BEAUTY REPORT

Beyond Transactions: Navigating Beauty Retail's New Normal

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Beauty retail isn't the predictable product-first experience it used to be.

As viral trends explode online and 'dupes' dominate, consumers are more discerning as they balance cost, complexity, wellness, and self-image.

Physical stores must evolve into spaces even the best digital experiences can't match. **Spaces of discovery, inspiration, and authentic connections.**

Our recent research that surveyed over 1,600 U.S. Beauty Shoppers reveals how several macro trends are redefining customer expectations and behaviors. Almost half think beauty trends change so quickly, and physical retail hasn't caught up.

Our findings illuminate how retailers can reimagine their physical spaces to win in this new era of beauty retail.

All respondents regularly make beauty purchases in the physical store (at least every six months). They also purchase beauty products in the physical store from at least one of the 11 brands below.

CVS pharmacy · macy's · Walmart · SEPHORA · SALLY BEAUTY · Bath&BodyWorks · NORDSTROM · TARGET · AVEDA · ULTA BEAUTY · Walgreens

This study was designed to represent a diverse cross-section of shoppers, including males, balanced by age, gender, race, region, and income.

Three Defining Forces Reshaping the Industry

1. The Influencer and Dupe Era

Social platforms have completely reshaped product discovery, creating a new shopping paradigm where influence and value intersect.

Our research found 59% of beauty shoppers actively seek “dupes” (affordable alternatives to premium products), while 70% of Gen Z and Millennials purchase directly through TikTok and influencer links.

Did you know?

- TikTok Shop is more popular online retailer than Shein and Sephora among Americans.
- YouTube is now #1 overall streaming service. Our study found of those who use social media, 72% use IG, 67% TikTok, and 67% YouTube to discover information about beauty products.
- E.L.F.’s sales grew almost 2x in Q2 2025 attributing growth to marketing campaigns like their “Makeup Trending on TikTok” and their landing page that connects online trends to in-store purchases

2. Longevity-Driven Beauty

Beauty has become integral to wellness, with shoppers investing in science-backed ingredients for long-term skin health. This shift creates a golden opportunity for brands focused on both immediate results and lasting skin health.

Our research confirms this shift: 71% read labels carefully, 69% maintain personal “no” lists of ingredients to avoid, and 69% rely on beauty products to look and feel younger.

Did you know?

- The anti-aging sector continues to surge at 2x the rate of the total beauty industry with much of the growth fueled by newly mainstream ingredients, like hyaluronic acids and peptides, that were previously exclusive to dermatologists.
- With the increasing awareness and focus about the effects of environmental stressors on skin health, the clean beauty sector growth has outpaced the total beauty industry since the pandemic and is expected to grow at 3x the rate by 2030.
- The U.S. $4.9 billion dermatological skincare focusing on simple science back ingredients have grown behind more value-based mass brands, like CeraVe and Cetaphil.

3. Mindful Minimalism Movement

Less is officially more in beauty. Consumers are ditching product overload and embracing curated, multifunctional essentials that actually deliver maximum efficacy. But they currently feel overwhelmed and stressed by the sheer number of beauty brands available, creating opportunities for retailers who can simplify the shopping experience.

Our study found a striking 95% prioritize affordable and effective skincare, 83% have become more value conscious when buying beauty products, and 69% think beauty product shopping is overwhelming.

Did you know?

- There are currently over 5,000 beauty manufacturers in the U.S. that should reach $45.3 billion revenue in 2025.
- Private label brands have grown 50+% year-over-year, with many marketed as equivalents to luxury and prestige brands, showing shoppers' increasing willingness to try alternatives to high-end products.
- The clean beauty segment alone has consistently seen 20-25% increase in new products each year.

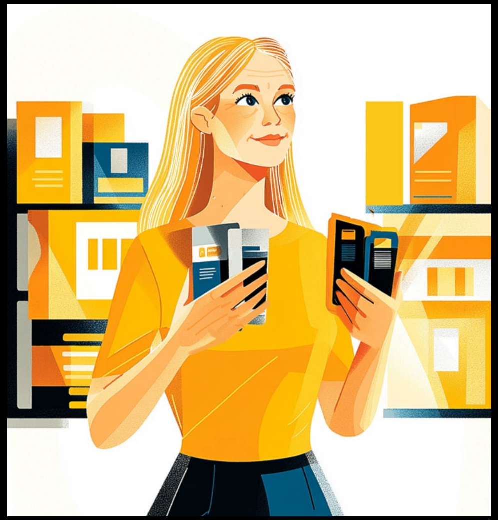
Let’s Dive Into the New Beauty Segments...

Evolving Beauty Segments

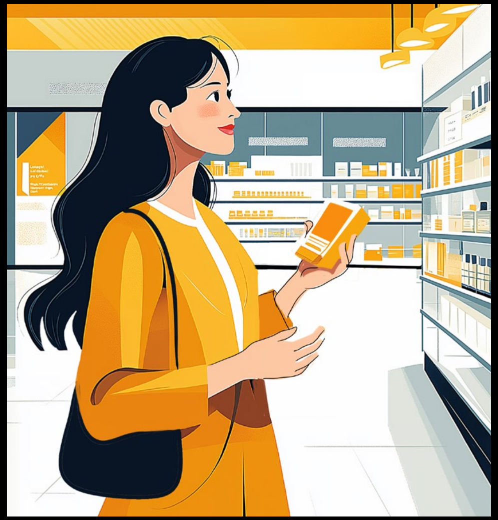
We explored how these shifts manifest across five distinct Beauty Shopper segments.

Glow Getters
20%

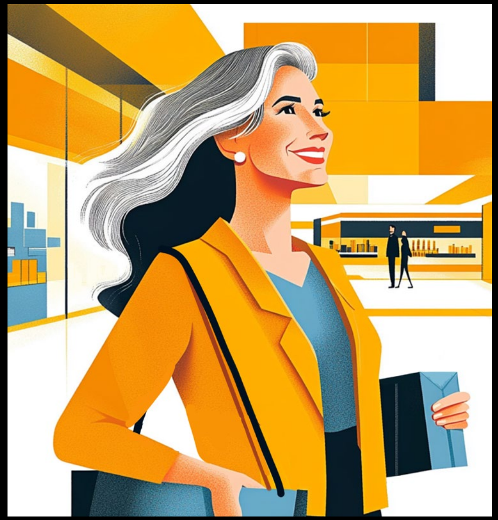
Savvy Substitutors
24%



Label Luminaries
18%



Timeless Tacticians
13%



Simple Savers
25%

Glow Getters & Savvy Substitutors represent 44% of Beauty Consumers, illustrate beauty's changing priorities and reveal compelling contrasts.

While they appear quite different on the surface and investment in the category, they both value exploration and product discovery. They are being impacted by the same industry forces and responding in distinct ways.

Stay tuned for our subsequent report where we'll explore other segments.

Glow Getters

Discovery / Social Media / Experimental

BIO

These beauty-focused, discovery-seeking Glow Getters love shopping for beauty products. They prioritize experimentation and are heavily influenced by social media.

They allocate significant time and budget to beauty exploration, spendingmore than any other segment. They seek high-quality brands and ingredients.

Most love shopping for beauty products, especially at Specialty Beauty Retailers. Yet, half sometimes feel overwhelmed and unsure while shopping.

Glow Getters tend to be younger (primarily Gen Z and Millenials), more affluent, and have more diverse racial backgrounds (notably Hispanic).

84% like to be the first to try new beauty products

HABITS

Love for Beauty Shopping

Routine Complexity

Time Researching & Shopping

Price Sensitivity

48% plan to spend more in next 5 years

TOP PRIORITIES

1. High quality active ingredients
2. Brand Reputation
3. Online Reviews/Ratings
4. Clean/Natural ingredients
5. Claimed benefits

80% are influenced by social media, especially Instagram, TikTok, and YouTube

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Glow Getters

Discovery / Social Media / Experimental

"I feel like the store could be organized in a way where it is visually engaging. It feels like something that should be fun and interactive."

ROLE OF STORE

1. Browse
2. Try Products before buy
3. Urgent need

64% often shop at certain beauty stores but end up buying at a different store

TOP NEEDS

1. Try products before buy
2. Layout makes it fun to explore and discover
3. Choose if I want help or shop alone

63% think trends change so quickly and physical retail hasn't caught up

STORE OPPORTUNITIES

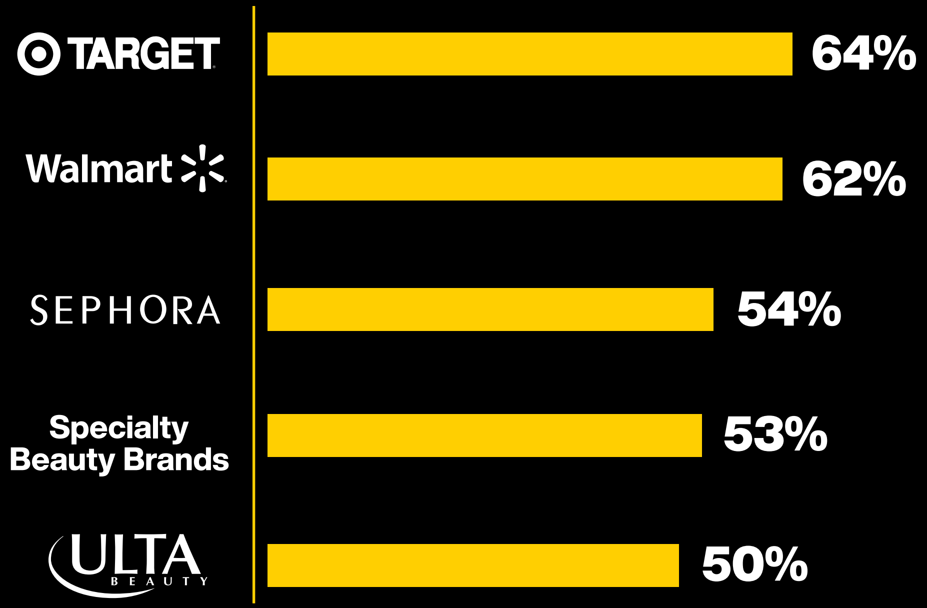
1. Easier to walk through and figure out
2. Quicker/easier checkout
3. Better vibes (music, lighting, and smell)

BRANDS

Favorites:

SEPHORA ULTA BEAUTY

Currently Winning Trips:



"My ideal store would be easier to navigate through, not have go around so many people, and better lighting."

Glow Getters:

This segment desires stores that keep pace with rapidly changing beauty trends while providing both guided and self-directed shopping journeys.

They Demand:

- Experiential retail environments
- Intuitive and easy navigation and checkouts
- Sensory engagement (music, lighting, scent)
- Product testing opportunities

How to Win:

Create immersive, social media-worthy environments with frequent trend refreshes, product testing stations, and interactive elements that connect digital content to physical spaces.

Savvy Substitutors

Value / Trends / Discovery

BIO

These discerning shoppers focus on affordability without sacrificing results. For them, less is more and that pertains to both products and prices.

They're strategic and highly selective about where they shop. They are heavily influenced by price and deals often looking for dupes to get the best results at the best price. Thus, it's not surprising mass and drug retailers win their trips.

While most enjoy shopping for beauty products, mostly at mass and drug retailers, half sometimes feel confused and overwhelmed while shopping.

Savvy Substitutors tend to be single and middle-aged (primarily Millennials and Gen X) who are Caucasian and have lower incomes.

92% have a basic approach to beauty and keep it simple

HABITS

88% recently more value conscious with beauty products

TOP INFLUENCERS

1. Price point
2. Deals/sales
3. High quality active ingredients
4. Clinical results
5. Brand reputation

75% look for dupes to get best results at best price

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Savvy Substitutors

Value / Trends / Discovery

"It's always a bit crowded. The aisles are narrow and usually being stocked so there are other people squeezing through. I feel a bit rushed."

ROLE OF STORE

1. Urgent Need
2. Already in the store
3. Browse

74% go to certain stores to discover and try out new products

TOP NEEDS

1. It's clear where everything is
2. Displays make me want to check things out
3. Store feels calm, not stressful or chaotic

78% have certain stores I won't buy beauty products from

STORE OPPORTUNITIES

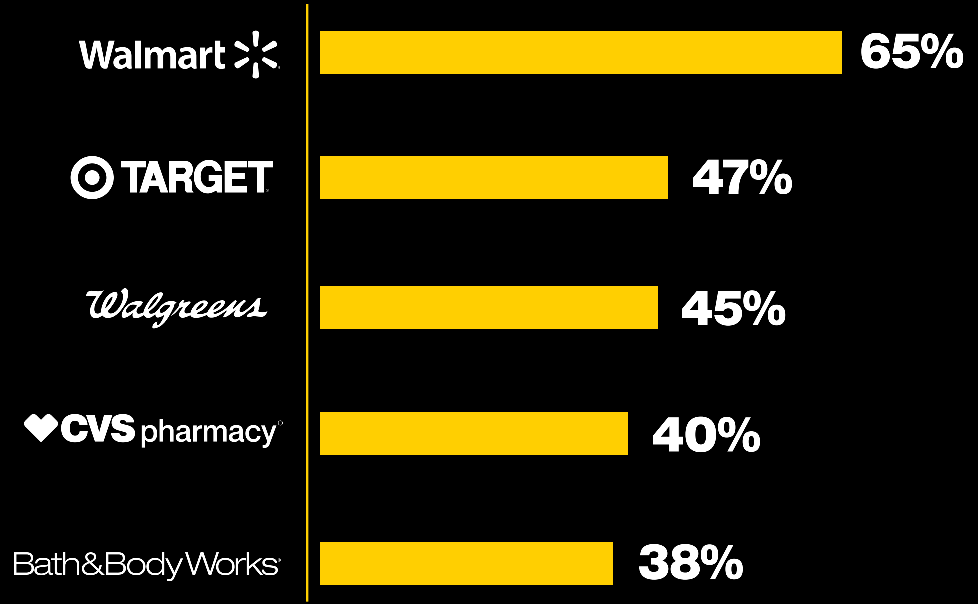
1. Quicker/easier checkout
2. Can try products before buying
3. Doesn't feel crowded or overwhelming

BRANDS

Favorites:

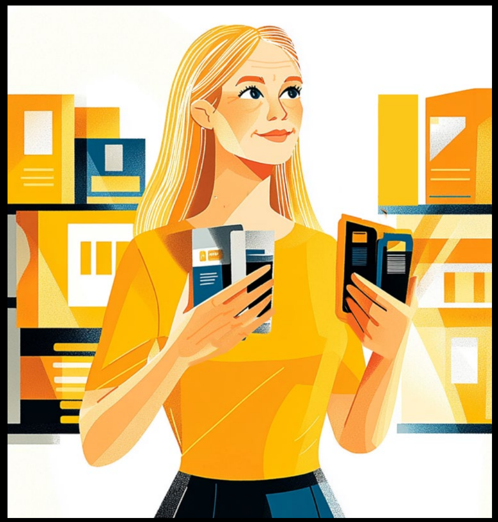
Walmart ULTA BEAUTY

Currently Winning Trips:



"I don't like when they don't have new or trendy brands, it's not very inspiring for beauty, and it's not easy to not find a lot new products."

This segment desires clarity and efficiency alongside discovery opportunities allowing for purposeful exploration without friction.



They Demand:

- Well-organized, intuitive environments
- Simple product comparison and testing opportunities
- Pressure-free shopping
- Spacious layouts

How to Win:

Implement clear navigation, side-by-side product comparisons and testing, and educational elements that highlight efficacy at accessible price points.

While Glow Getters and Savvy Substitutors differ in their approaches, they share a fundamental truth:

Beauty shopping is deeply emotional, personally meaningful, and directly connected to self-expression. These shared passions reveal universal opportunities for retailers.

Today's beauty retailers must transform their physical spaces from transaction-focused environments to experience-rich destinations that complement the digital journey while providing value impossible to replicate online.

89%
think beauty is a form of creative self-expression

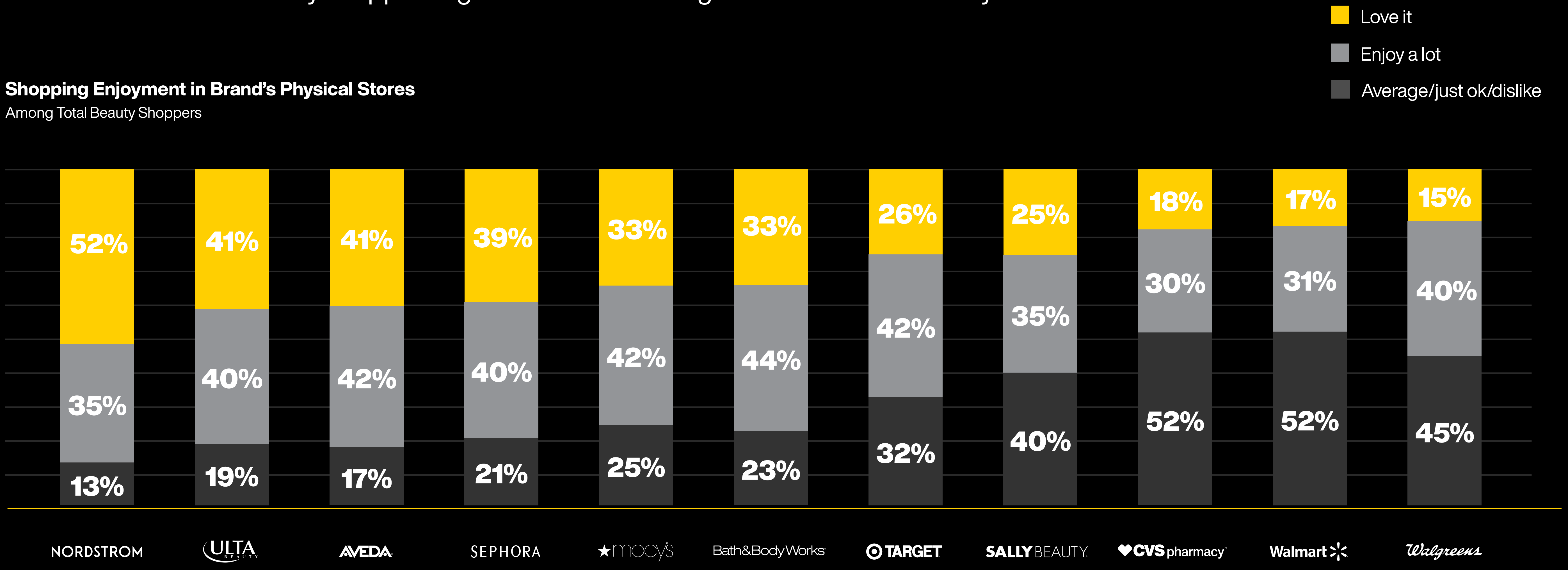
65%
think trying new beauty products is one of my favorite things

63%
wish beauty stores were about more than just buying products

Department Stores and Beauty Specialty are Most Loved

Beauty Shoppers have more love for Specialty Beauty, regardless of segment. But their love of drug and mass retailers varies by shopper segment as seen among Glow Getters and Savvy Substitutors.

Shopping Enjoyment in Brand's Physical Stores
Among Total Beauty Shoppers



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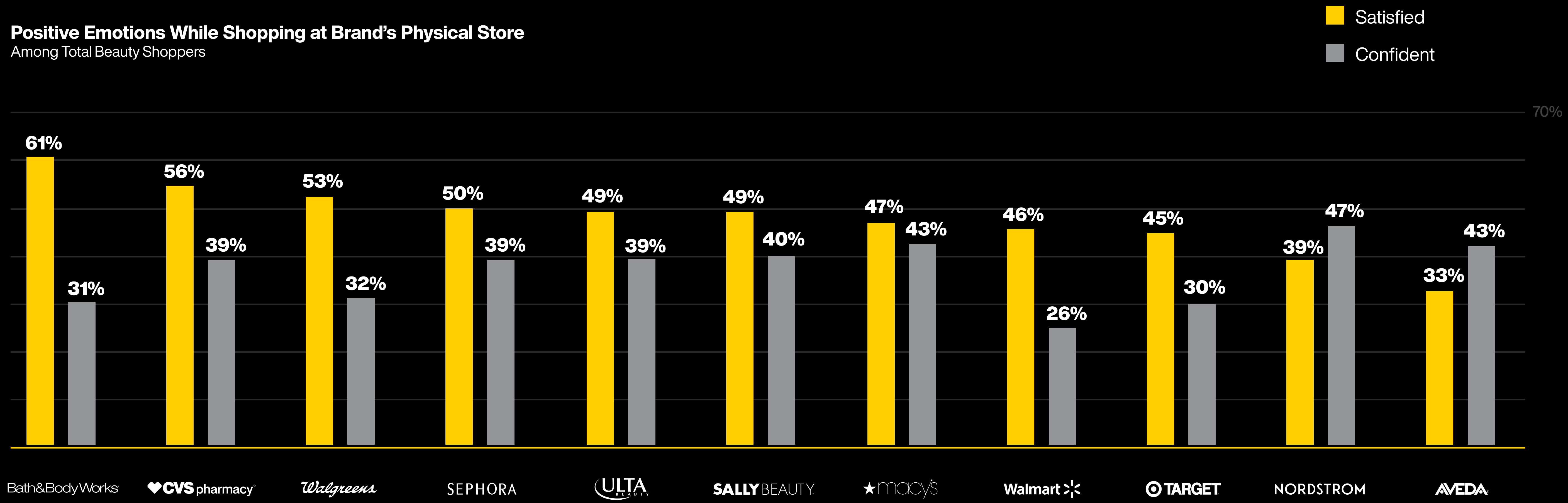
Different Channels Elicit Different Positive Emotions

The top two emotions while shopping for beauty products are satisfaction and confidence. Bath & Body Works and drug retailers provoke more satisfaction while Department stores drives more confidence.

Positive Emotions While Shopping at Brand's Physical Store
Among Total Beauty Shoppers



Addressing Universal Pain Points

Despite differences in the segment preferences, our research uncovered remarkably consistent frustrations across all beauty retail shoppers.

Top Frustrations

Among Total Beauty Shoppers

47%	46%	40%	34%	32%
out of stock items	too busy or too crowded	long checkouts	difficulty finding what I need	pressure from sales assocaite

Frustrations Still Lead to Negative Emotions

Across all segments, the top negative emotions while shopping for beauty is feeling overwhelmed by choices and unsure of their decisions.

> They are often busy and however they are paying their sales people it seems like they have to really upsell in order to get paid. This creates stress on me that I would rather avoid.

> I just often get stressed when looking for things.

> I just tend to feel overwhelmed or stressed sometimes because there are a lot of options.

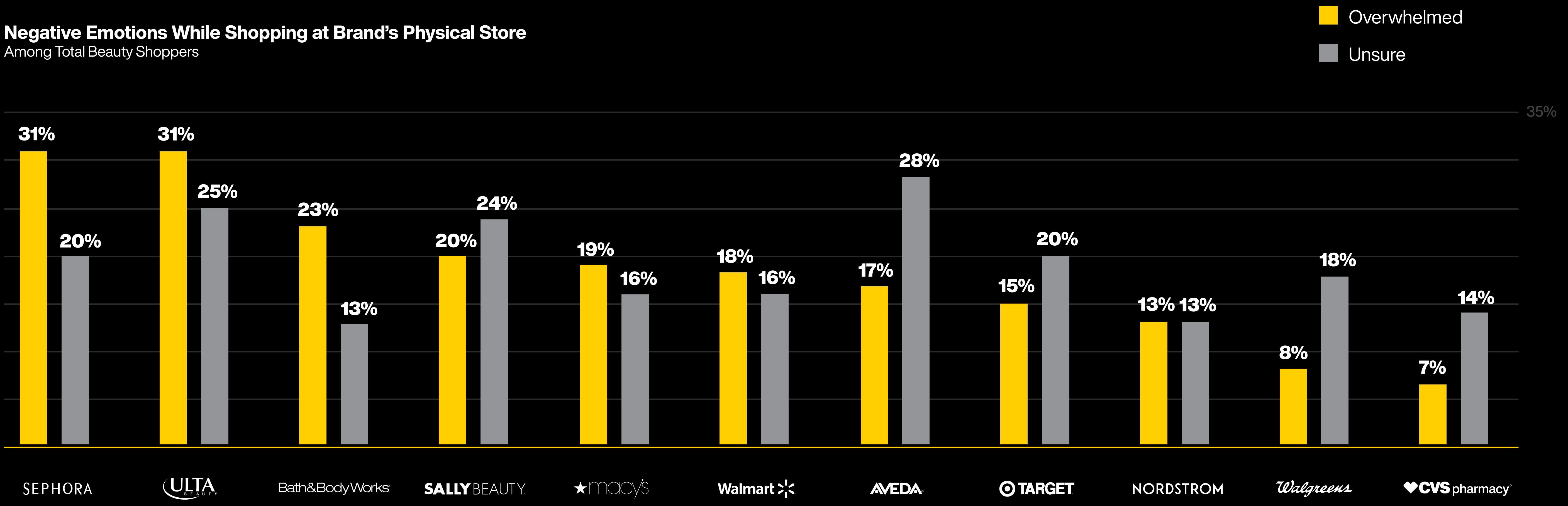
> Too many brands cause uncertainty.

> Just let me shop and find what I need. Shopping shouldn't be stressful.

Emotional Opportunity: Feeling Overwhelmed and Uncertain

This highlights an industry-wide opportunity to create more intuitive, informative, and comfortable shopping environments, even at top-rated retailers like Sephora and Ulta.

Negative Emotions While Shopping at Brand's Physical Store
Among Total Beauty Shoppers



From:	To:
Using the retailer as a functional stop for beauty basics.	Viewing the retailer as a cultural tastemaker and beauty innovator.
Feeling the store is disconnected from the modern beauty journey.	Believing the store is an essential part of their beauty exploration.
Perceiving the store as a predictable space for routine purchases.	Experiencing a sense of wonder and curiosity, where shoppers are inspired to explore.
Experiencing overwhelm or frustration.	Feeling empowered and in control, where shoppers trust the store to guide their journey.
Leaving the store feeling stressed, uncertain, or uninspired.	Departing with a sense of delight and fulfillment, where shoppers feel energized, inspired, and confident.

The Challenge

The physical beauty store must go beyond traditional models. Our research shows that beauty shoppers still prefer to make final purchase decisions in-store, despite digital discovery leading the early journey stages.

Successful beauty retailers are reshaping physical spaces as environments for education, community, content creation, and personalization. They recognize today's fragmented customer journey needs spaces that serve multiple shopper profiles.

For brands looking to thrive in this new landscape: physical spaces must shift from transaction-focused to experience-rich destinations that don't overwhelm shoppers. This must complement digital while providing unique value impossible to replicate online.

Get in touch for additional shopper insights on the featured brands, channel-level data, and more.

SEPHORA ULTA BEAUTY Walgreens
CVS pharmacy macy's Walmart
SALLY BEAUTY Bath&BodyWorks
TARGET AVEDA NORDSTROM

About ChangeUp

ChangeUp is an award-winning experience agency designing for the moments where brands and customers meet. We develop brand-led experiences that create change for businesses through strategy, brand design, store design, and architecture. We drive change for fast-moving brands, from startups to the F500, working with clients including The Vitamin Shoppe, Macy's, Chick-fil-A, Kia, and Bath & Body Works.

We believe change is not a risk, it's the answer.

let's talk

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