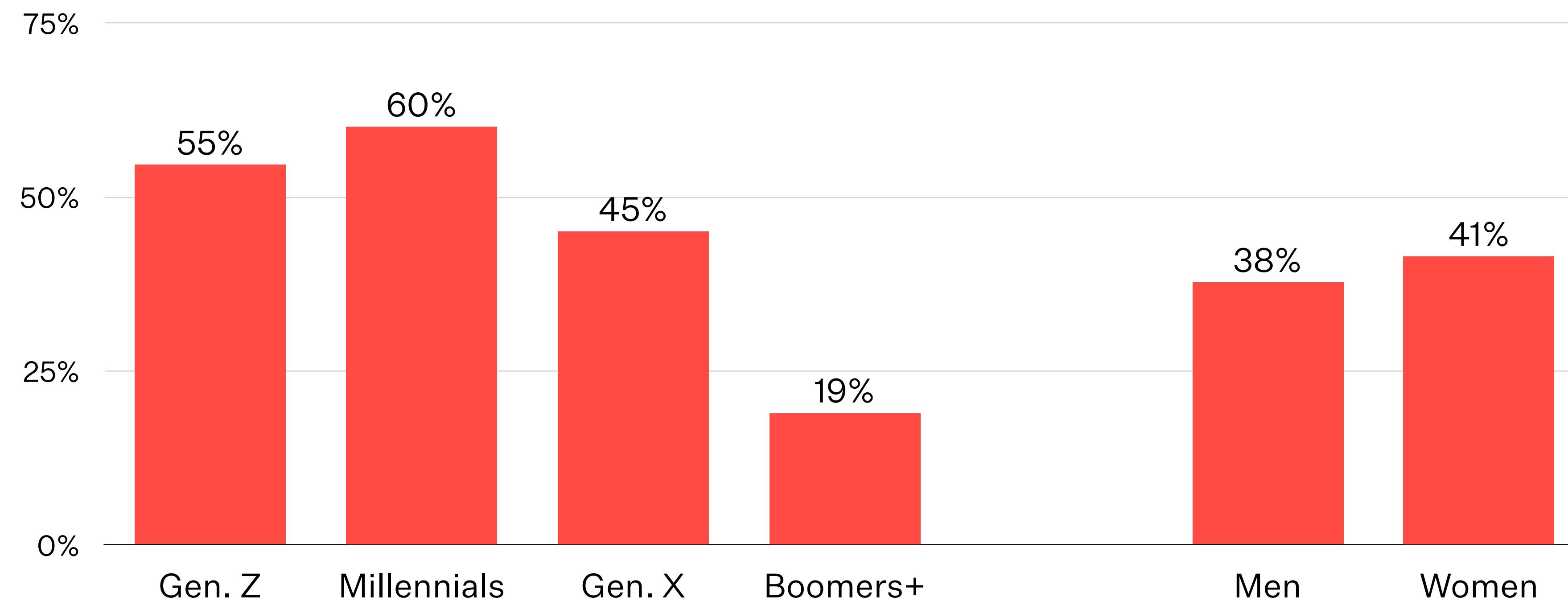
Most people care at least a little about how they look. Most of Gen. Z cares a lot.

Percentage of 'I care a lot' responses: How much do you care about your general appearance?



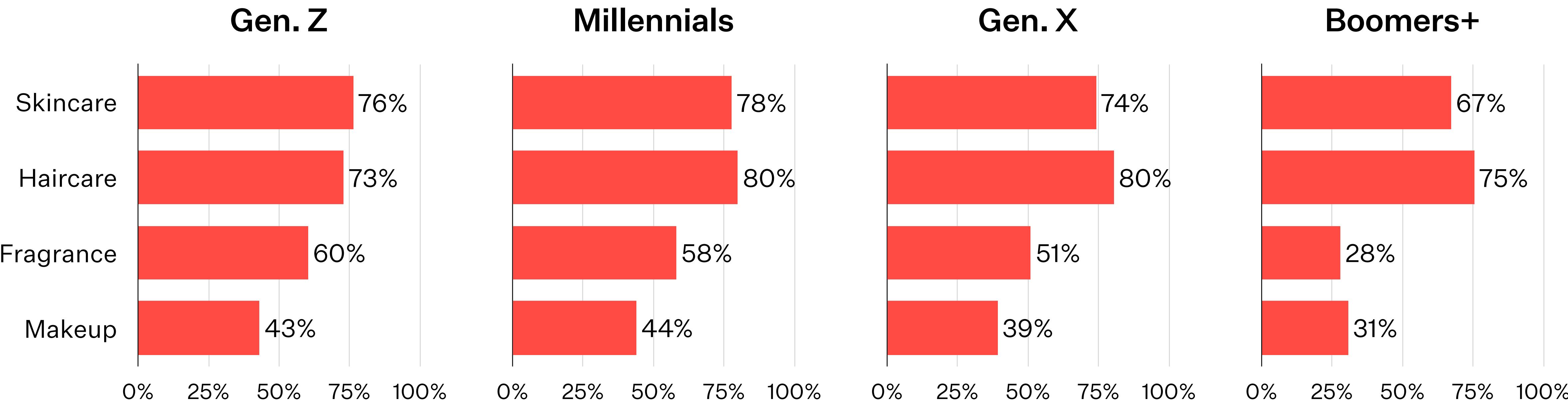
Most Gen. Z and Millennials purchase beauty products at least monthly

Percentage of at least 'Monthly' responses: How often do you purchase beauty products for yourself?



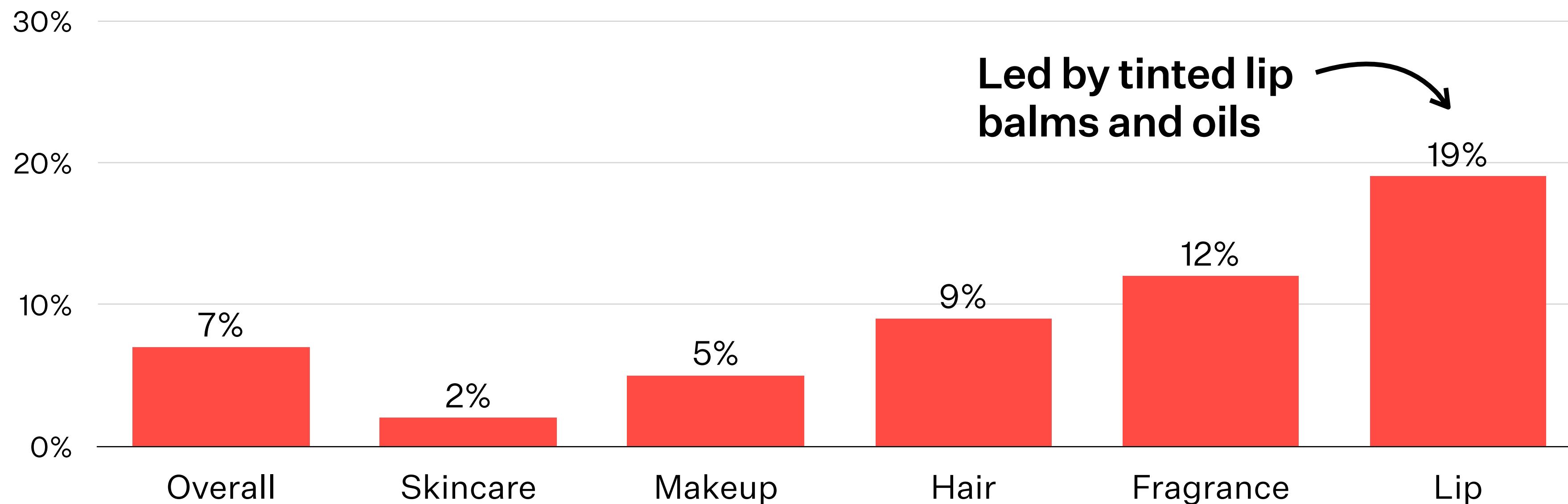
Most people purchase beauty products, especially skincare and haircare

Percentage of responses: Which of the following categories have you purchased for yourself over the past 6 months?



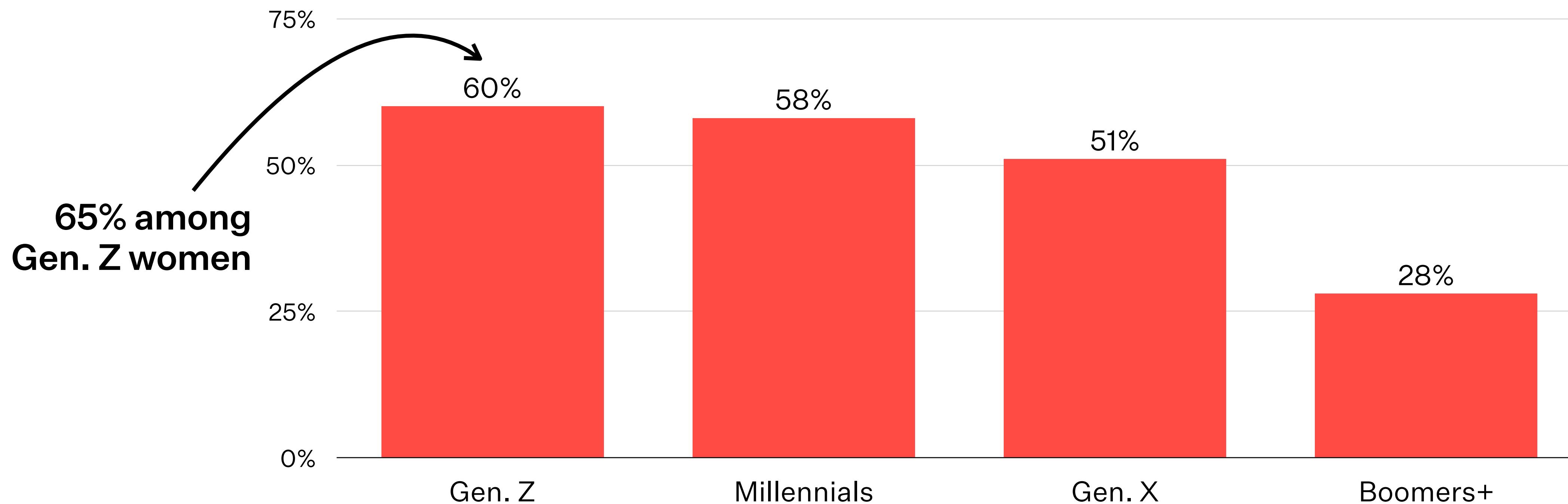
Americans spent \$34 billion on prestige beauty in 2024, with lip, fragrance, and hair products leading growth

Year-over-year change in dollar sales of prestige beauty products in the US, 2024 vs. 2023



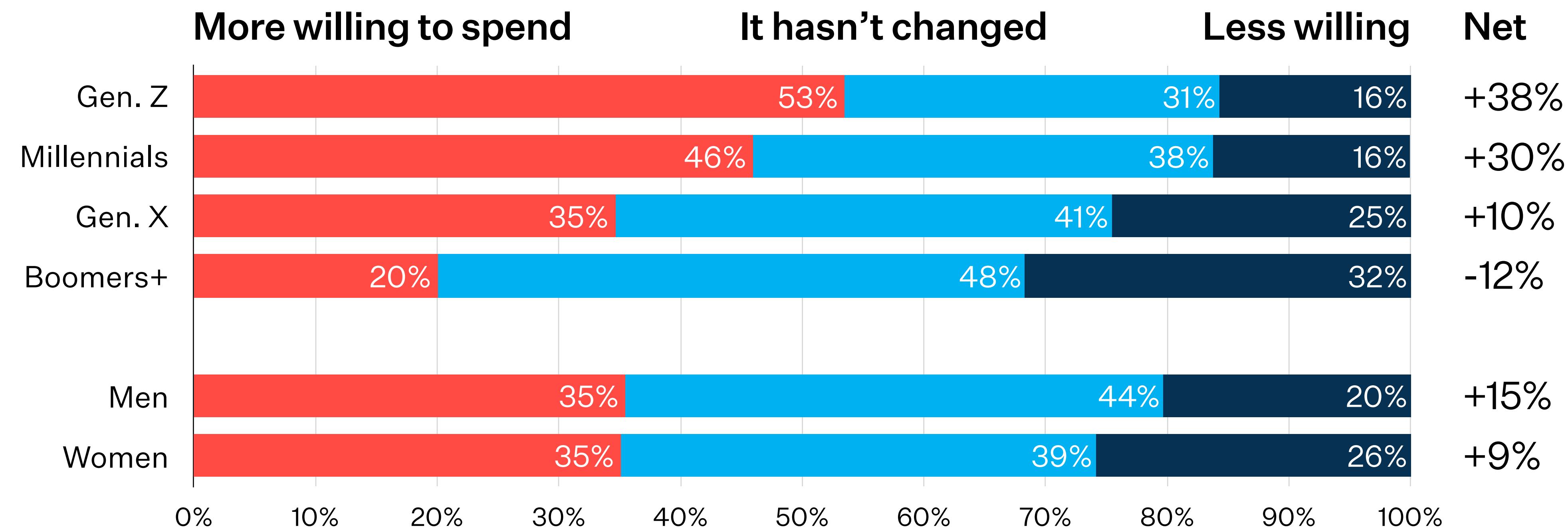
Younger consumers are driving the fragrance boom

Percentage of 'Fragrance' responses by generation: Which have you purchased for yourself over the past 6 months?



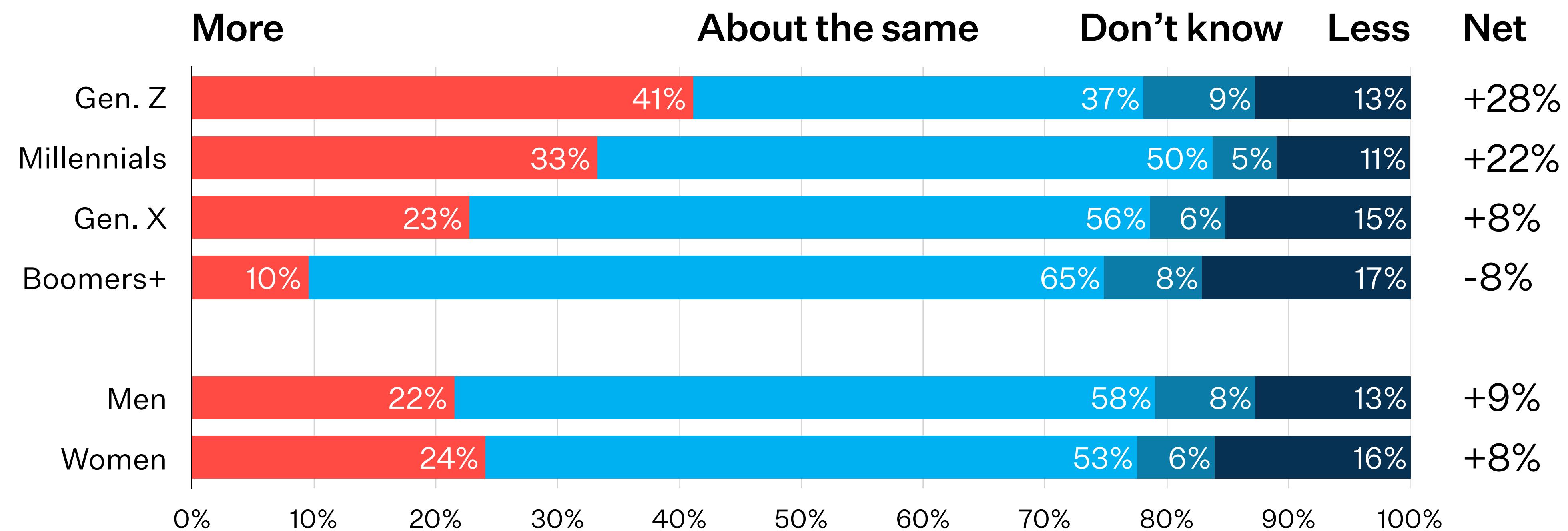
Younger consumers have become more willing to spend on beauty products

Percentage of responses: How has your willingness to spend on beauty products changed over the years?



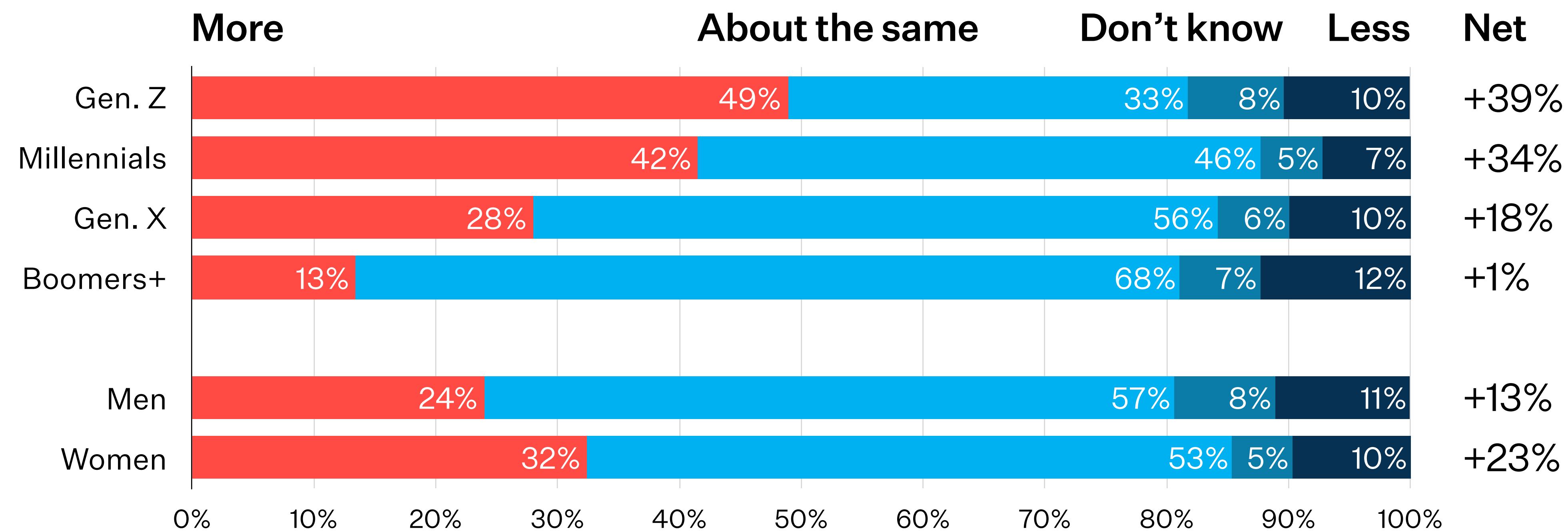
~40% of Gen. Z plans to spend more money on beauty this year

Over the next year, do you plan to spend more money on beauty and personal care, or less?



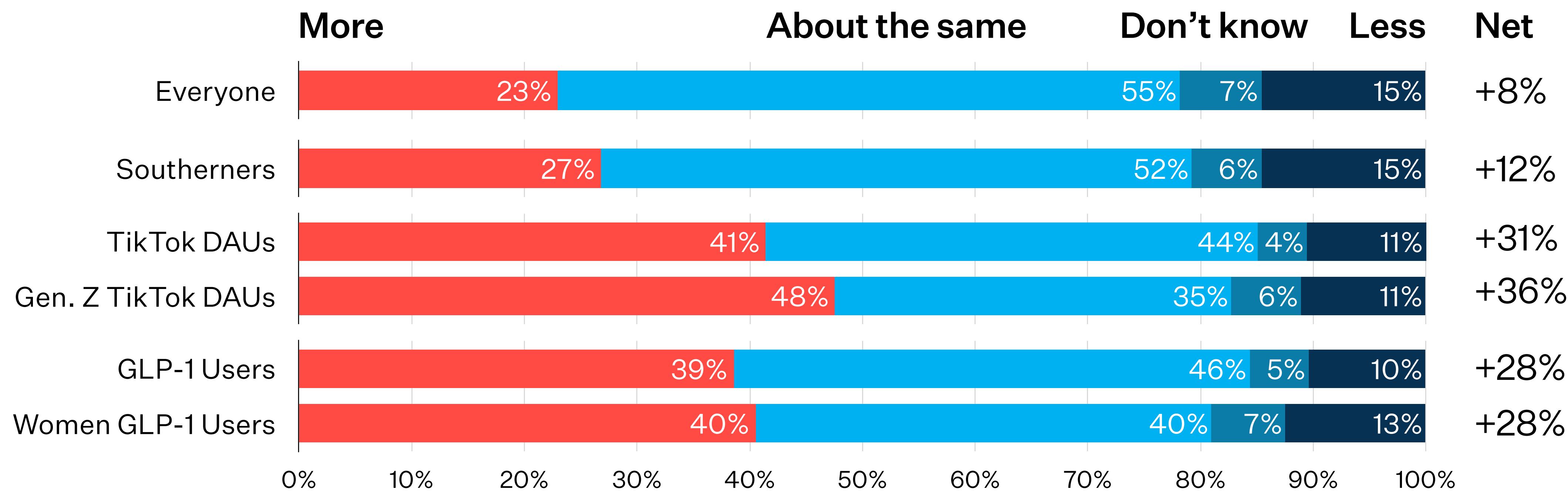
~Half of Gen. Z plans to spend more time and effort on beauty this year

Over the next year, do you plan to spend more time and effort on your beauty and personal care routine, or less?



Southerners, TikTok users, and GLP-1 users plan to spend even more on beauty

Over the next year, do you plan to spend more money on beauty and personal care, or less?

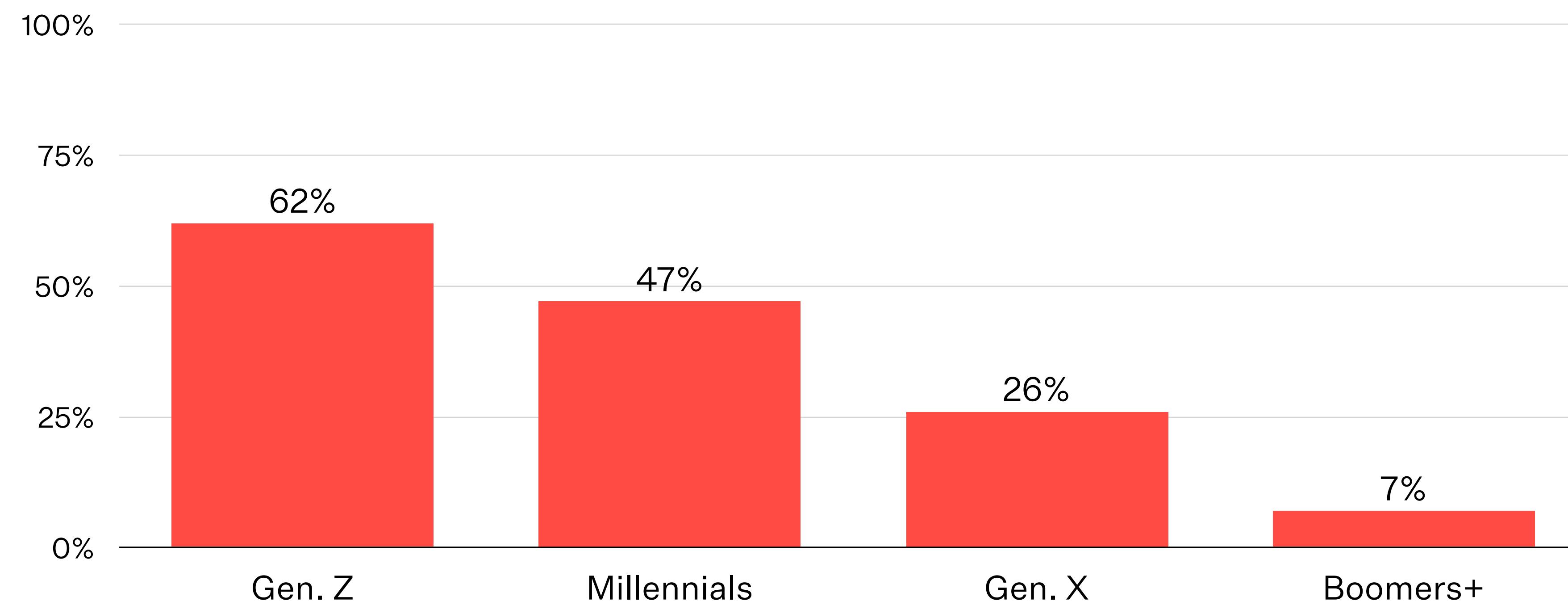


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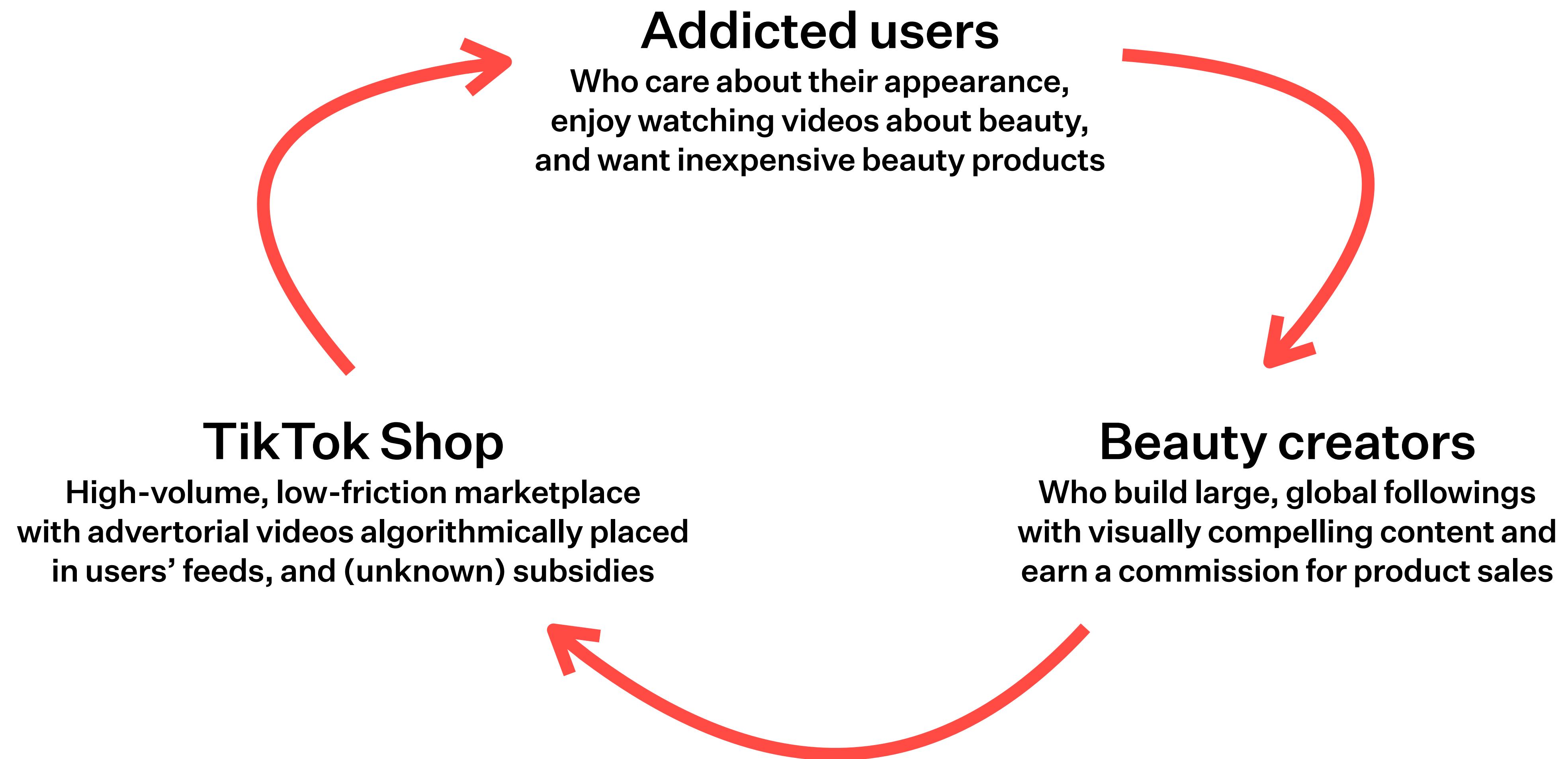
TikTok Shop is huge: A massive beauty marketplace bolted onto a giant entertainment platform.

~60% of Gen. Z consumers aware of TikTok say they use it every day

Percentage of 'Daily' responses by generation, among those aware of TikTok: How often do you use TikTok?



The highly effective TikTok Shop beauty flywheel



Half of TikTok active users say they've already made a TikTok Shop purchase

Awareness:

80%

of consumers who say they **use TikTok once a month or more** say they are **aware of TikTok Shop**, which only launched in late 2023

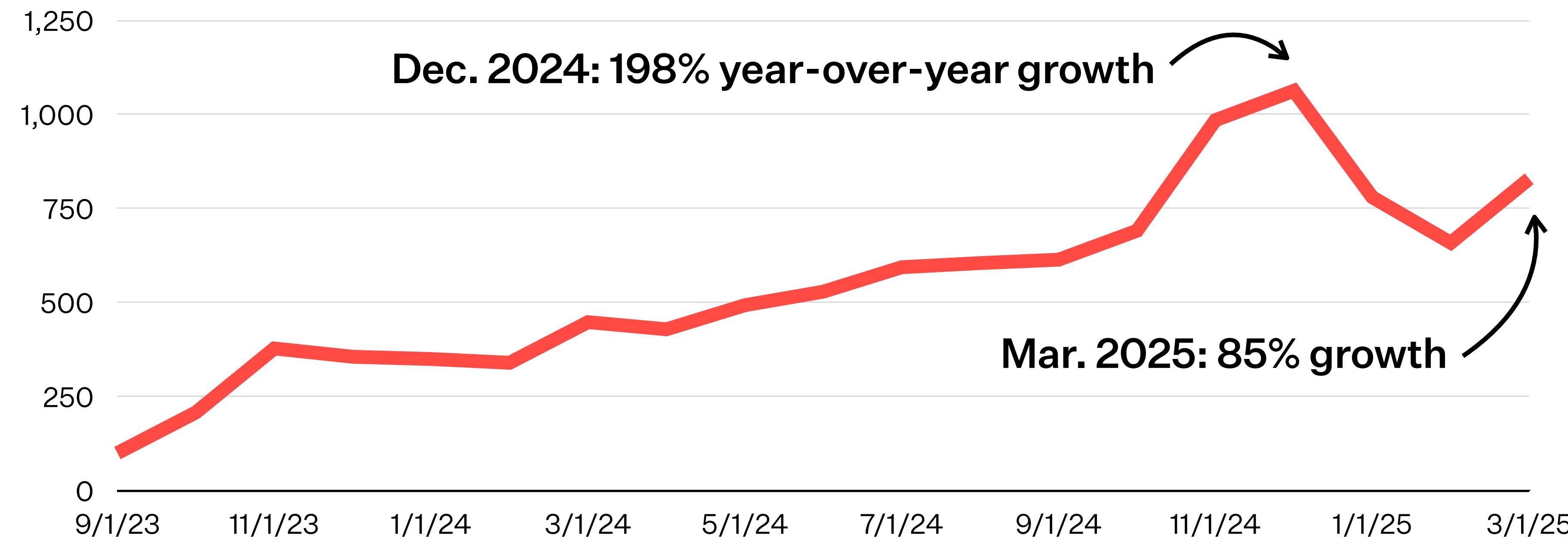
Conversion:

50%

of consumers who say they **use TikTok once a month or more** say they **have already made a purchase** (It's 57% among daily TikTok users.)

Americans are still spending on TikTok Shop, but growth has started to decelerate

Indexed US spending on TikTok Shop — Earnest Analytics

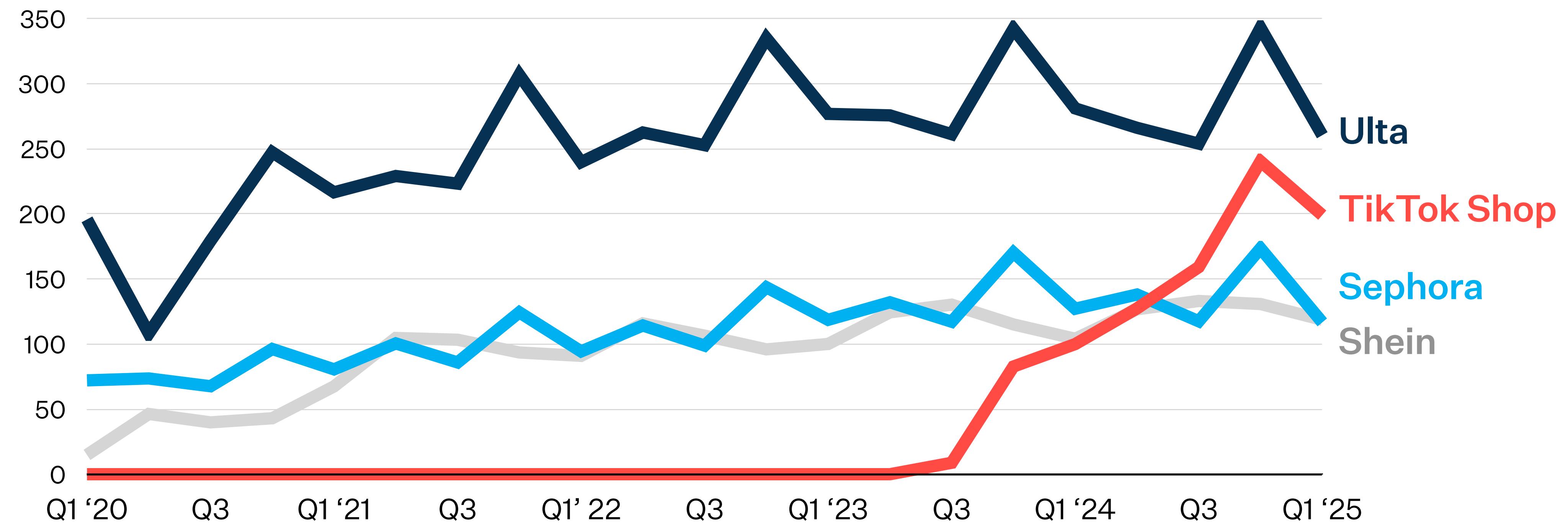


Data: Earnest Analytics Orion transaction data. 100 indexed to spend in September 2023.

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All in, TikTok Shop is already bigger than Sephora, but smaller than Ulta

Indexed US quarterly spending at TikTok Shop, Ulta, Sephora, and Shein — Earnest Analytics

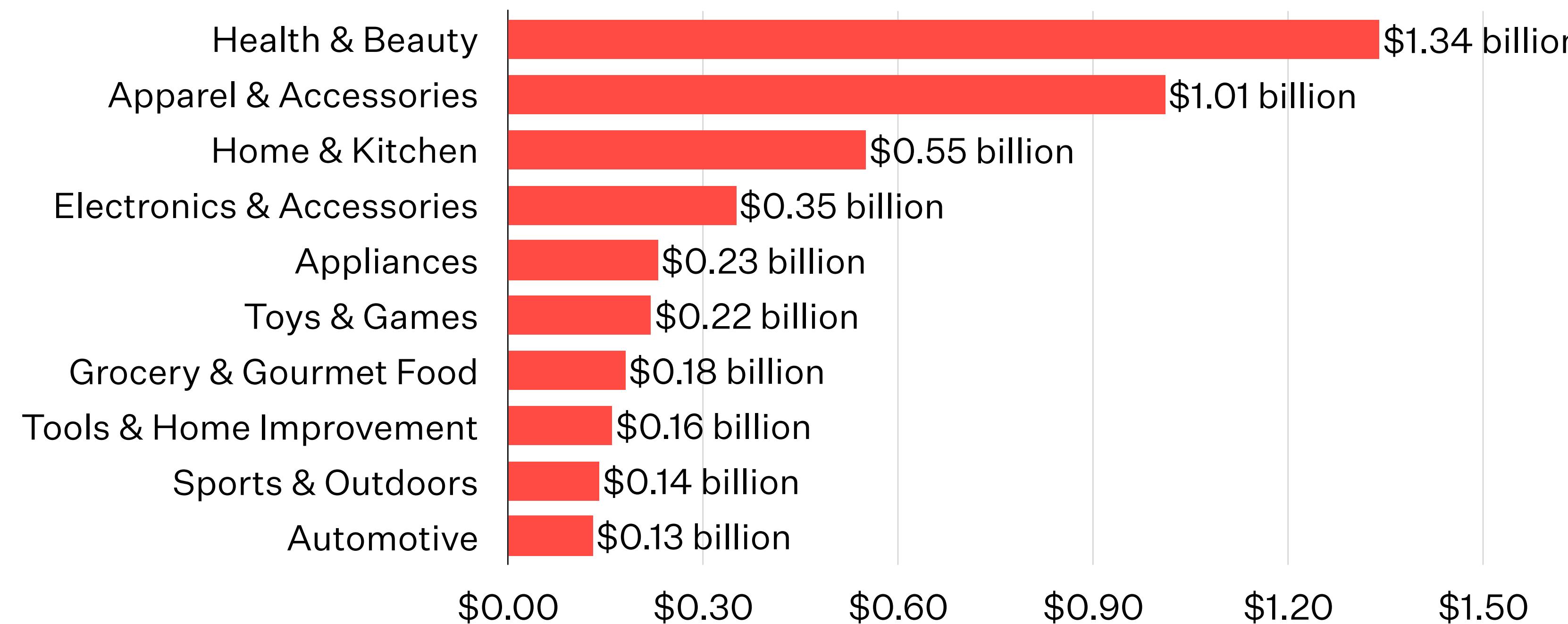


Data: Earnest Analytics Orion transaction data. 100 indexed to TikTok Shop spend in Q1 2024.

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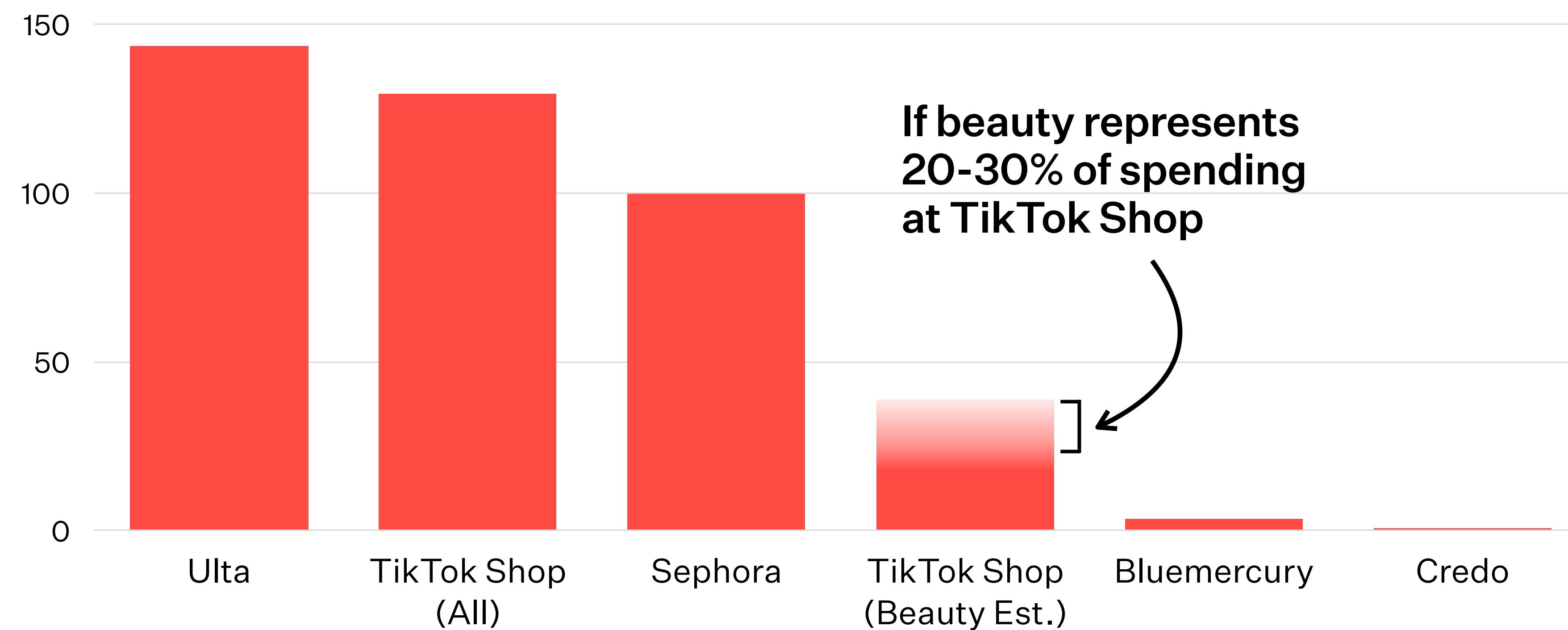
Beauty and apparel are TikTok Shop's top categories

Estimated TikTok Shop top ten category sales, January through July 2024 — NielsenIQ



It took Ulta 20 years to reach ~\$2b in beauty sales, and TikTok just a couple

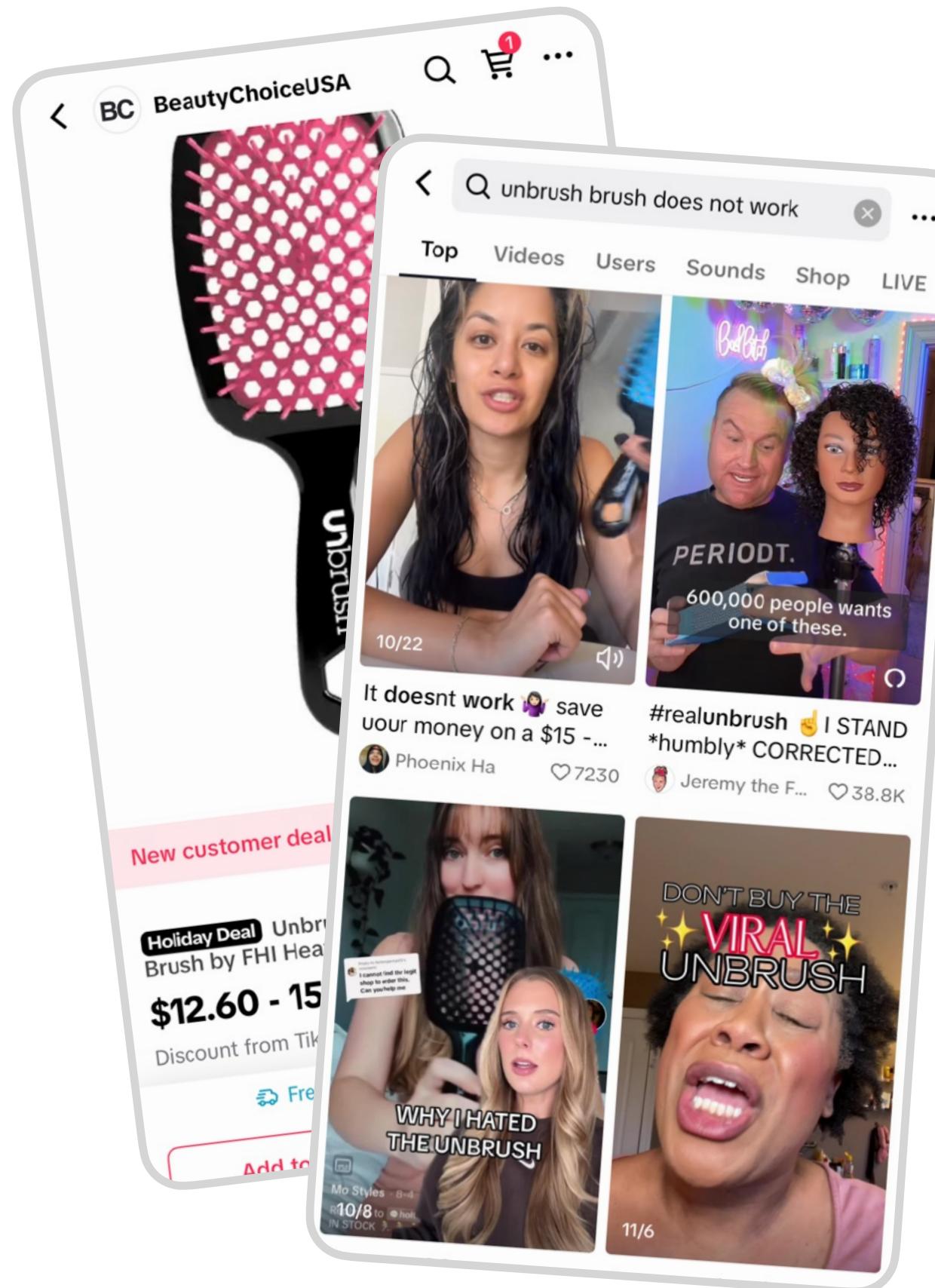
Indexed estimated US consumer spending at leading beauty merchants in Q4 2024



Data: Earnest Analytics Vela transaction data, The New Consumer analysis. Indexed to 100 representing Sephora's observed sales in Q4 2024. TikTok Shop shows the estimated 20% to 30% of observed sales that represent beauty and personal care products.

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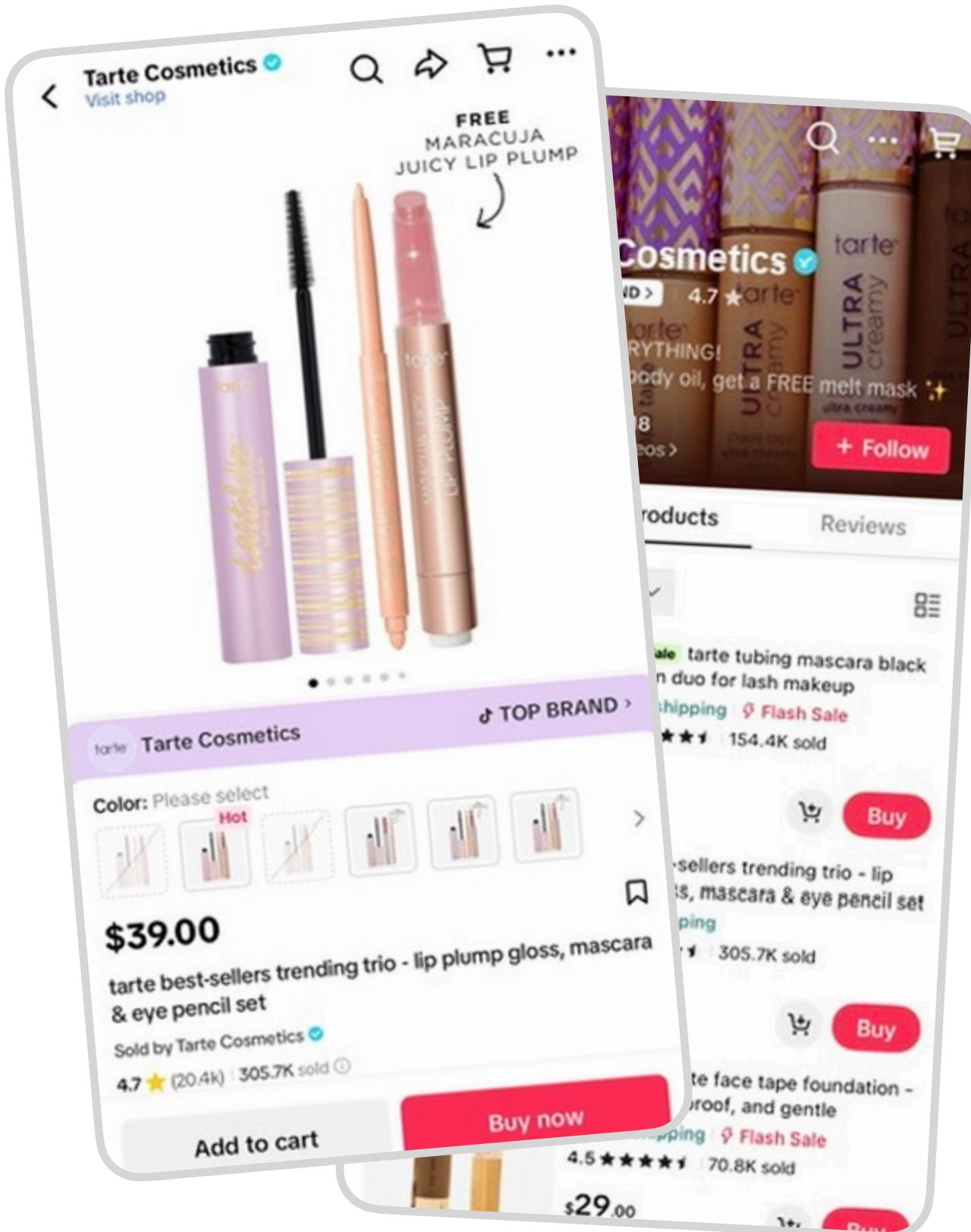
Popular beauty products on TikTok Shop



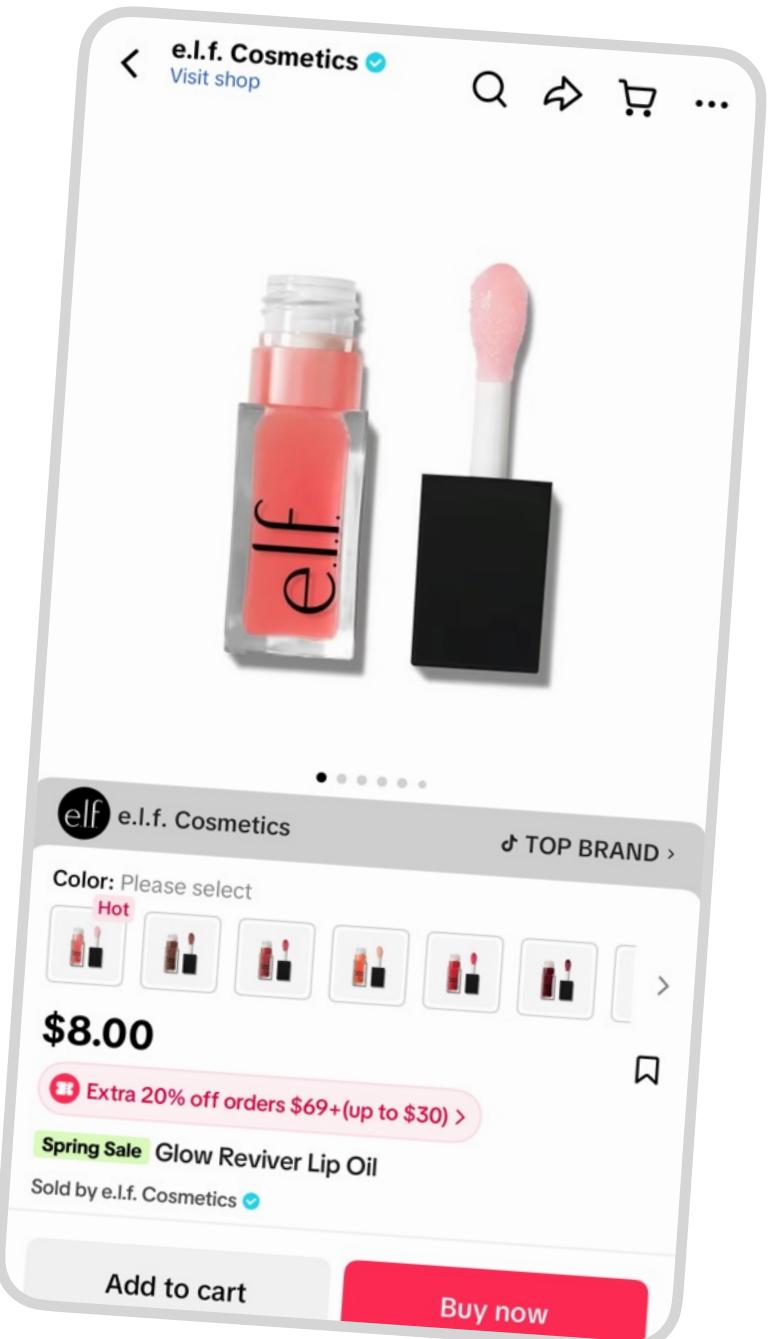
Unbrush hair brush
1.1 million+ sold



NOBS toothpaste tablets
493,000+ sold

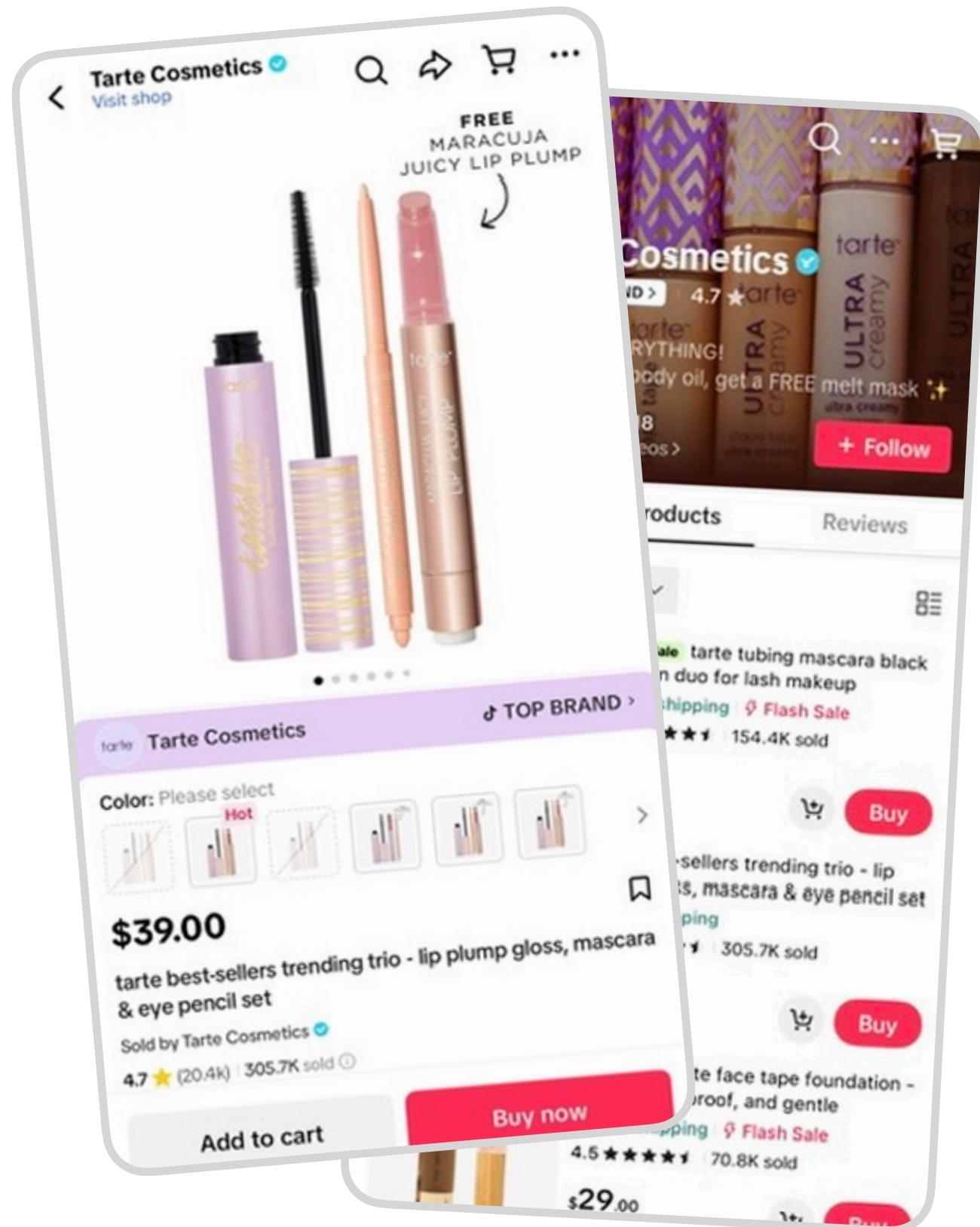


Tarte Cosmetics
3.3 million+ sold storewide



e.l.f. Cosmetics lip oil
176,000+ sold

TikTok Shop thrives on discounts and bundles, but prices are not unbelievable



Tarte Cosmetics 'Best-Sellers Trending Trio'

Lip plump gloss, mascara, eye pencil set
306k units sold on TikTok Shop (April 2025)

TikTok Shop: \$39 (vs. \$79 "list price")

Sephora: \$55 when purchasing duo + gloss separately

Tarte DTC: \$39 "#tarte trending trio"
(one item different, "\$79 value")

Amazon: \$39 "viral must haves trio" (only one color?)

Average order value:

TikTok Shop

\$32

Sephora

\$77

Ulta

\$68

Average transactions
per customer:

7.2

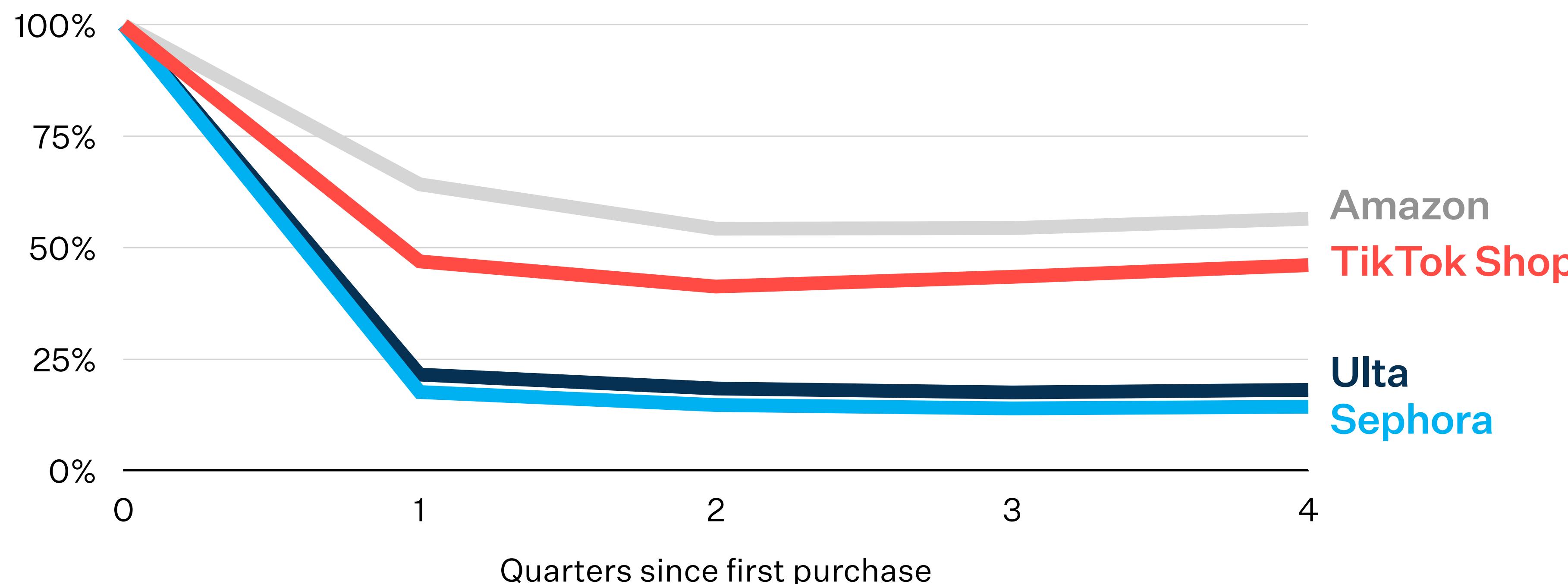
2.8

3.3

over the 12-month period ending March 2025,
according to Earnest Analytics

TikTok Shop customer retention is better than beauty retail but not Amazon

Percentage of unique US consumer customers retained after n quarters (higher is better) — Earnest Analytics



Almost all TikTok Shop customers said they'd make another purchase

Satisfaction:

91%

of consumers who say they have **made a purchase from TikTok Shop** say their purchases have generally lived up to expectations, in terms of quality

Retention:

90%

of consumers who say they have **made a purchase from TikTok Shop** say they **would make another purchase in the future**

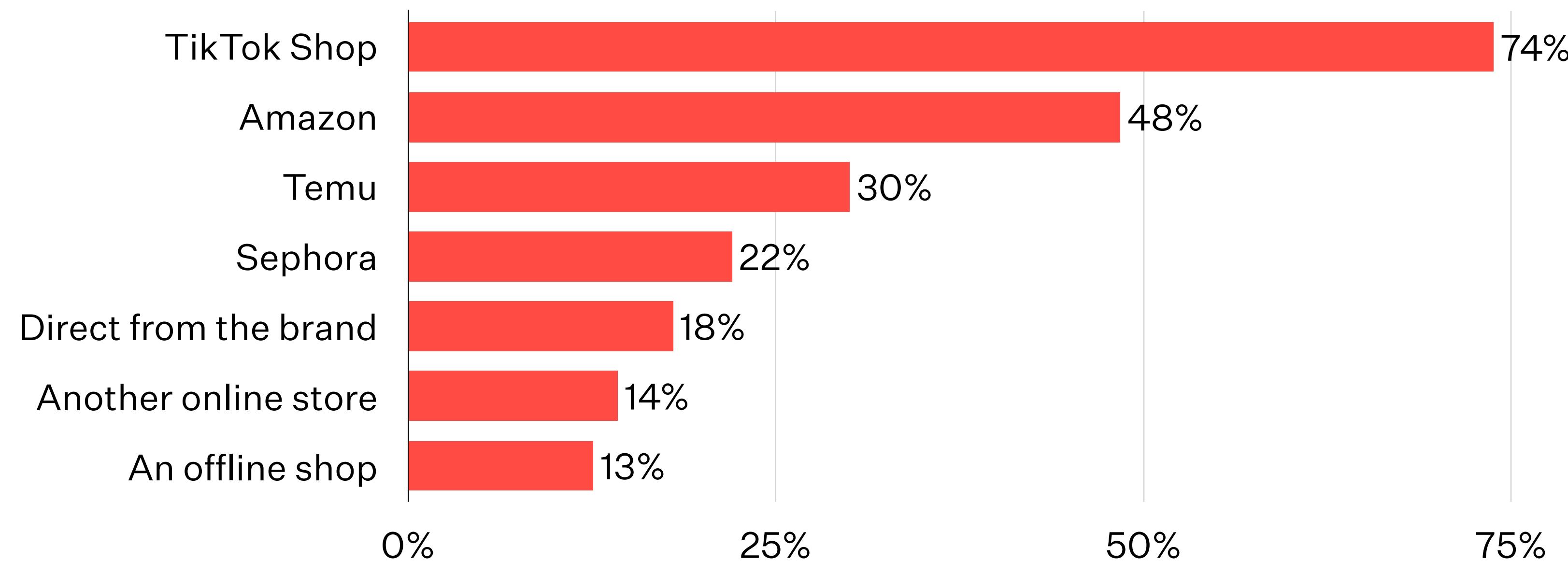
Integration:

87%

of consumers who say they have **made a purchase from TikTok Shop** say it felt like a natural extension of the TikTok experience

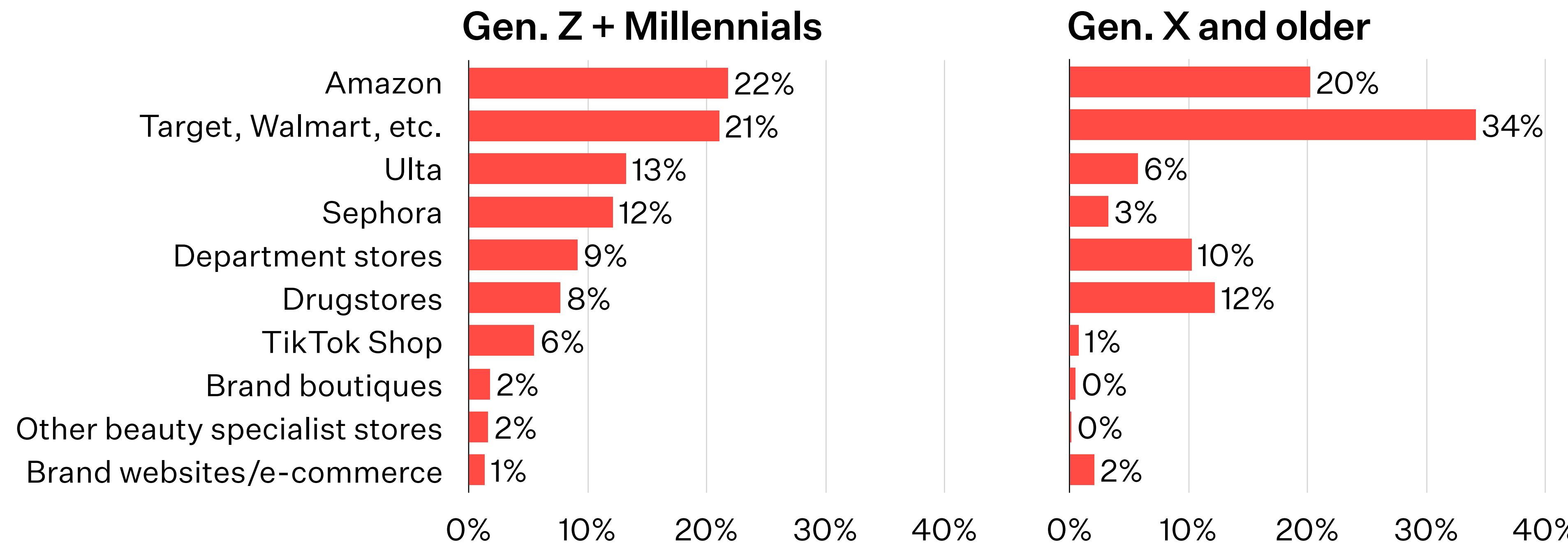
~Half of TikTok shoppers say they've re-purchased a product — many from TikTok

**Percentage of responses: You said you've re-purchased a product that you'd first purchased from TikTok Shop.
Where did you re-purchase the product?**



TikTok is huge for discovery but retail is still the primary first-purchase channel

Percentage of responses: Where do you primarily purchase new beauty brands or products? Choose one.

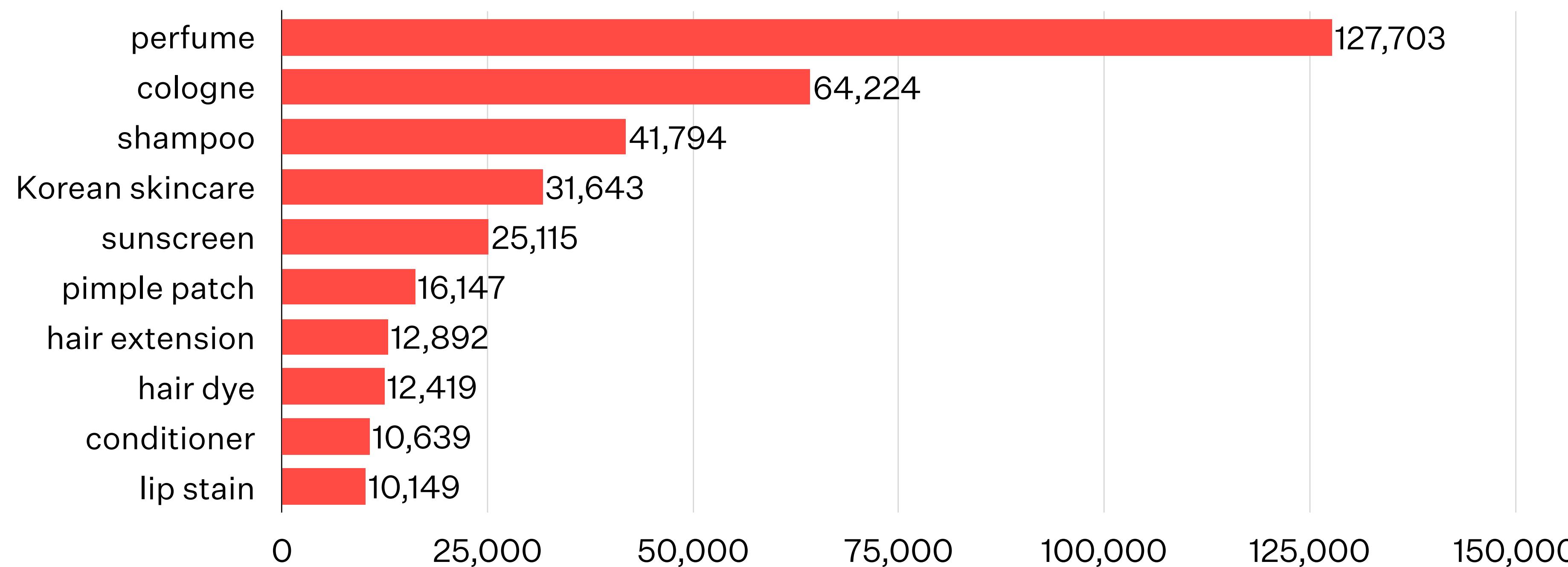


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What are today's beauty
consumers looking for?

Fragrance and Korean skincare led the top-growing beauty products in 2024

Top-growing beauty products in 2024: Growth in blended US popularity score across TikTok and Google — Spate

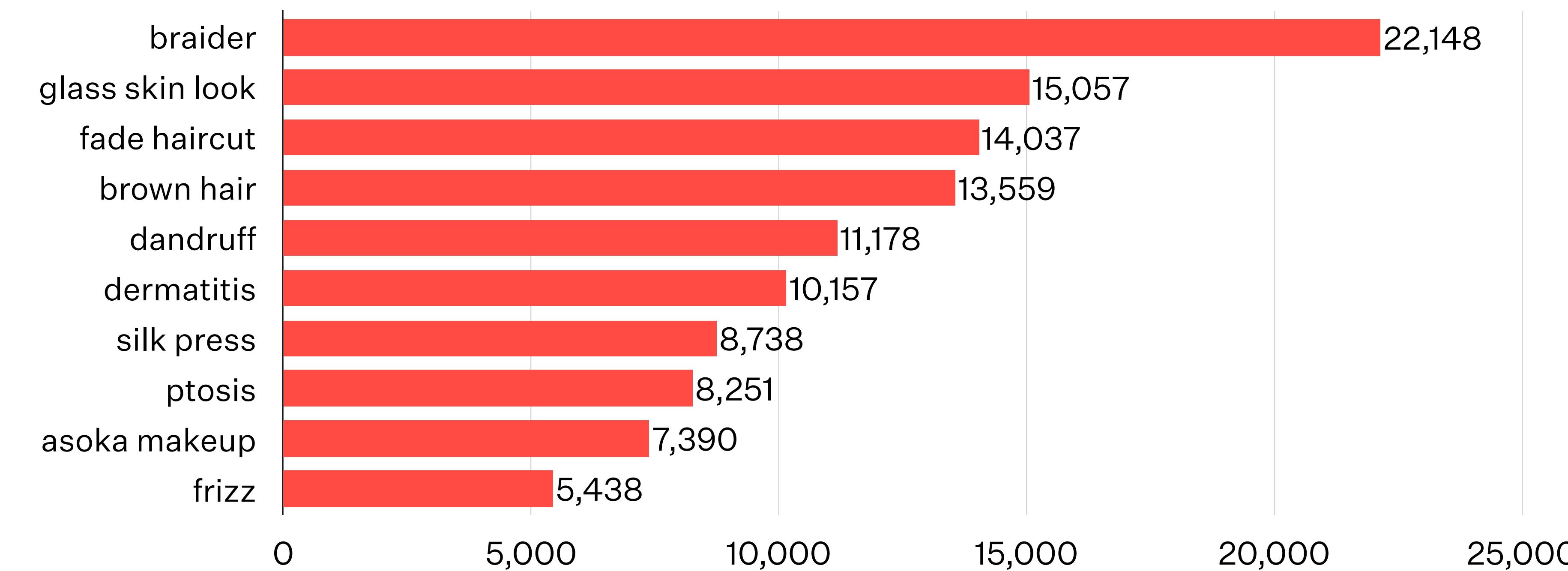


Data: Spate. Reflects growth in blended US popularity on TikTok and Google Trends in 2024 over 2023.

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Braiders, the ‘glass skin look’, and hair topics grew the most in 2024

Top-growing beauty concepts in 2024: Growth in blended US popularity score across TikTok and Google — Spate

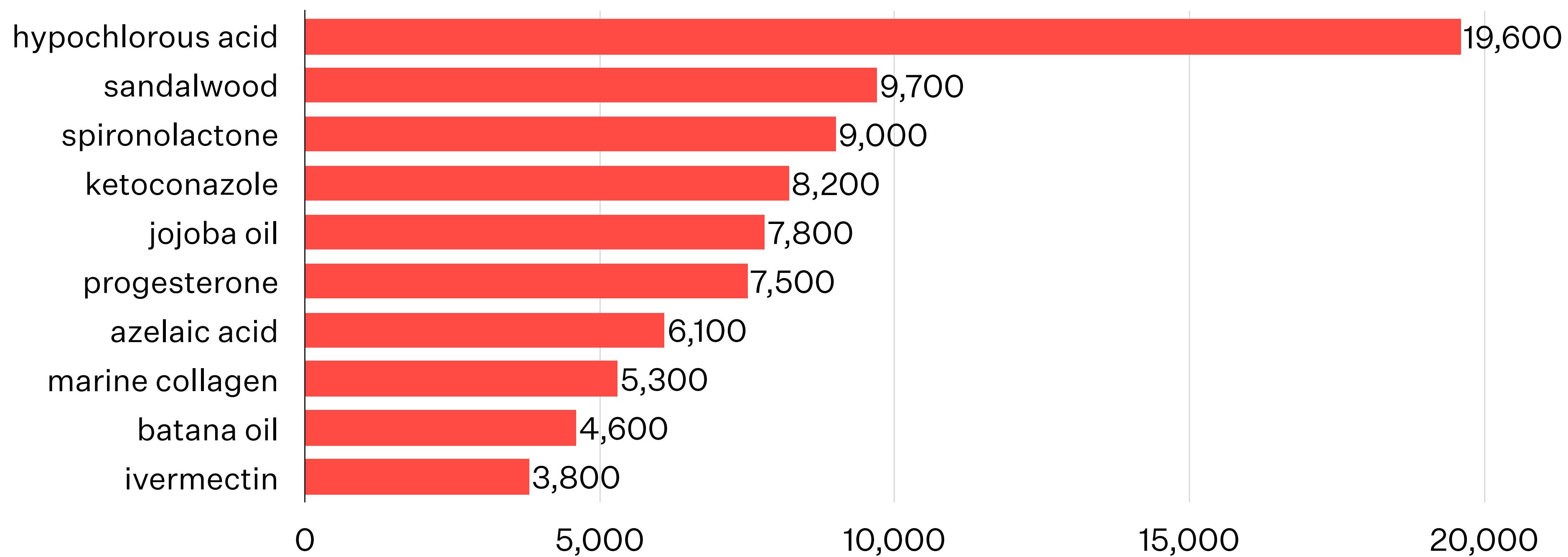


Data: Spate. Reflects growth in blended US popularity on TikTok and Google Trends in 2024 over 2023.

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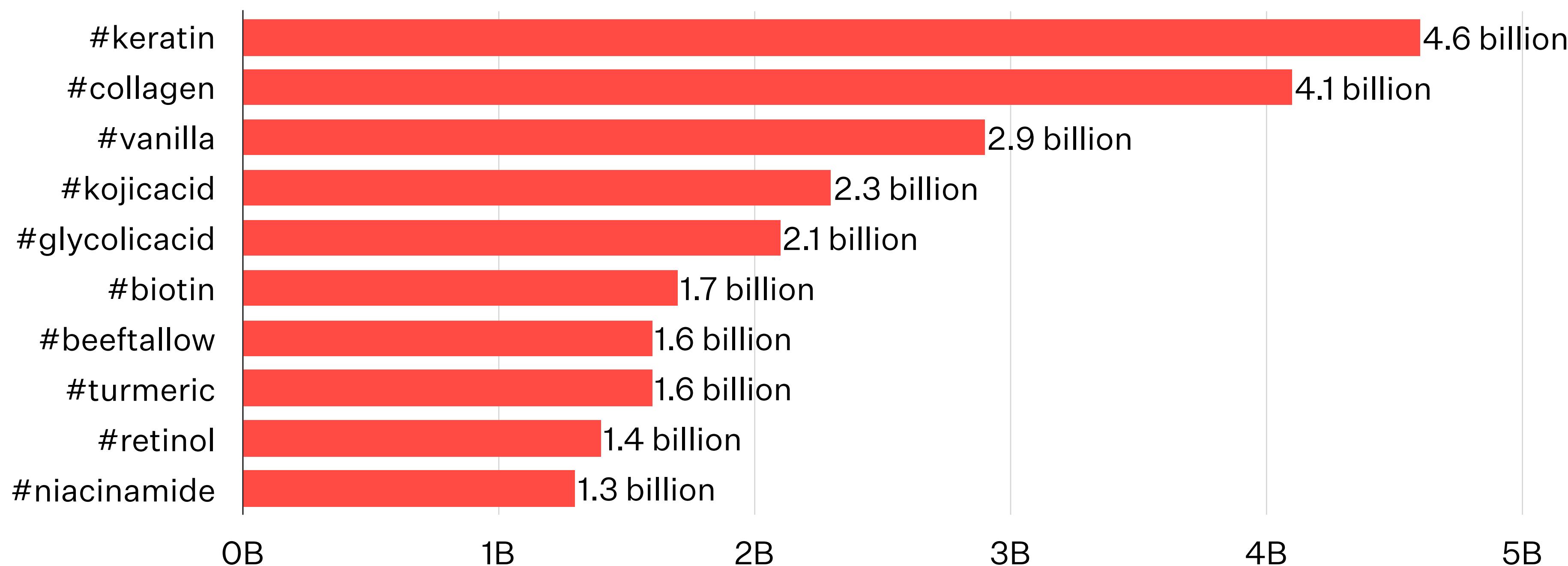
Top-growing beauty search terms include compounds and scents

Change in average monthly search volume in 2024 over average monthly search volume in 2023 — Spate



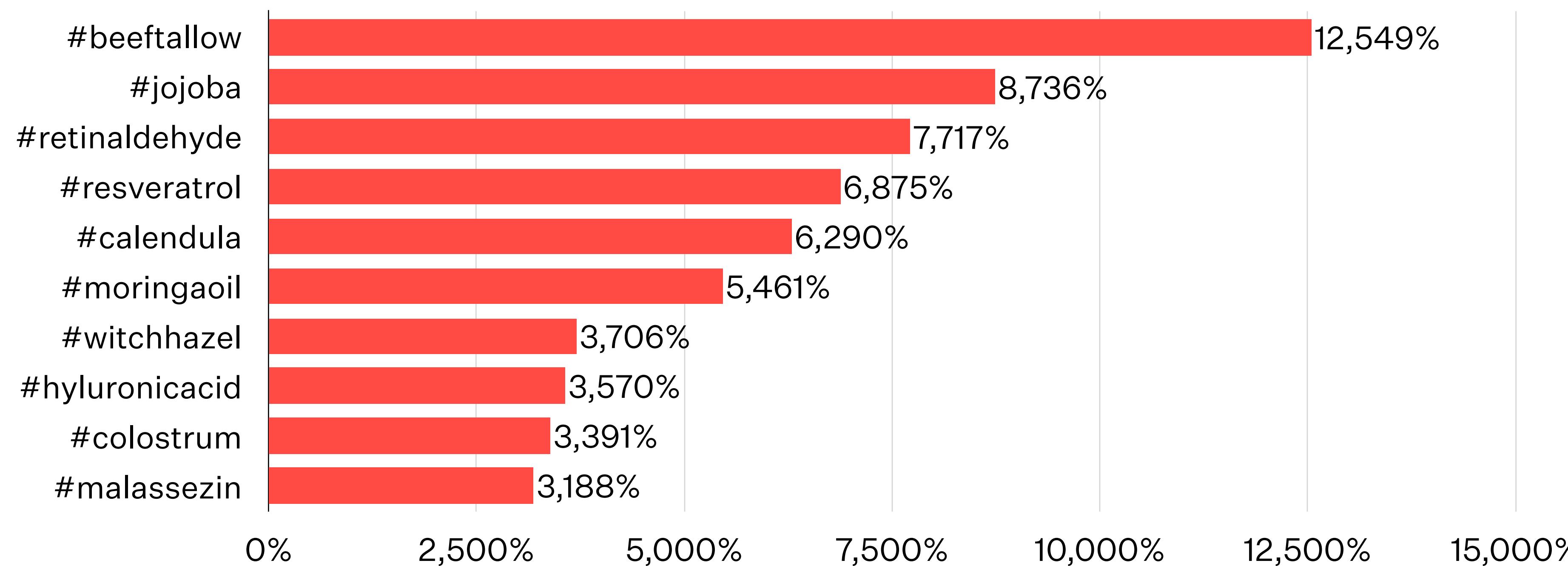
TikTok's top growing beauty product ingredients include keratin and collagen

Top-growing beauty ingredient hashtags in total TikTok views, year-over-year growth in billions of views — Spate



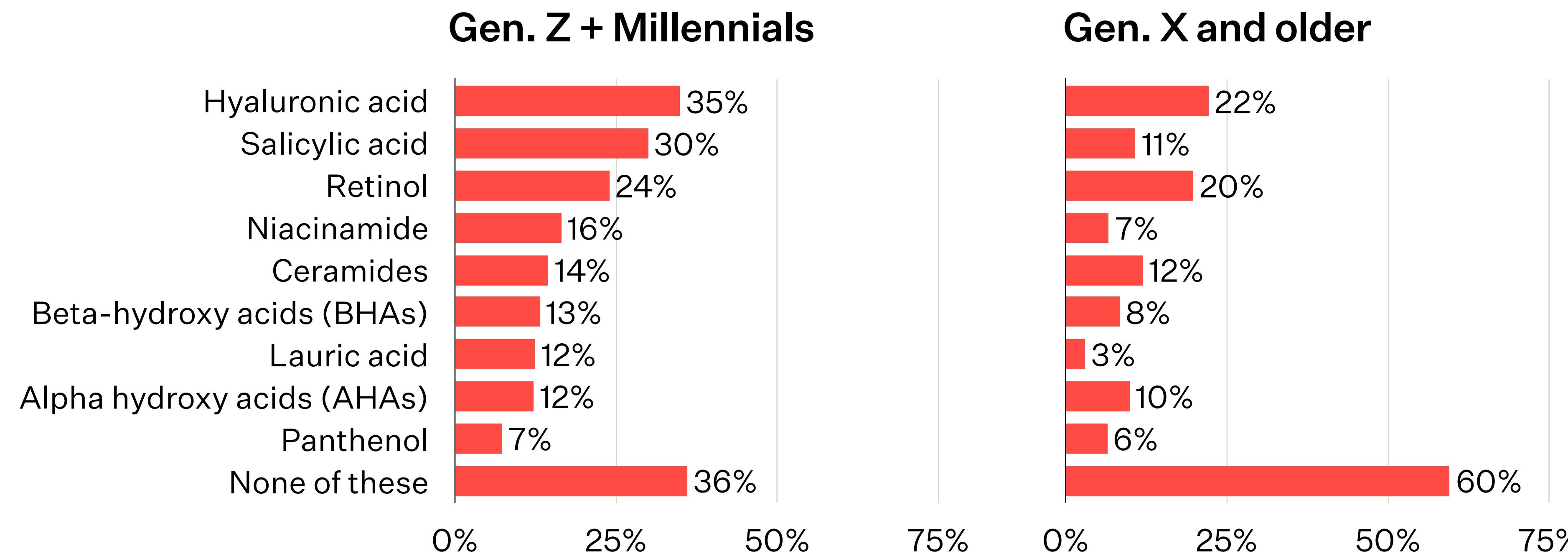
TikTok's fastest growing beauty product ingredients: Beef tallow and retinaldehyde

**Fastest-growing beauty ingredient hashtags in total
TikTok views, year-over-year percentage growth — Spate**



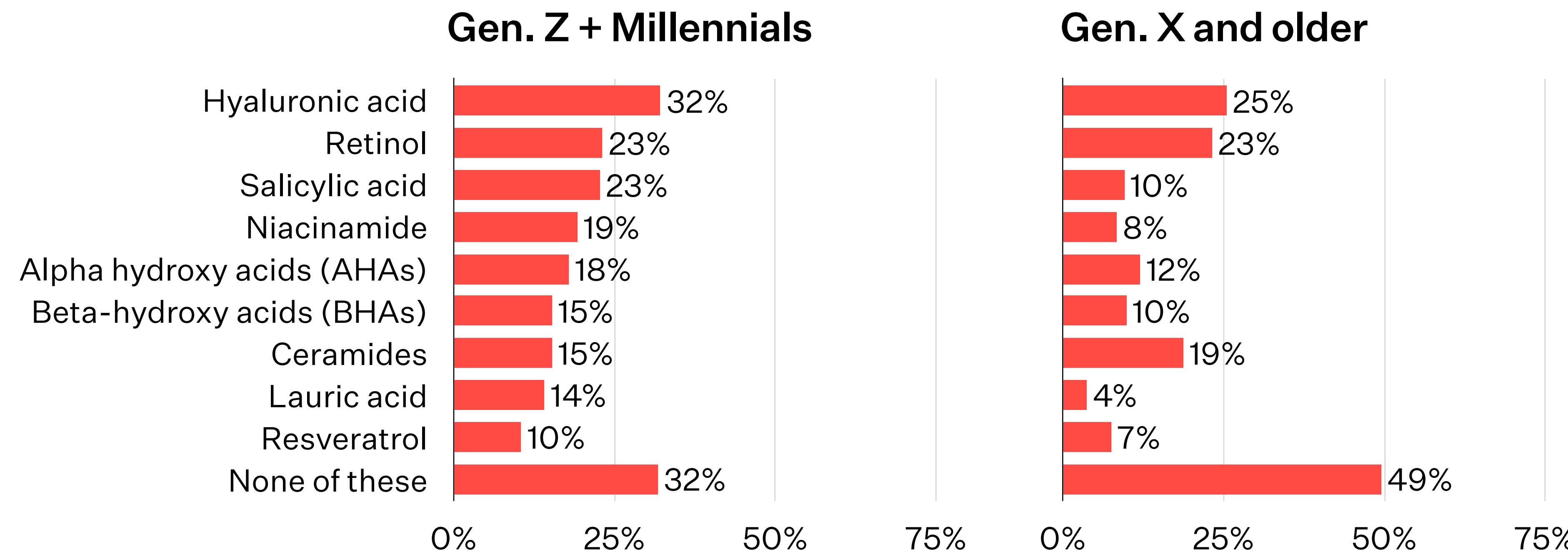
Younger shoppers look for more specific ingredients in their body wash

When purchasing a body wash / cleanser product, which of the following ingredients do you look for?



Younger shoppers look for more specific ingredients in their body moisturizers

When purchasing a body moisturizer product, which of the following ingredients do you look for?



We asked our **Consumer Trends** Survey panel of 3,127 beauty shoppers:

If you were to splurge on one specific beauty product, what would it be?

And how much would you spend?

‘If you were to splurge on one specific beauty product, what would it be?’

Top ‘Splurge’ Brands

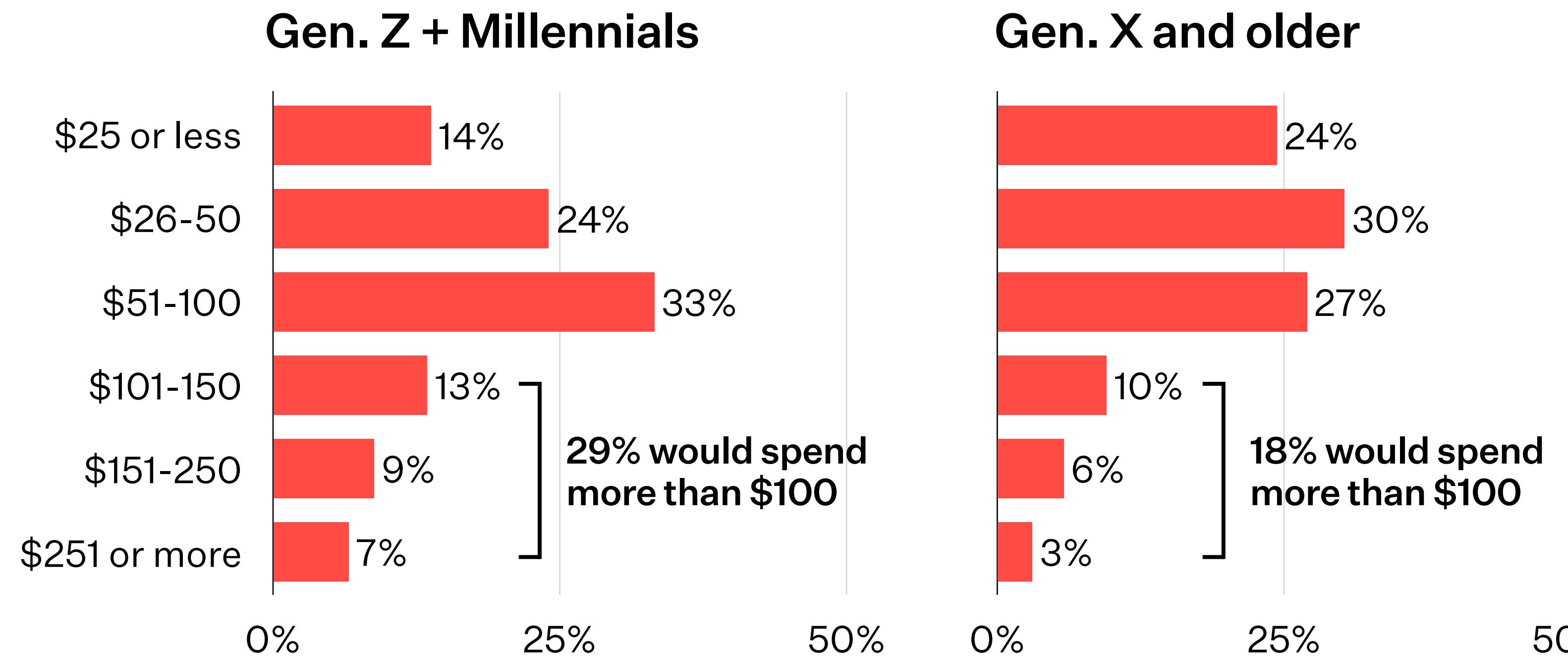
Dior
Clinique
Chanel
MAC
Olay
Estée Lauder
Fenty
Neutrogena
CeraVe
Maybelline

Top ‘Splurge’ Categories

Perfume
Foundation
Moisturizer
Cologne
Serum
Fragrance
Mascara
Lotion
Eyeshadow
Shampoo

Younger consumers say they're willing to spend more on a beauty splurge

Percentage of responses: How much is the most you'd spend to splurge on that one specific beauty product?



‘If you were to splurge on one specific beauty product, what would it be?’

“It would be the Charlotte Tilbury setting spray...
it works wonders and it’s really amazing”

“Chanel de bleu because it smells so good and makes me feel good”

“I don't have a specific name in mind, but those
beauty products that cost \$100 for a little bottle”

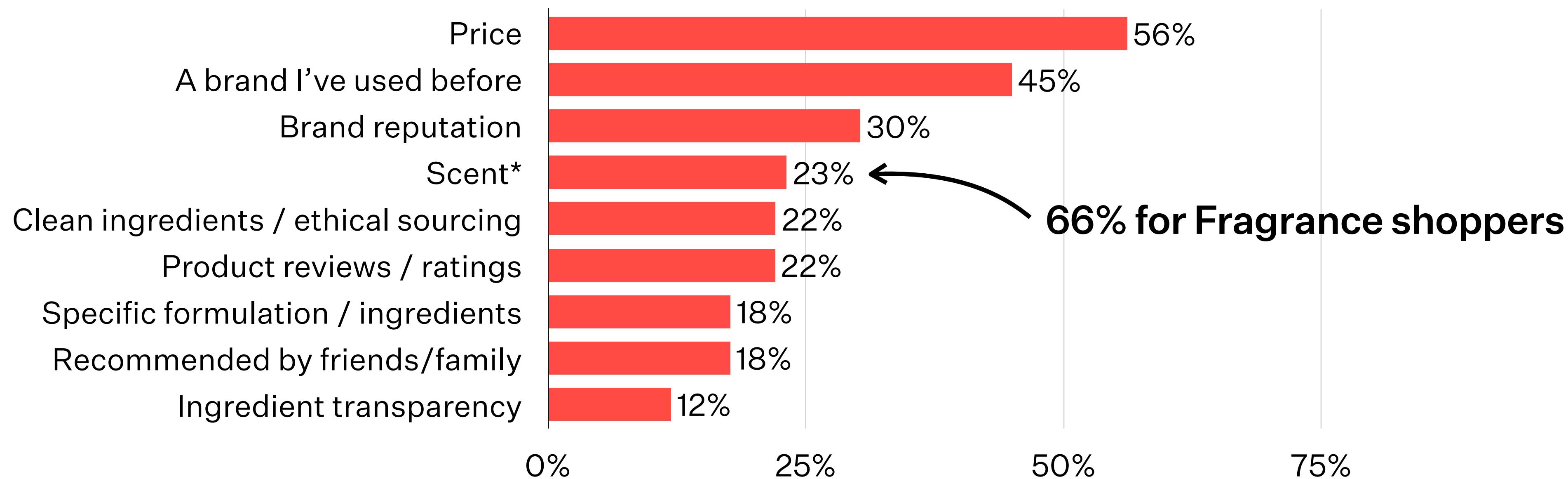
**“I LIKE ESTEE LAUDER COLOGNE PLEASURE FOR MEN...
MY GIRL FRIEND LIKES ME TO WEAR IT”**

4

What do beauty shoppers want from brands?

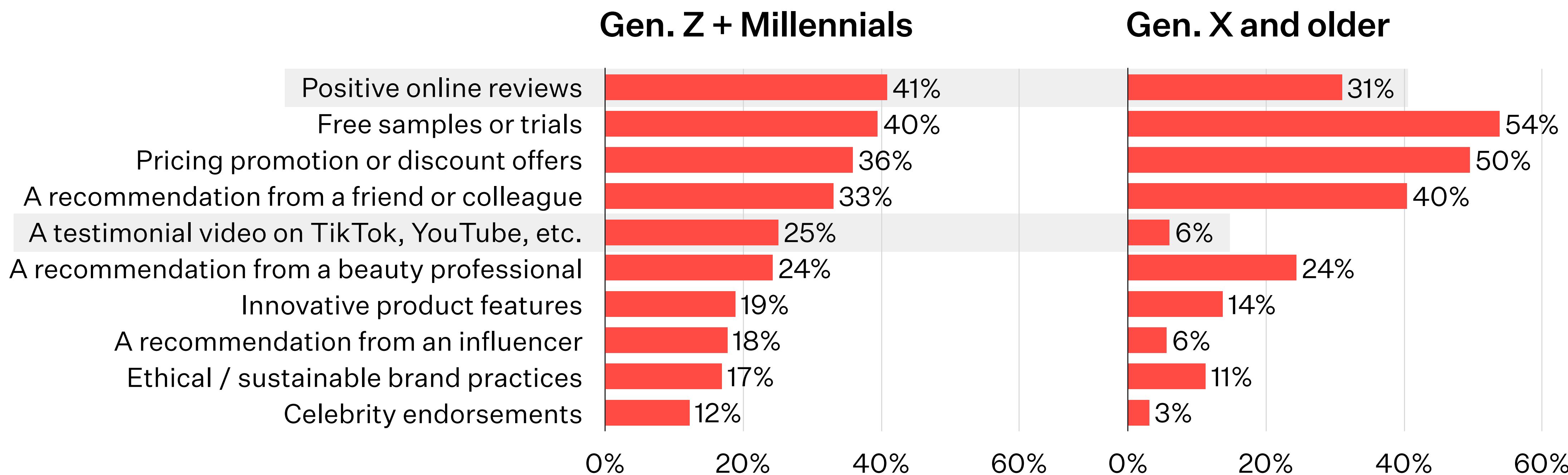
Beauty shoppers are most focused on price, brand familiarity, and reputation

Average percentage: When shopping for [Skincare, Makeup, Haircare, Fragrance] products, which of the following are most influential in your purchasing decision? Choose your top four.



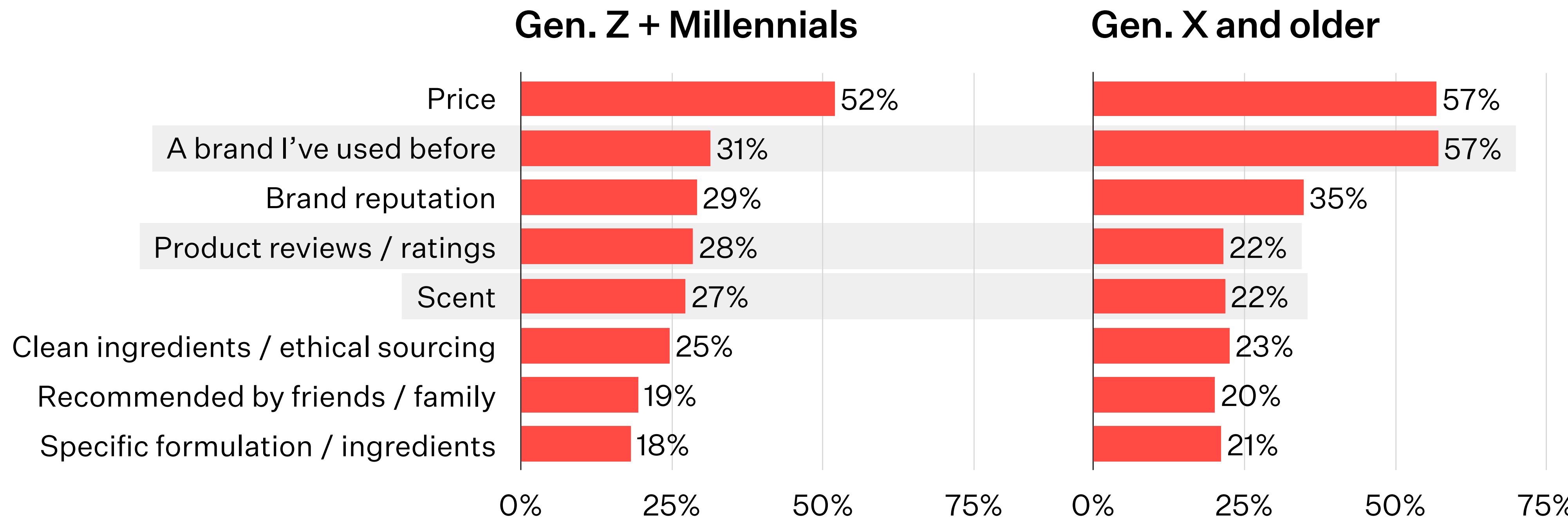
To drive trial, younger consumers value online reviews and video testimonials

Which of the following would help encourage you to try a new product from a beauty brand you haven't used before?



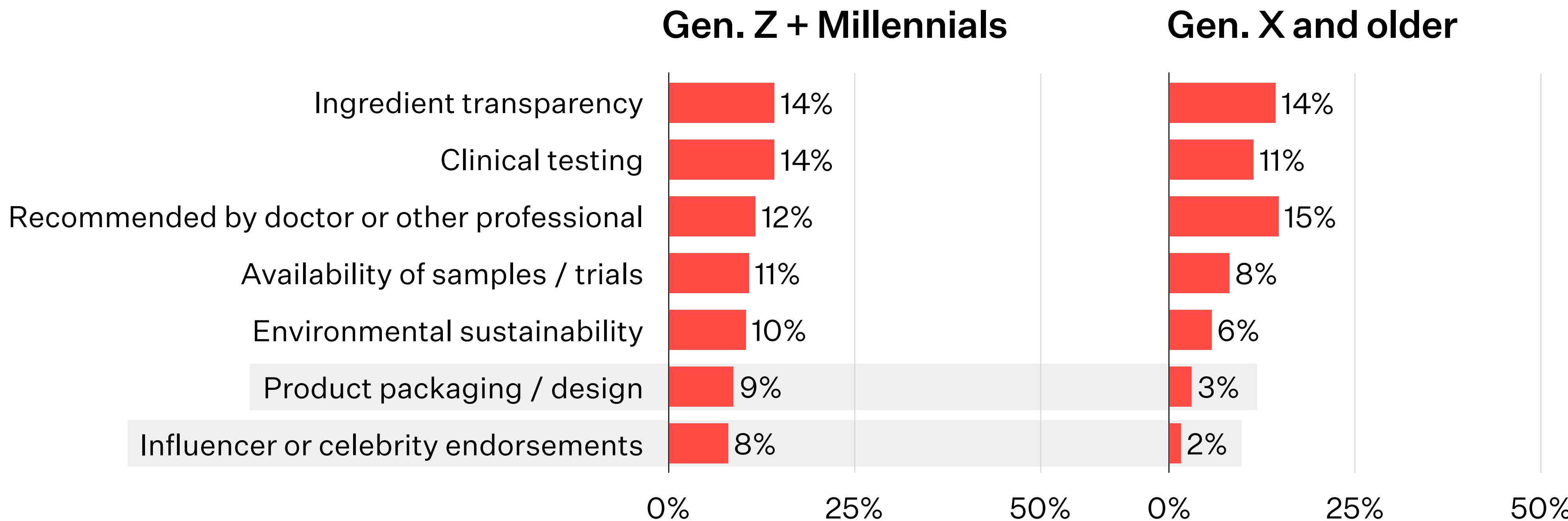
Younger shoppers feel less friction about new brands (and are more into scent)

When shopping for skincare, which of the following are most influential in your purchasing decision? Choose your top four.



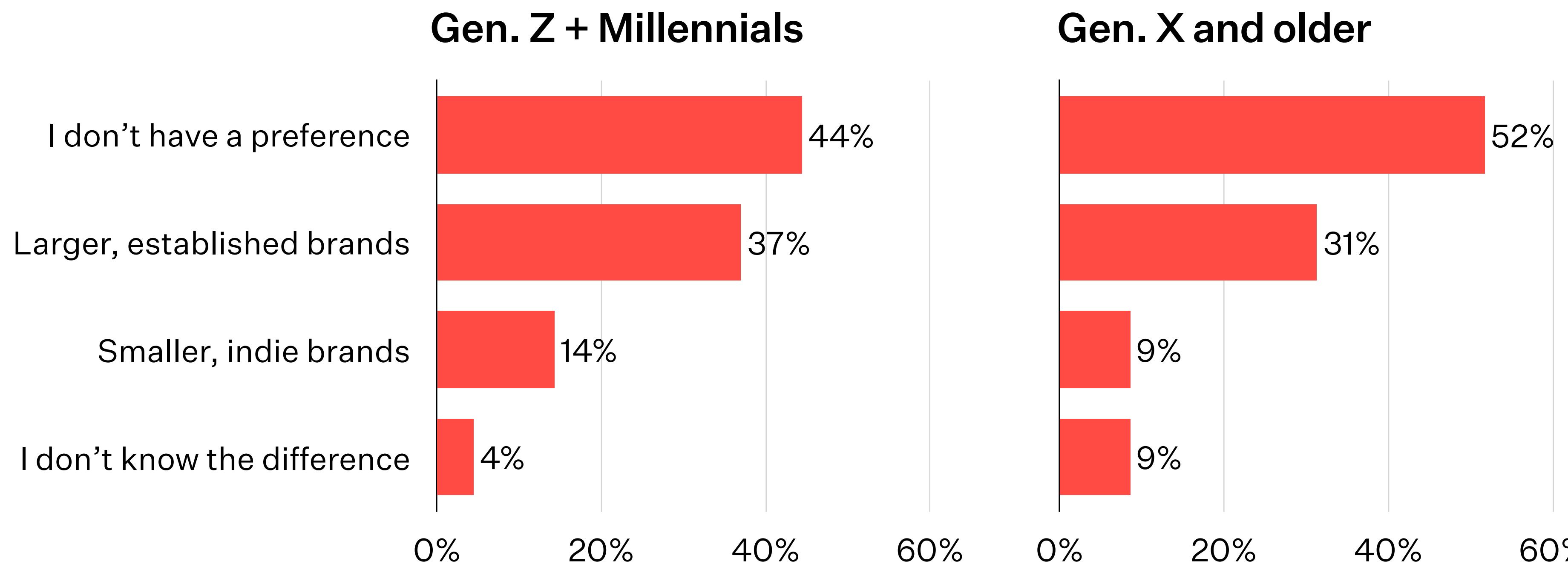
Packaging design and influencers matter more to younger consumers

When shopping for skincare, which of the following are most influential in your purchasing decision? Choose your top four.



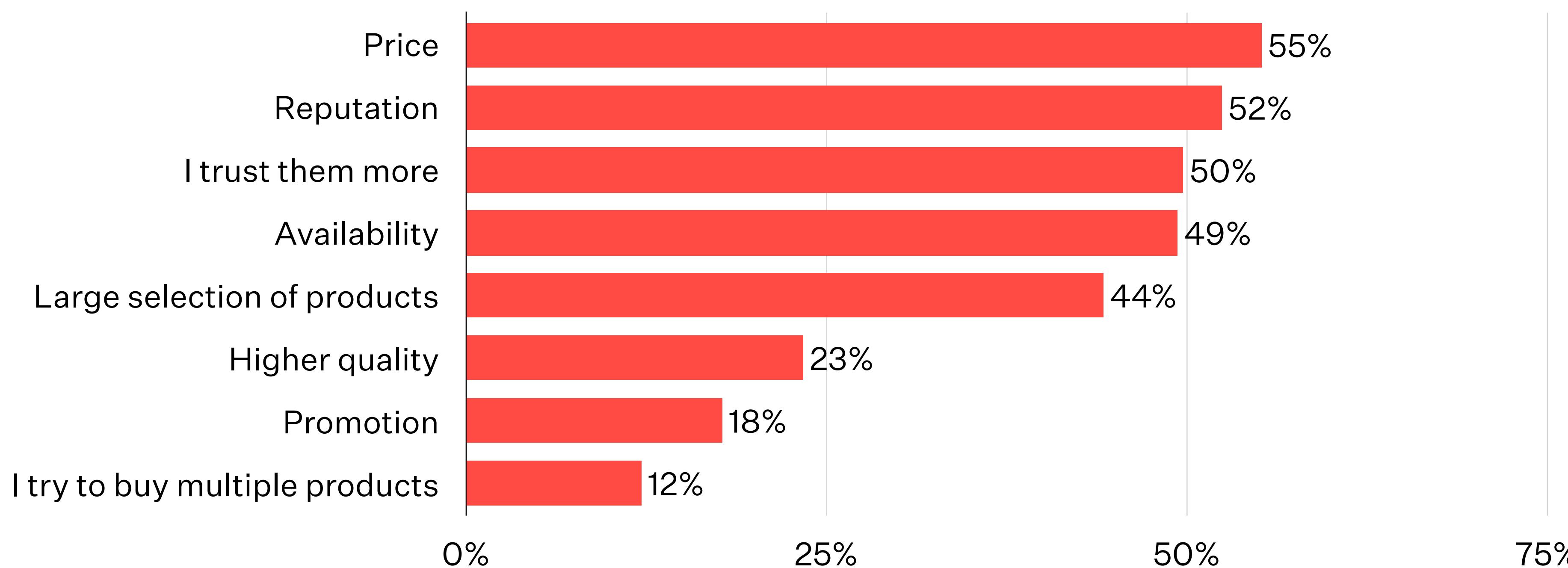
Do consumers prefer larger beauty brands or smaller indies? Some of both.

Percentage of responses: Do you prefer to shop smaller, indie beauty brands or larger, established brands?



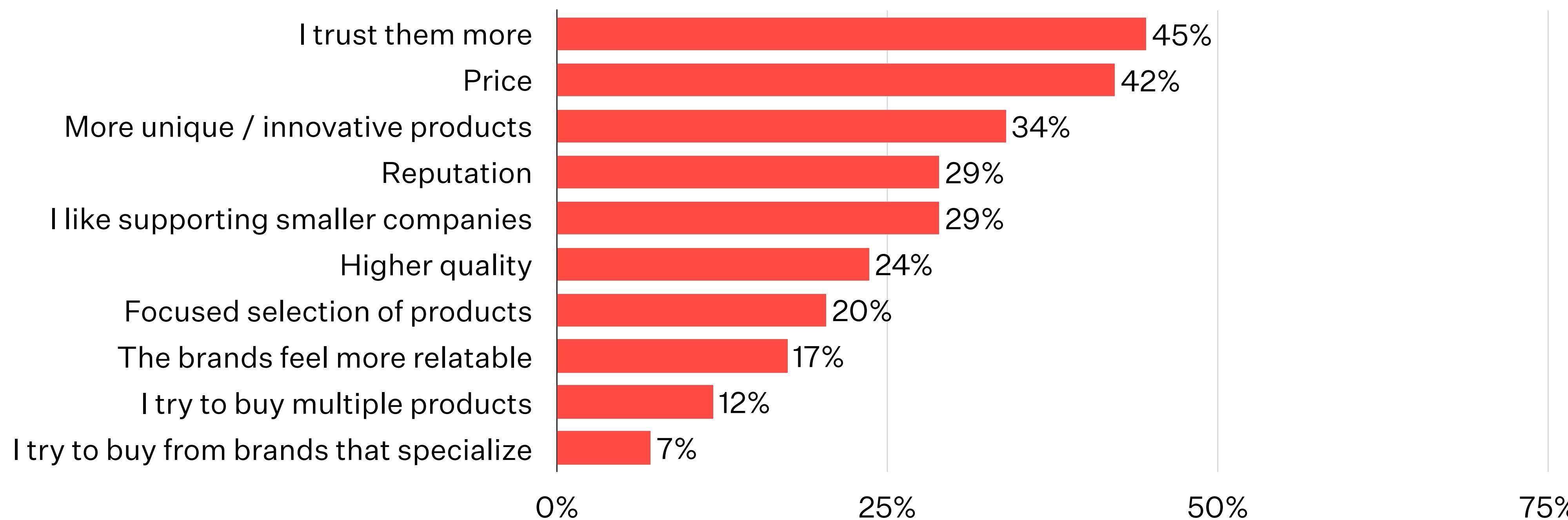
Consumers who prefer larger brands say it's about price, trust, and distribution

Percentage of responses: You said you prefer to shop larger, established beauty brands. Why?



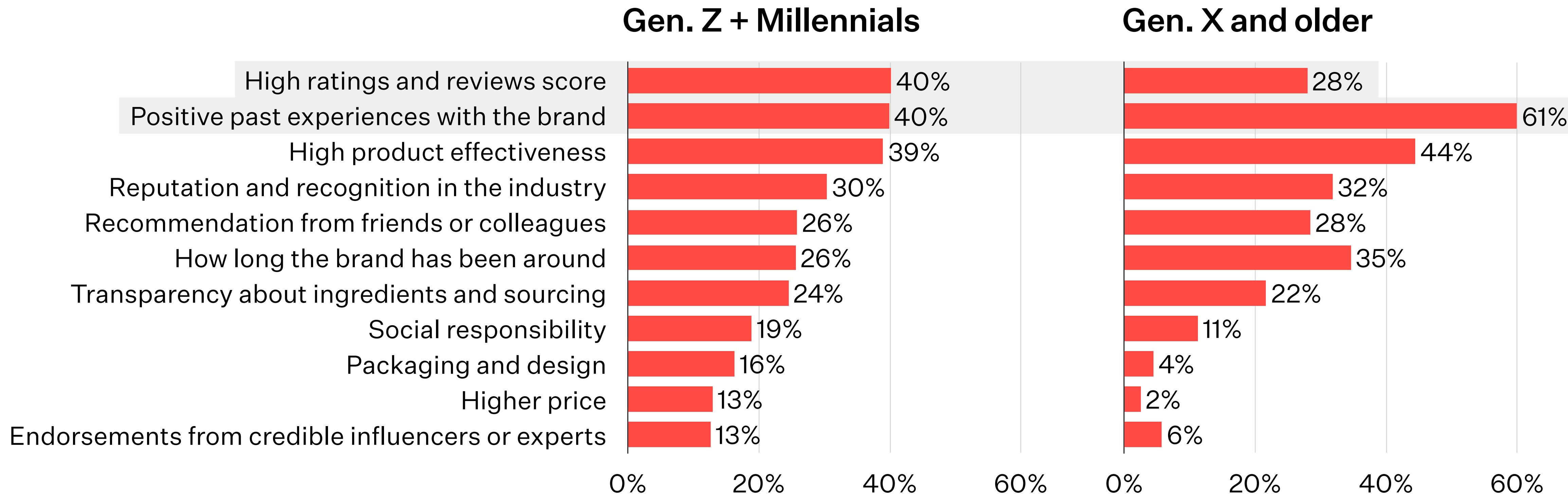
Consumers who prefer indie brands say it's about trust, price, and innovation

Percentage of responses: You said you prefer to shop smaller, indie beauty brands. Why?



What builds trust? Younger consumers value reviews and experience equally

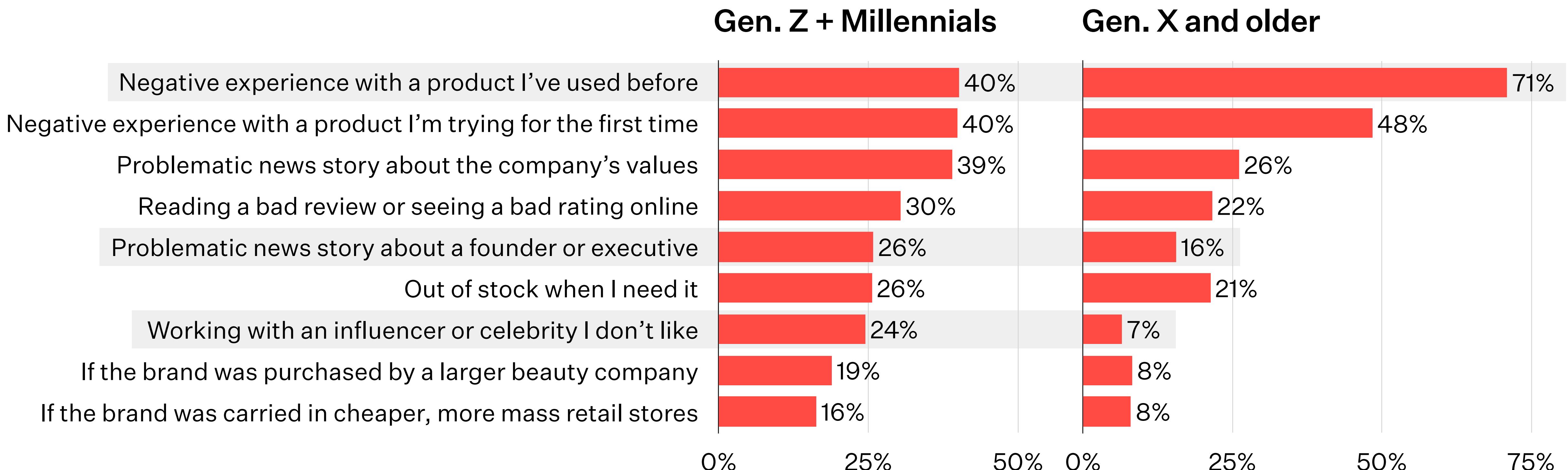
What makes you trust a beauty brand? Select all that apply.



What destroys trust in a beauty brand?

Different generations have different ideas

Which would cause you to lose trust in a beauty brand?



“I trust that beauty brands are transparent about their ingredients and product sourcing”

66%

Gen. Z + Millennials

60%

Gen. X and Older

“I am willing to pay more for a beauty product from a brand that I trust”

71%

Gen. Z + Millennials

64%

Gen. X and Older

“I prefer to buy from beauty brands that I know and have used before”

78%

Gen. Z + Millennials

86%

Gen. X and Older

“I feel more loyal to beauty brands that are socially responsible”

58%

Gen. Z + Millennials

36%

Gen. X and Older

“I believe influencer endorsements significantly influence my trust in a beauty brand”

44%

Gen. Z + Millennials

16%

Gen. X and Older

“If my friends and family trust a beauty brand, so do I”

57%

Gen. Z + Millennials

43%

Gen. X and Older

“I like when beauty brands talk to me like I’m their friend, not just a customer”

60%

Gen. Z + Millennials

38%

Gen. X and Older

“I feel like I’m part of a community with my favorite beauty brand”

54%

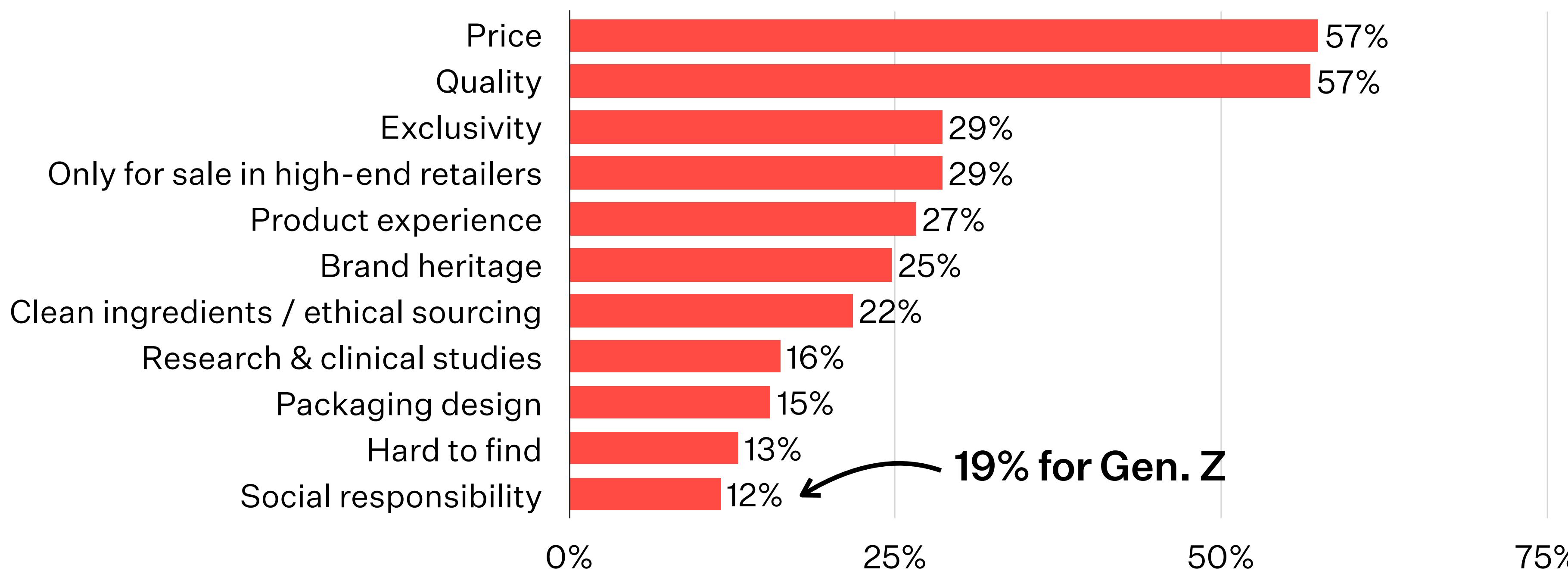
Gen. Z + Millennials

26%

Gen. X and Older

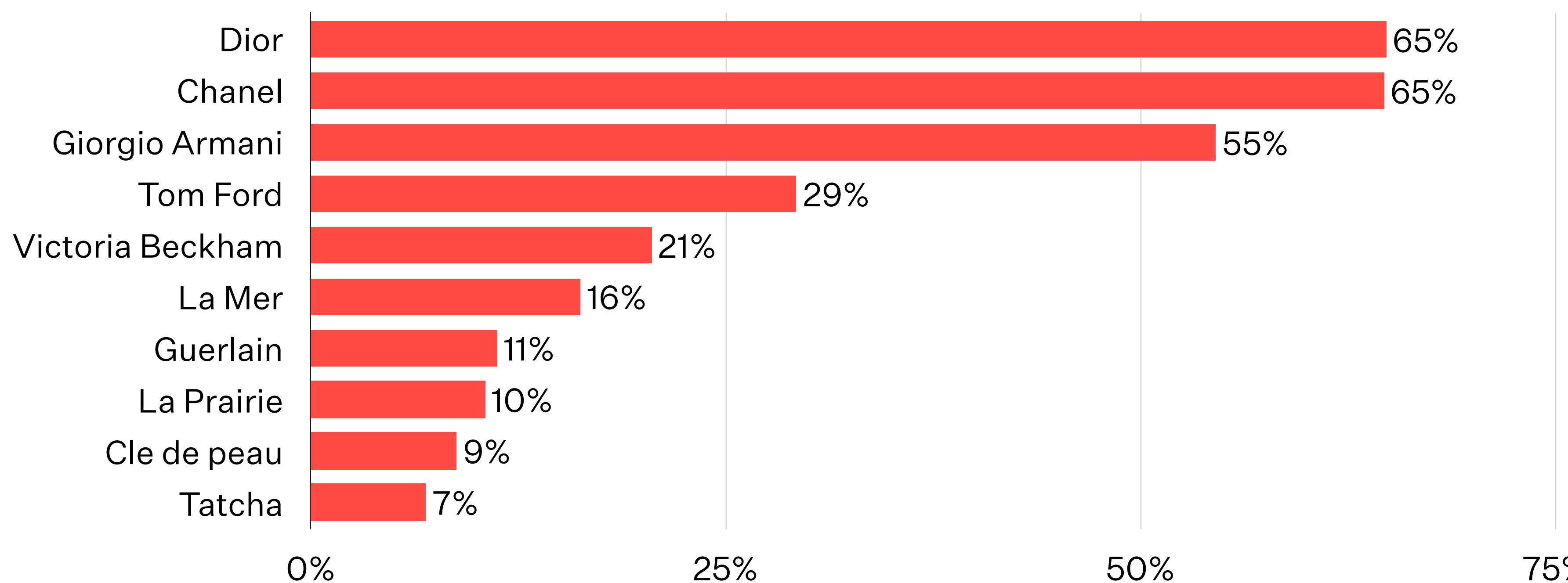
What makes a luxury brand? Price, quality, and exclusivity

Percentage of responses: How do you define 'luxury' when it comes to beauty brands? Please select all that apply.



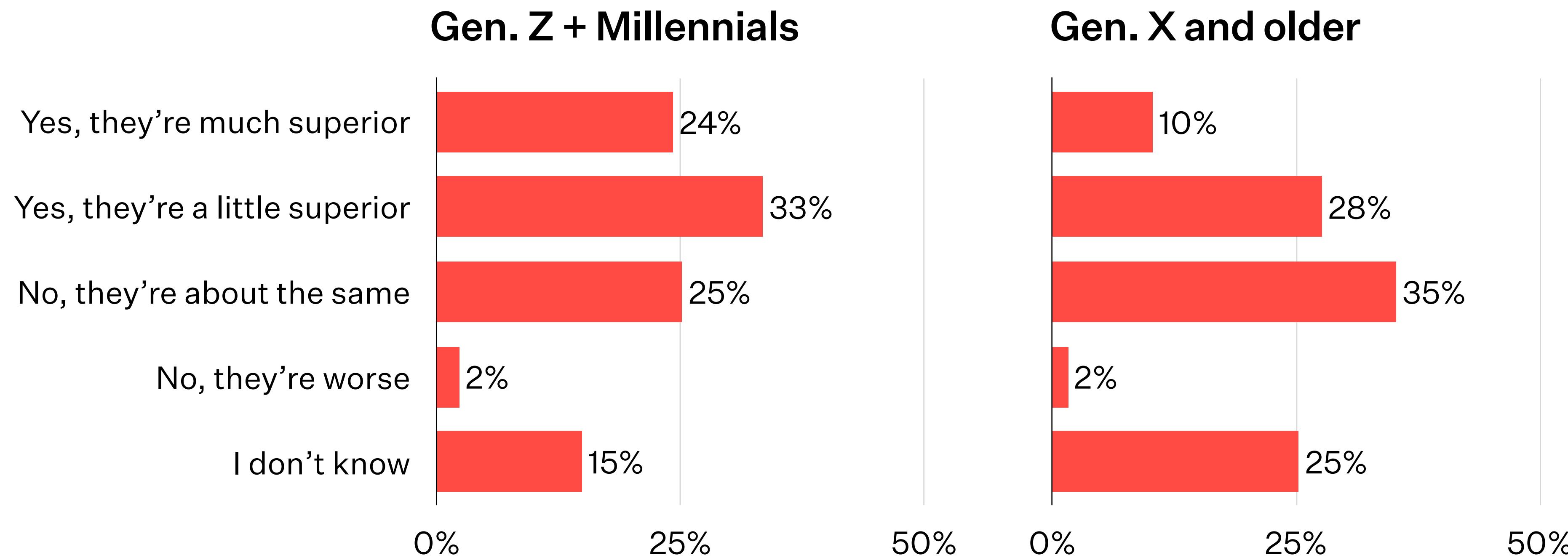
Dior and Chanel are considered luxury brands by the most beauty shoppers

Percentage of responses: Which of the following beauty brands do you consider luxury brands?



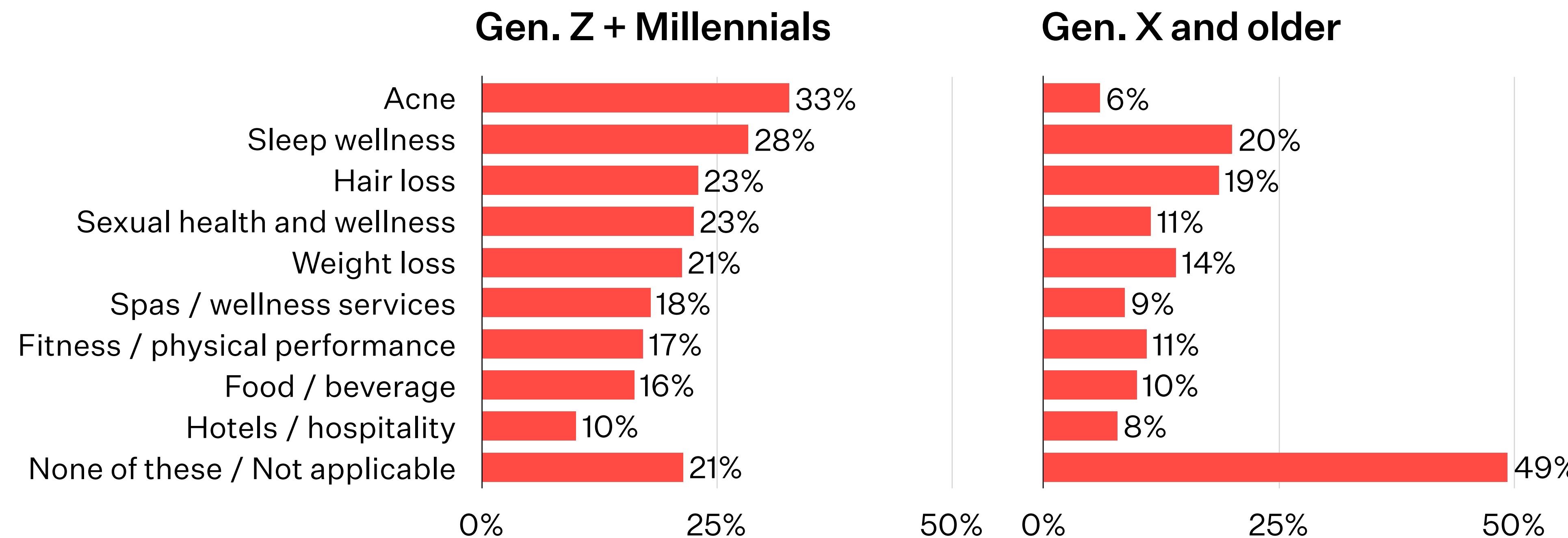
Younger consumers are more likely to buy into the ‘luxury is better’ promise

Percentage of responses: Do luxury beauty products offer superior performance compared to non-luxury brands?



There's interest in beauty brand extension, especially among younger consumers

Percentage of responses: In which other categories would you like to see your favorite beauty brands offer products?



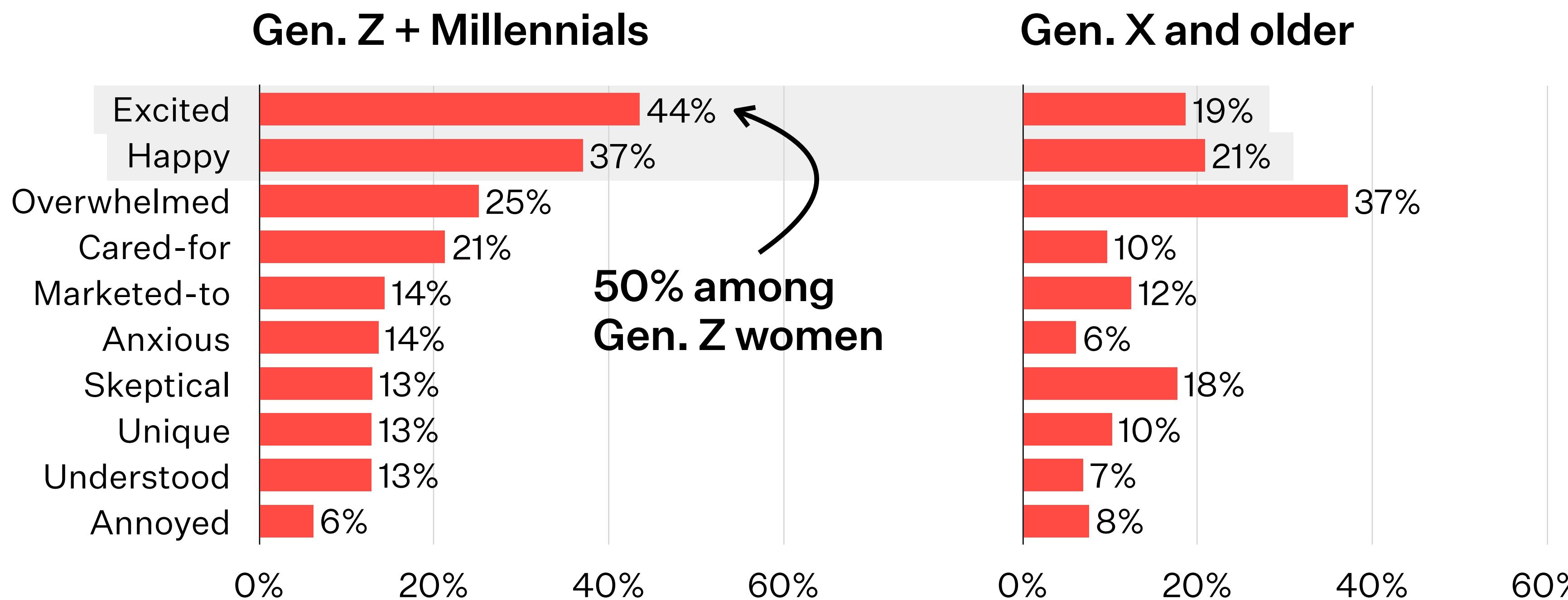
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The recent beauty boom largely targets Gen. Z and Millennials.

Do brands sufficiently speak to multiple age groups? Do they need to?

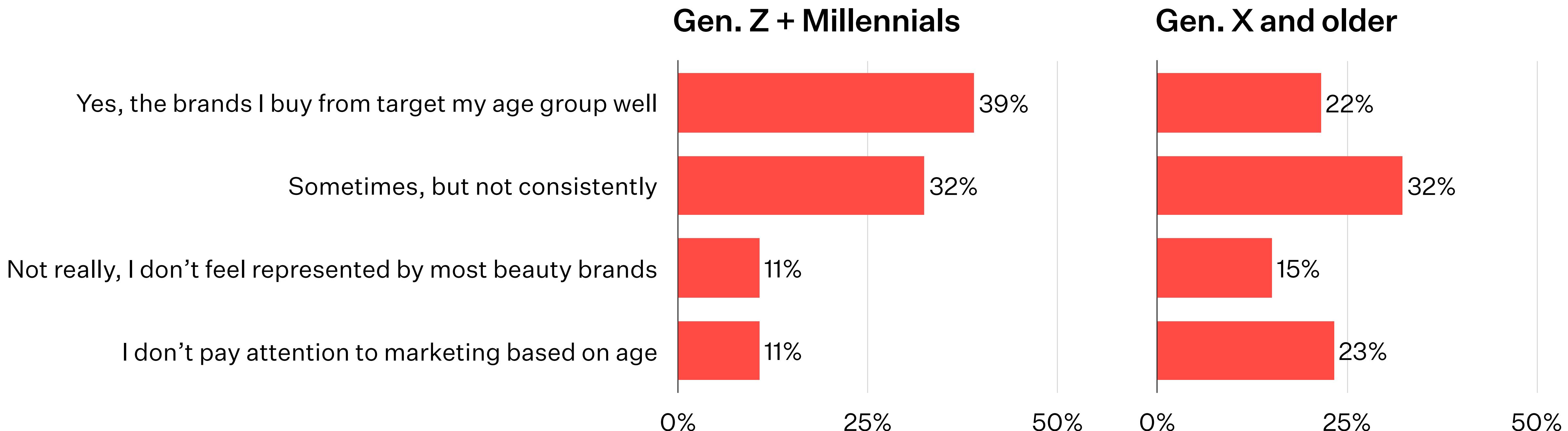
Gen. Z and Millennials love the recent explosion of beauty brands

Percentage of responses: How does the proliferation of so many new beauty brands and products make you feel?



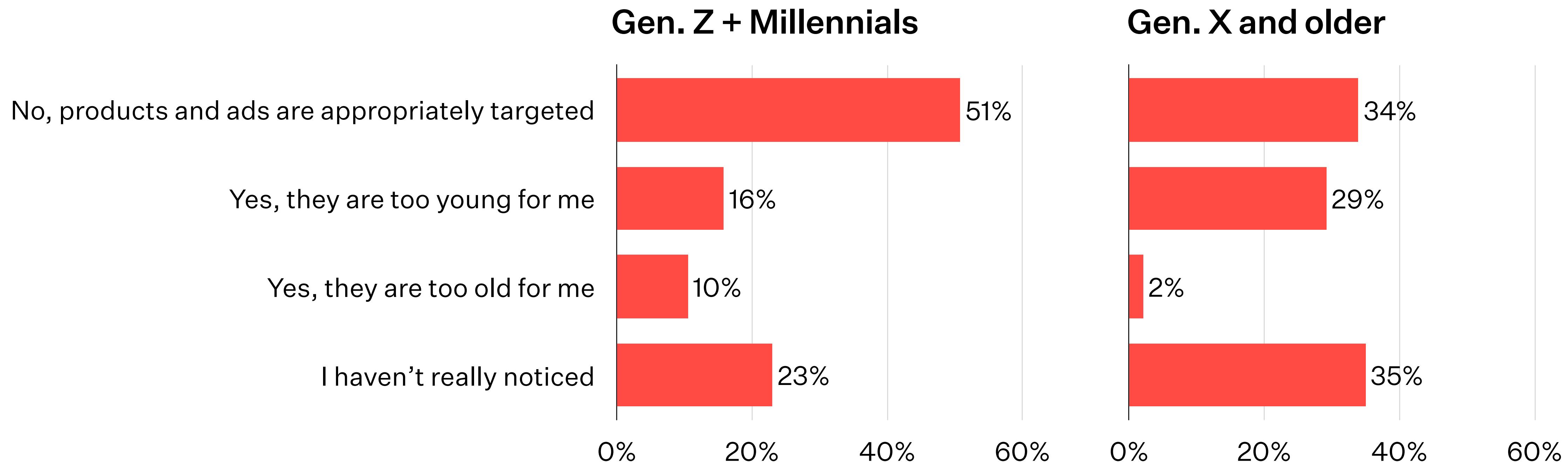
Do brands sufficiently speak to many age groups? Shoppers say at least sometimes

When shopping for beauty products, do the marketing and product offerings speak to your age group specifically?



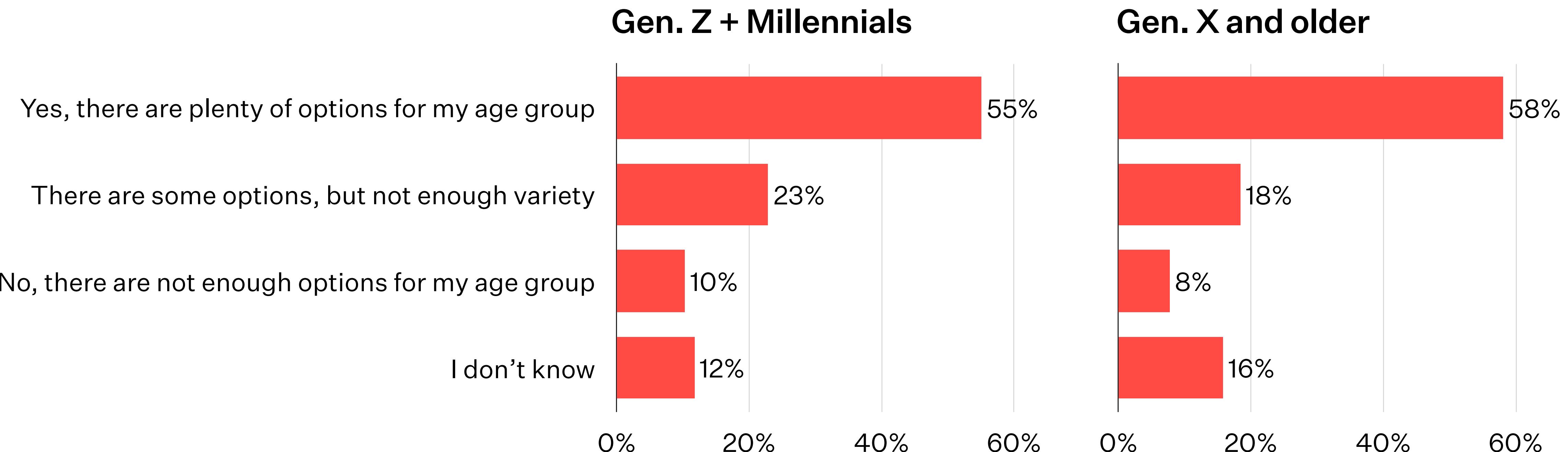
Do beauty products and ads feel too young or too old?

Have you ever felt that beauty products or advertisements are either too young or too old for you?



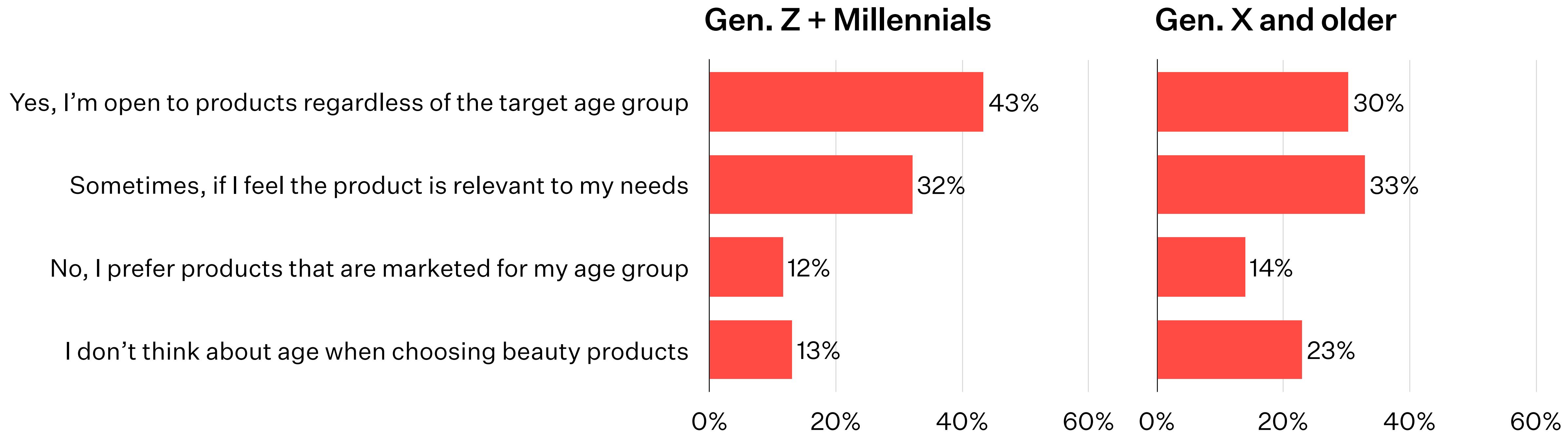
Most beauty shoppers think there are enough options for age-related needs

Does the beauty industry offers a good range of products for your specific age-related skincare or beauty needs?



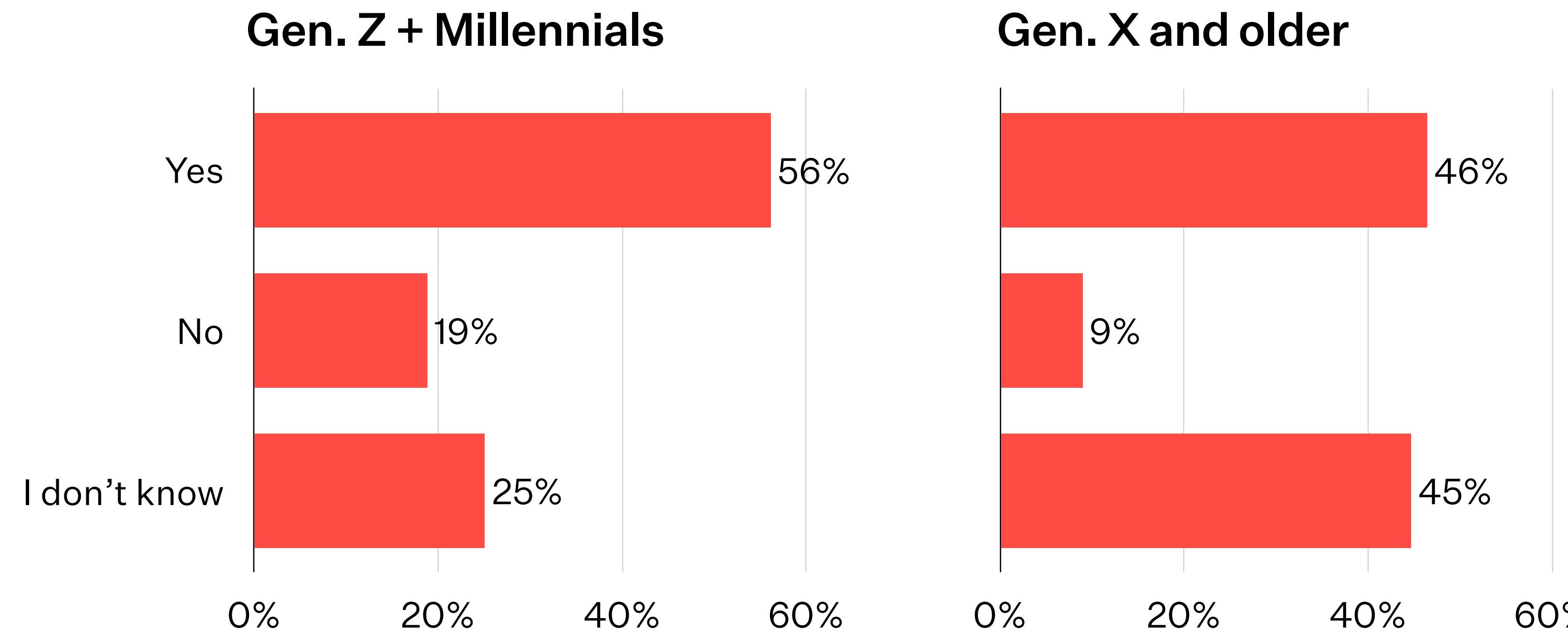
Consumers are generally open to beauty products targeting other age groups

Would you feel comfortable using beauty products that were marketed toward a different age group than yours?



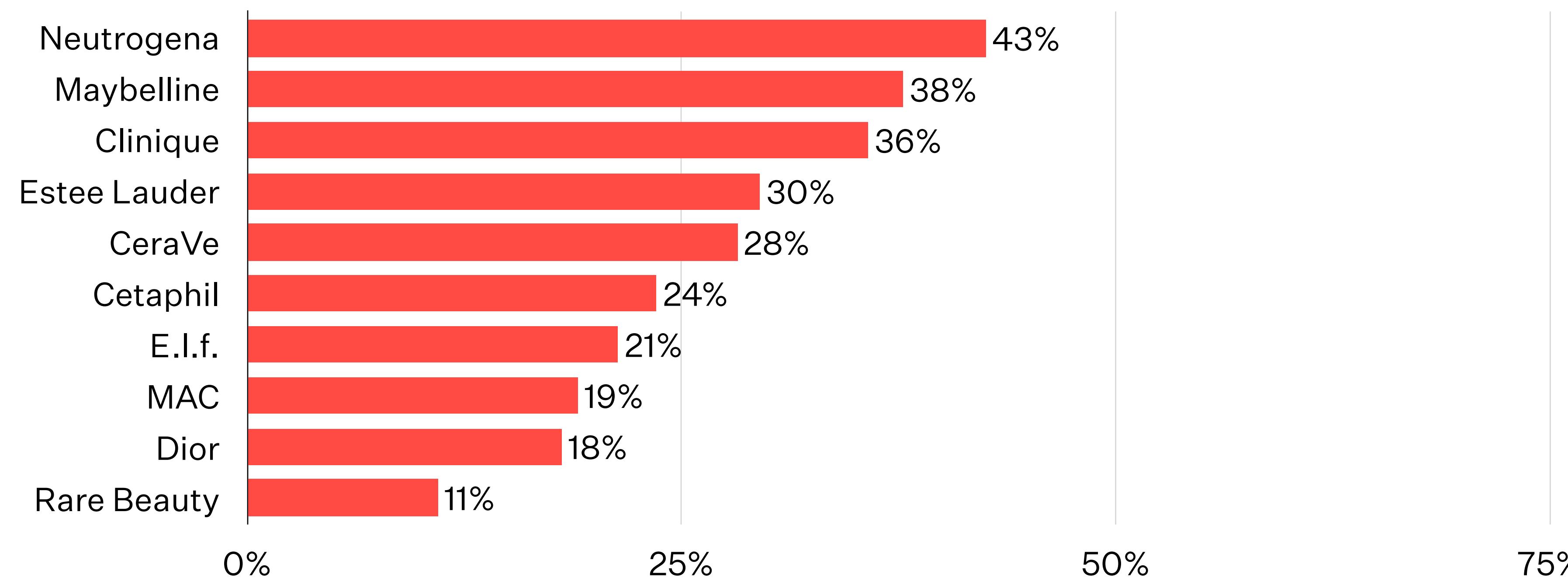
Few beauty shoppers think their favorite brands *won't* resonate as they get older

Percentage of responses: Do you think the beauty brands you're using today will resonate with you in 5 to 10 years?



Which brands appeal across generations? Neutrogena and Maybelline lead the list

Which of the following beauty brands do the best job of appealing to consumers across multiple generations?



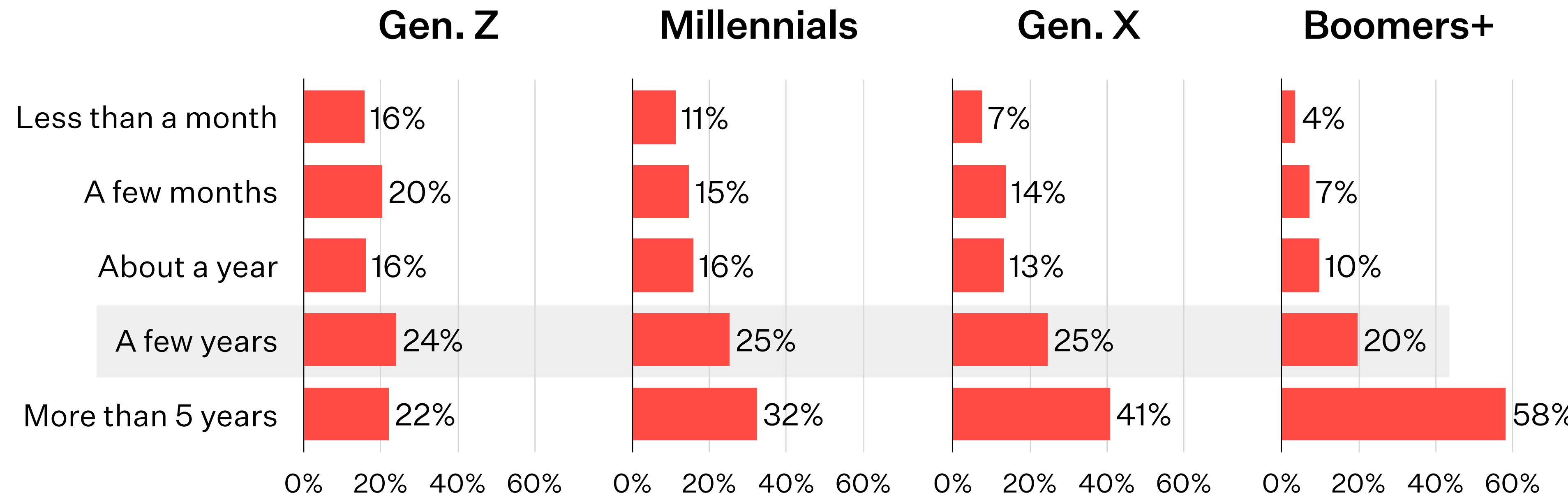
6

Is the Gen. Z beauty
shopper actually loyal?

The Gen. Z beauty consumer is actually pretty loyal

FACE CLEANSER

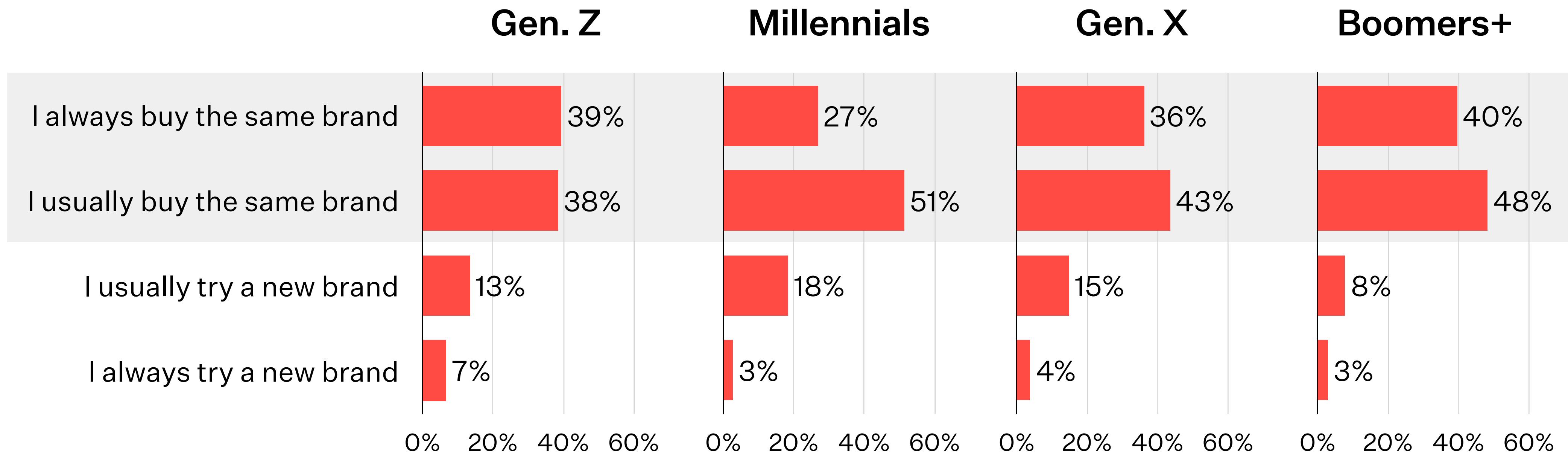
Percentage of responses: Think about your most-used brand of face cleanser. How long have you been using it?



The Gen. Z beauty consumer is actually pretty loyal

FACE CLEANSER

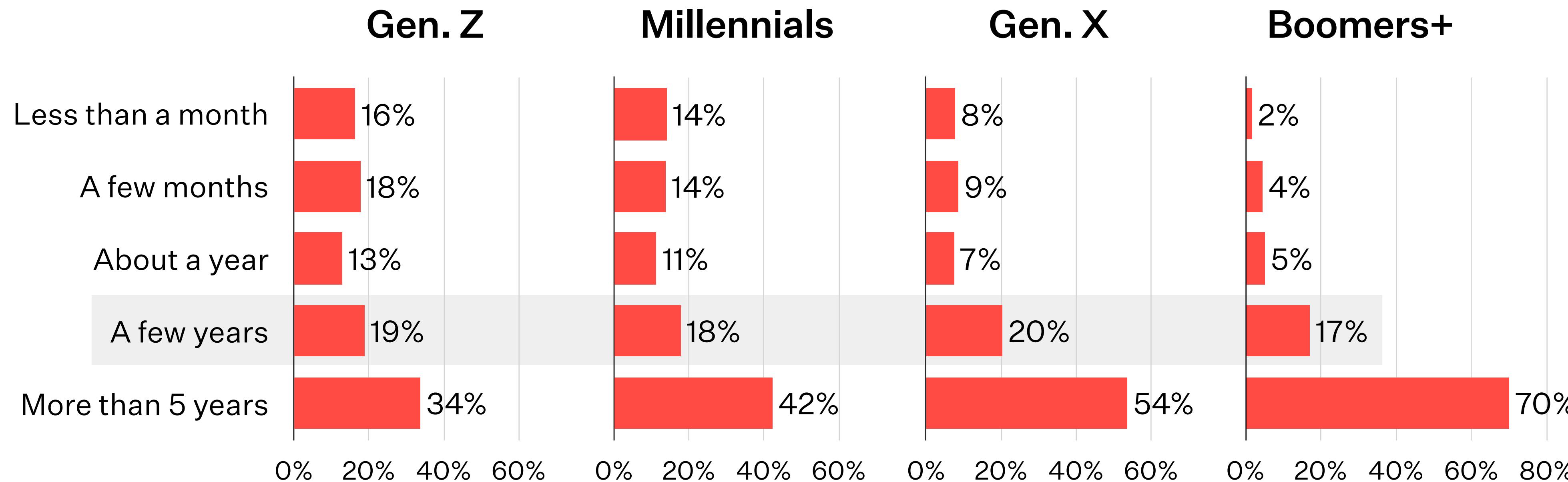
Percentage of responses: How often do you buy a new brand of face cleanser?



The Gen. Z beauty consumer is actually pretty loyal

LIP PRODUCTS

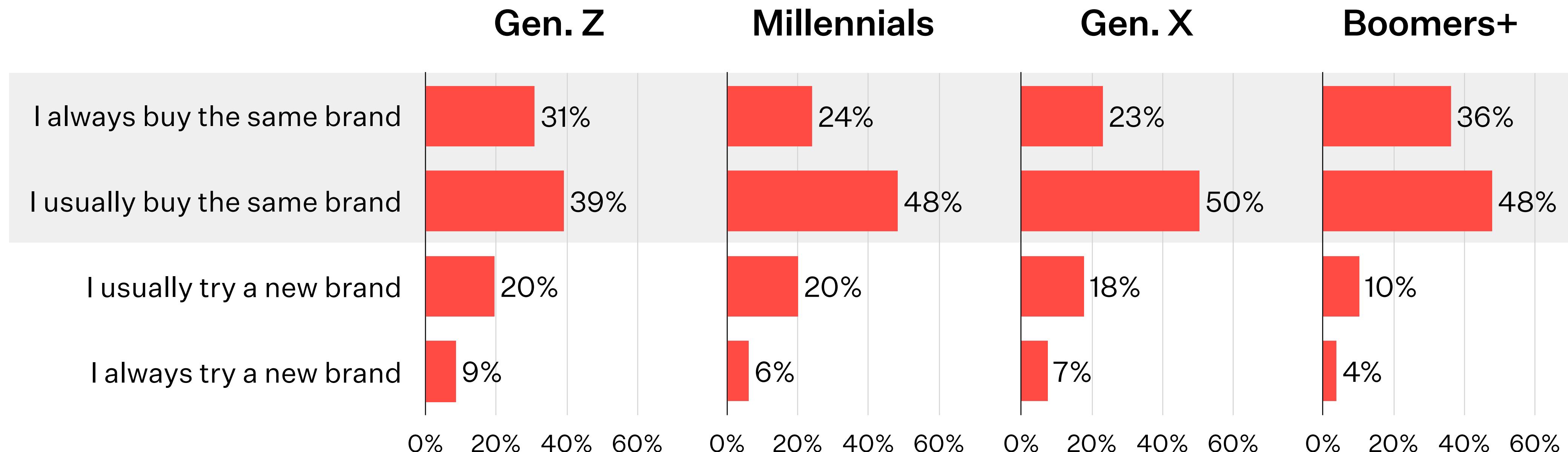
Percentage of responses: Think about your most-used brand of lip products. How long have you been using them?



The Gen. Z beauty consumer is actually pretty loyal

LIP PRODUCTS

Percentage of responses: How often do you buy a new brand of lip products? (E.g. lip gloss, lip balm, lipstick.)



At the NRF retail conference in January, Dan Frommer posed this question to Katie Welch, CMO of Rare Beauty (beloved by Gen. Z).

“Is Gen. Z loyal? When they discover Rare Beauty, are they sticking with you? Are they flakes? What’s the answer?”

NRF

NRF

NRF

NRF



“I think it’s all of the above. The community is super engaged. I have never seen anything like it.”

— *Katie Welch, CMO, Rare Beauty*

“But the product has to be good.

They are discerning.

That’s what these platforms have taught them ...
what makes a good product.”

“They understand wear time, pigments...”

— *Katie Welch, CMO, Rare Beauty*

“Each channel is its own language, but what you’re saying should be the same thing, consistently.

Your Gen. Z community will see that, they’ll remember it, they’ll test it out. And then they’ll be loyal — if it stands up.”

— *Katie Welch, CMO, Rare Beauty*

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