Natural Products EXPO WEST®

New Hope NETWORK

By Informa Markets

The State of Conscious Beauty: Trends, Insights & Opportunities Shaping the Future

Natural Products EXPO WEST®

Co-located with Fresh Ideas ORGANIC MARKETPLACE

Product Discovery Powered by Beacon DISCOVERY

New Hope NETWORK

By Informa Markets

The State of Conscious Beauty: Trends, Insights & Opportunities Shaping the Future

Jessica Rubino

Vice President, Content & Summits

New Hope Network

David Trosin

Senior Director, Nutrition & Wellness

NSF

Yvonne Buisson

Director, Health, Beauty & Pet

NielsenIQ

The State of Conscious Beauty

To access New Hope Network conscious beauty data and insights:

Purchase the State of Natural Market Insights Package for access to the slides from these 2025 Expo West presentations: The State of Natural & Organic, The State of Supplements and The State of Conscious Beauty.

This data and insights content package will be delivered between mid-March and September as assets become available. The package also includes two data-rich State of Natural Industry Snapshots and two Nutrition Capital Network Investment Trends Snapshots. To sign up for the $399 package, log in or create a free registration with NewHope.com, then click here to complete the purchase.

The State of Conscious Beauty: Trends, Insights & Opportunities Shaping the Future

David Trosin
Senior Director, Nutrition & Wellness
NSF

Consumer Behaviors Regarding Conscious Beauty

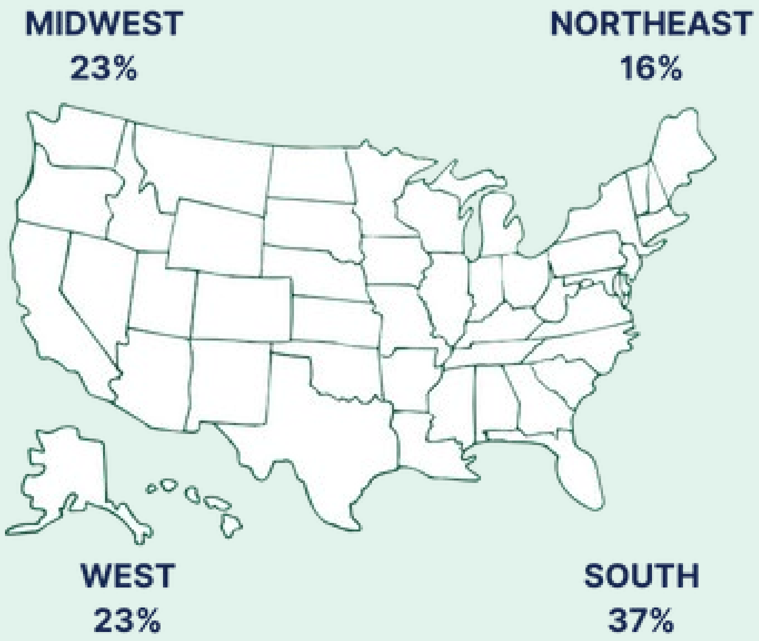
David Trosin, Senior Director, Nutrition and Wellness

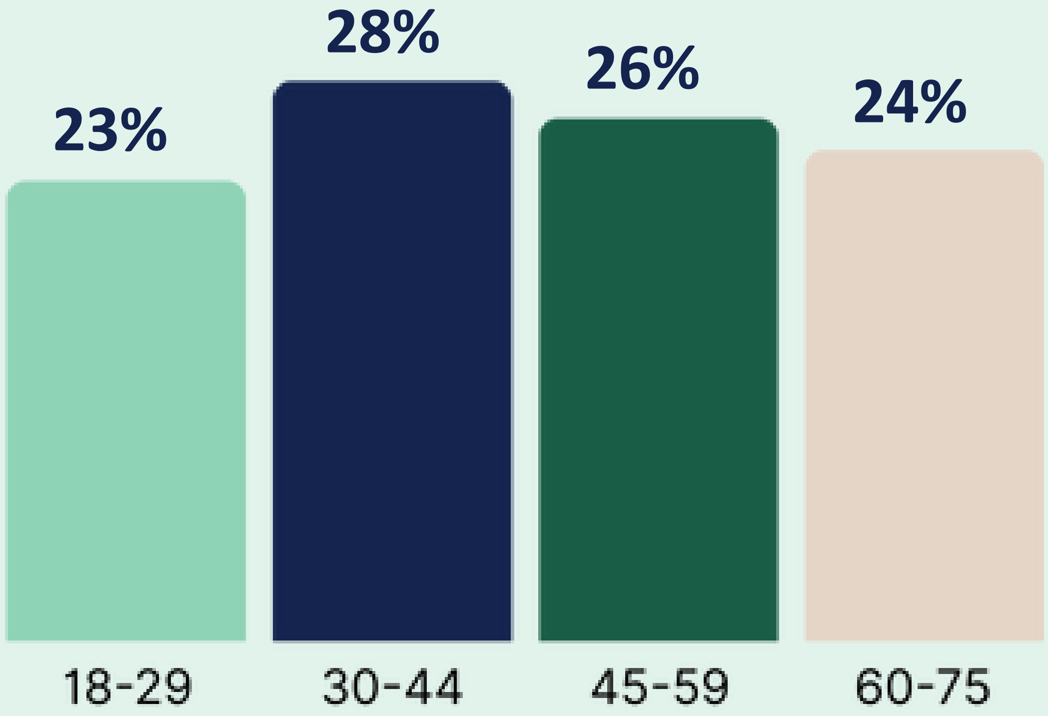
NSF

About the Research

NSF, an independent, leading global public health and safety organization, commissioned TGM Research to survey 1,000 Americans in the fall of 2024. The research demonstrates the growing demand for cleaner choices and third-party certification in the personal care products industry.

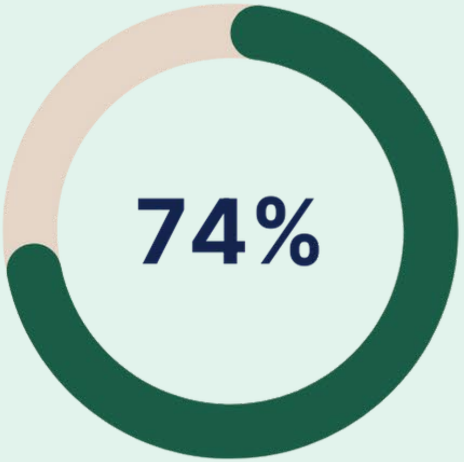
Survey Sample



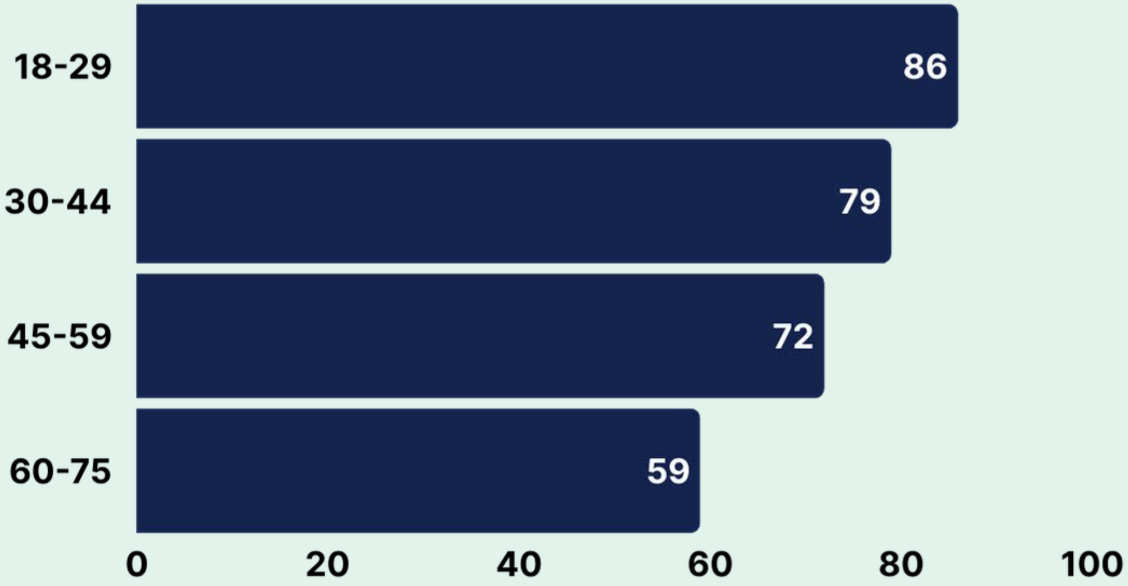


Key Findings

Organic ingredients matter



of US consumers consider organic ingredients important in personal care products



As age increases, perceived importance decreases.

Key Findings

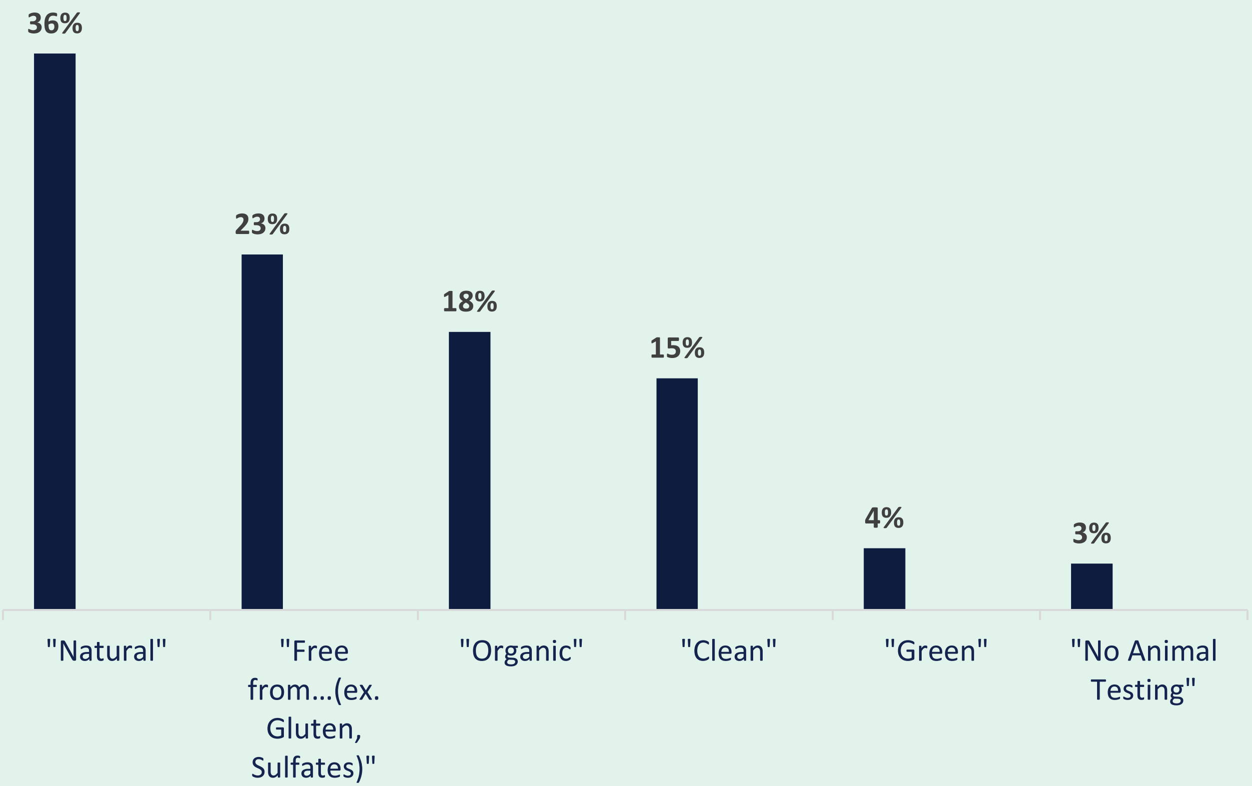
88% of Americans see a benefit to purchasing personal care products with organic ingredients

Top incentives for buying organic

- Better for personal health
- Less processed and less chemicals
- Higher quality

Key Findings

What health claim most likely incentivizes you to purchase?



"Natural" is the top health claim that incentivizes organic beauty and personal care purchases, however this term is not regulated and could mislead consumers.

Key Findings

There's a lack of trust in voluntary labels

9%

completely trust voluntary labels; among older consumers ages 60 to 75, this drops to 3%

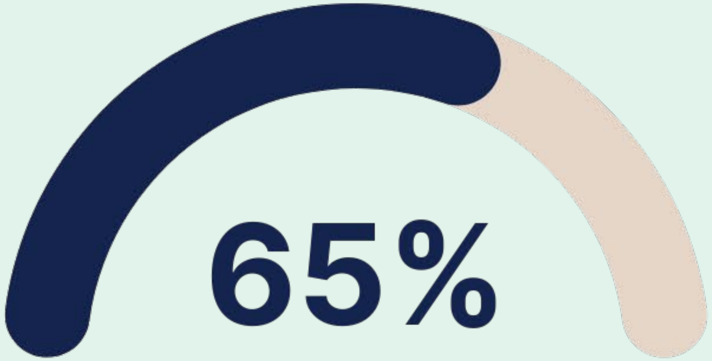
45%

of Americans are willing to pay more for certified personal care products with organic ingredients

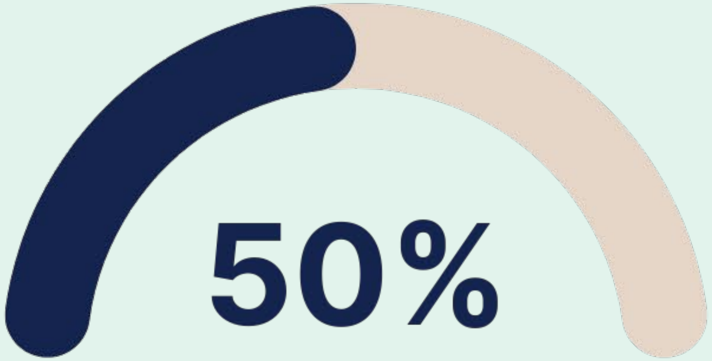
62%

of younger consumers (ages 18 to 29) are even more willing to pay more for certified products

What matters on labels



of Americans want a **clear ingredients list** to identify potentially harmful ingredients



see value in a **validated third-party seal or mark** such as USDA Organic or “Contains Organic Ingredients”

Third-Party Certifications for Conscious Beauty

18% of consumers are incentivized by "**organic**" and among consumers ages 18 to 29, "organic" is the **second most incentivizing claim** at 25% (compared to "natural" at 34%).

USDA Organic

Can be challenging for beauty products as it requires >95% organic ingredients.

NSF/ANSI 305: Personal Care Products Containing Organic Ingredients

One of the only consensus-based standards for conscious beauty, product must contain minimum organic content of 70% by weight.

Additional Data: US Consumer Priorities Across Cosmetics and Personal Care Products

78% of Americans actively research product claims on cosmetics and personal care products

Top purchasing habits for consumers

82% want retailers to inspect

86% only want tested products

95% trust independent certification

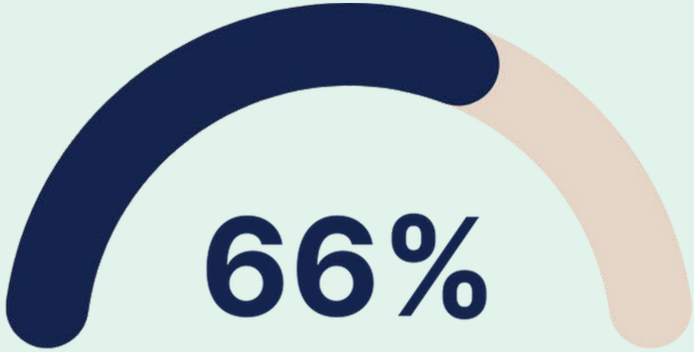
Quality Expectations for Brands

Top quality concerns for brands and products include **non-passing lab testing, failed quality audits and undisclosed/hidden ingredients.**

Additionally, **consumers are concerned about contamination (pesticides, heavy metals), untested ingredients, unclean facilities and improper manufacturing practices**.

Quality Expectations for Retailers

expect retailers to verify **Good Manufacturing Practices**



say retailers bear **responsibility** for quality and safety of products

Modernization of Cosmetics Regulation Act

MoCRA, the nation's first cosmetics and personal care regulation update in 80 years, is set to go into effect by the FDA in December.

Mandatory elements:

- Facilities registration
- Adverse event reporting
- Safety substantiation

NSF Guideline 527 for cosmetics and personal care products supports businesses with a competitive advantage in becoming compliant with MoCRA and major retailer requirements.

NSF/ANSI 455 Good Manufacturing Practice combines regulatory requirements with retailer quality requirements.

Get the Research

NSF.ORG

info@nsf.org
Nutrition and Wellness Booth 3557 (Hall D)
Food Booth 1936 (Hall B) – Expert Hour today from 2-3pm on NSF/ANSI 305 and USDA Organic

The State of Conscious Beauty: Trends, Insights & Opportunities Shaping the Future

Yvonne Buisson

Director, Health, Beauty & Pet

NielsenIQ

Beauty Retail's (R)Evolution

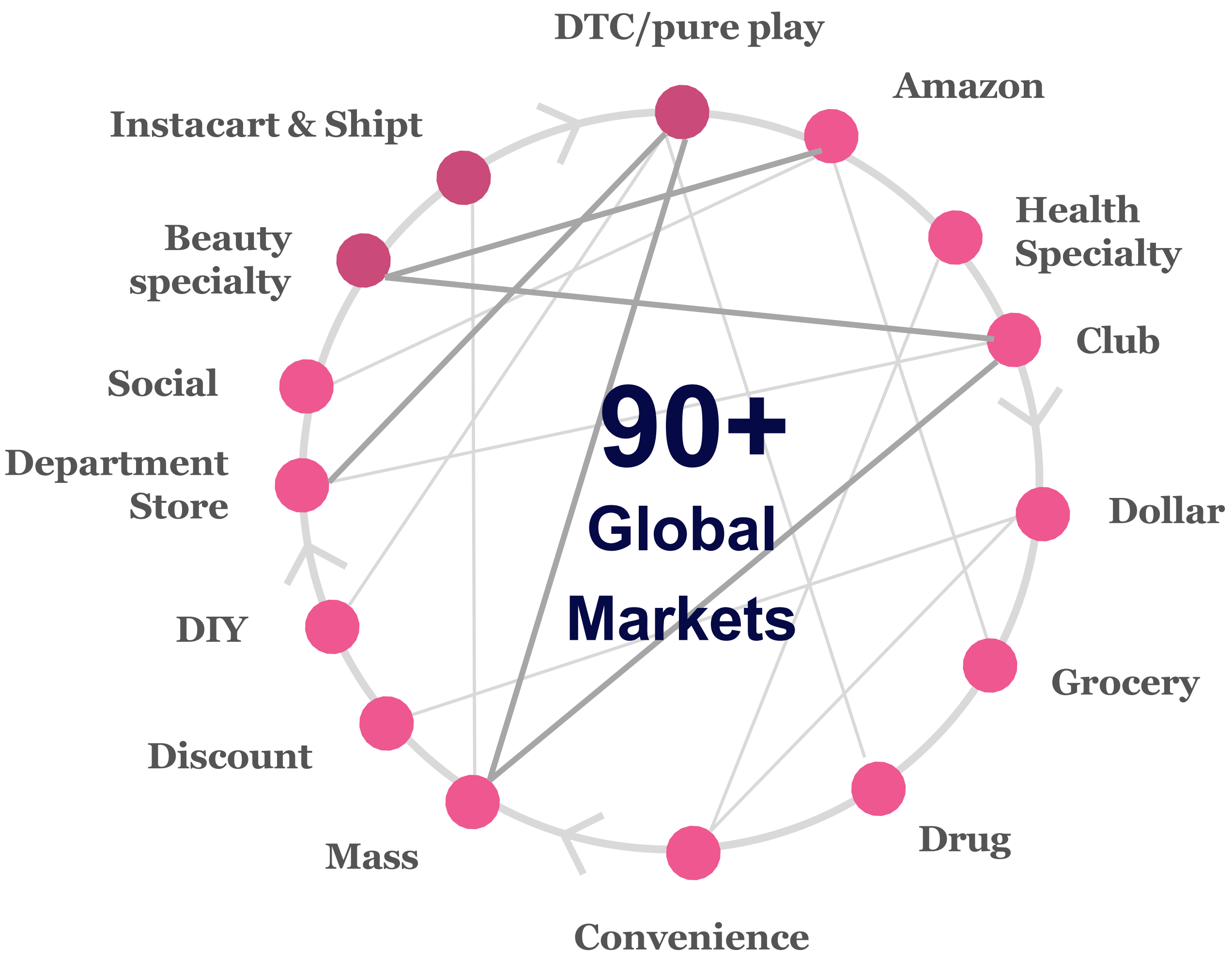
March 2025

Your presenter today

Yvonne Buisson
Director – Health, Beauty & Pet
yvonne.buisson@nielseniq.com

NIQ delivers the *Full View* of beauty buying behavior

- The industry's most trusted consumer data—more channels, sources, consumers, and regions
- Validated with point of sales data directly from retailers



Beauty Retail

- *Ecommerce Acceleration*
    - With more than 40% of all beauty sales happening online, the new world of beauty retail is digital
- *Social Selling Makes Waves*
    - TikTok Shop has proven the stickiness of social selling platforms. With its future still uncertain, there are many challengers ready to take a slice of its business.
- *Generations at the Forefront*
    - Gen Z is growing buying power, but their expectations vary wildly from prior generations. And don't count out older consumers, who are vibrant and won't be left out of the joy of beauty.

Online continues to drive growth for beauty

In-Store	Online	Total Beauty and Personal Care
$61.8B	$45.7B	$107.5B
+2.8%	+11.1%	+6.2%

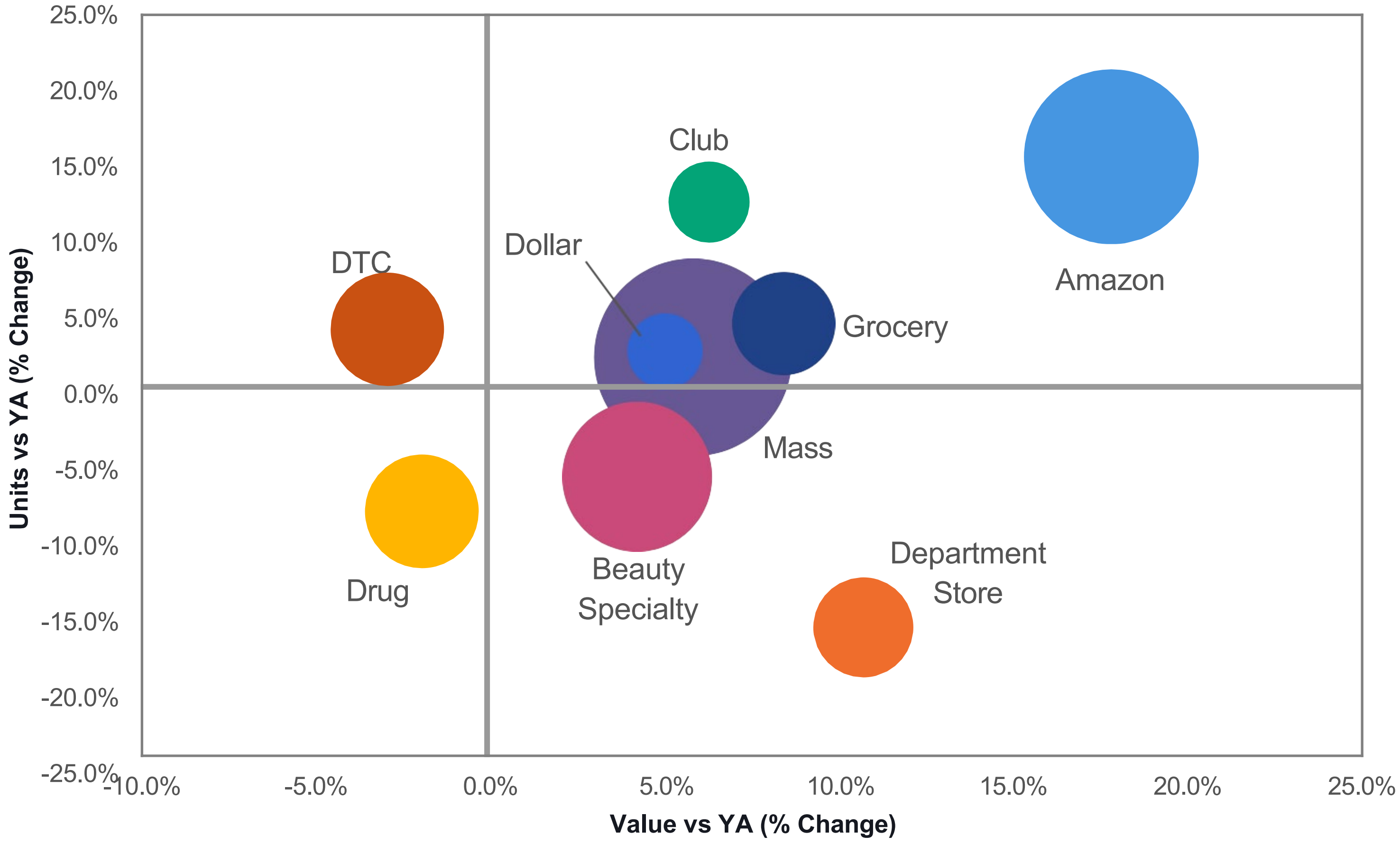
43% online

57% in-store

Source: NielsenIQ POD Omnishopper Panel Total US L52 week ending 11/30/2024 vs YA.Dollar percent change

Amazon capturing strong both dollar and unit growth

Size and growth of key beauty channels (omnichannel view)

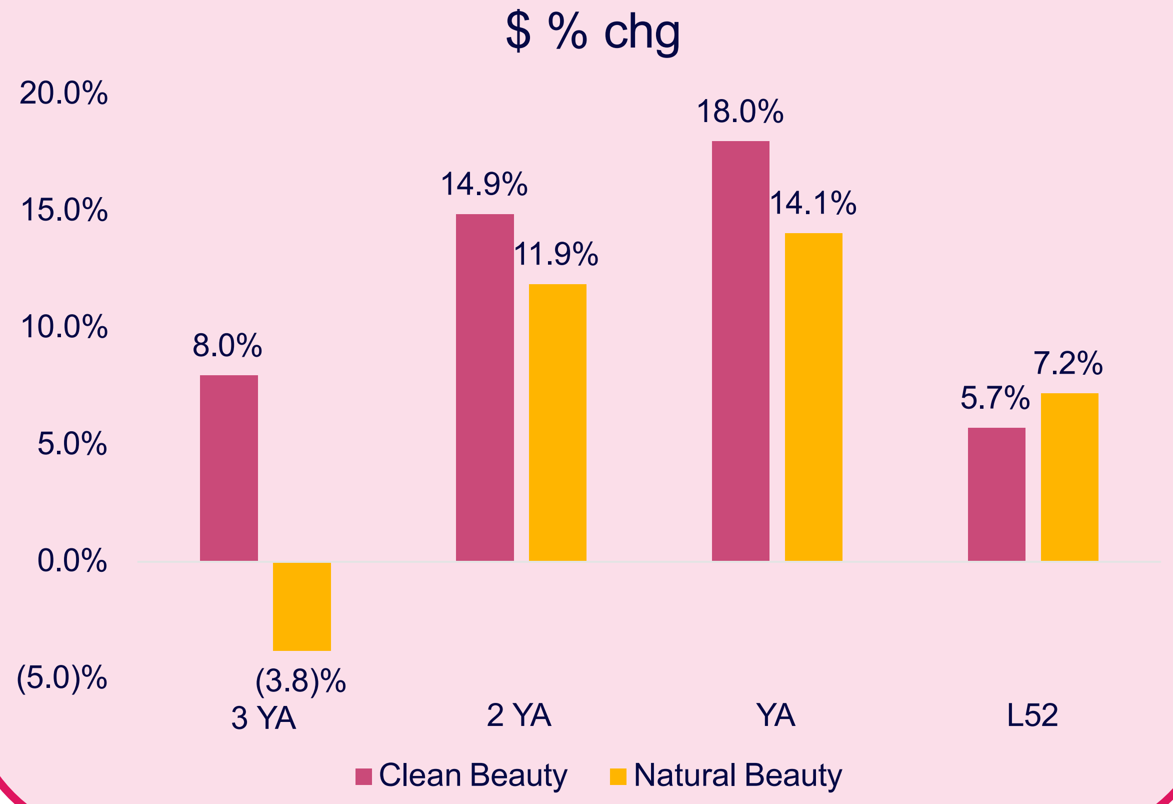


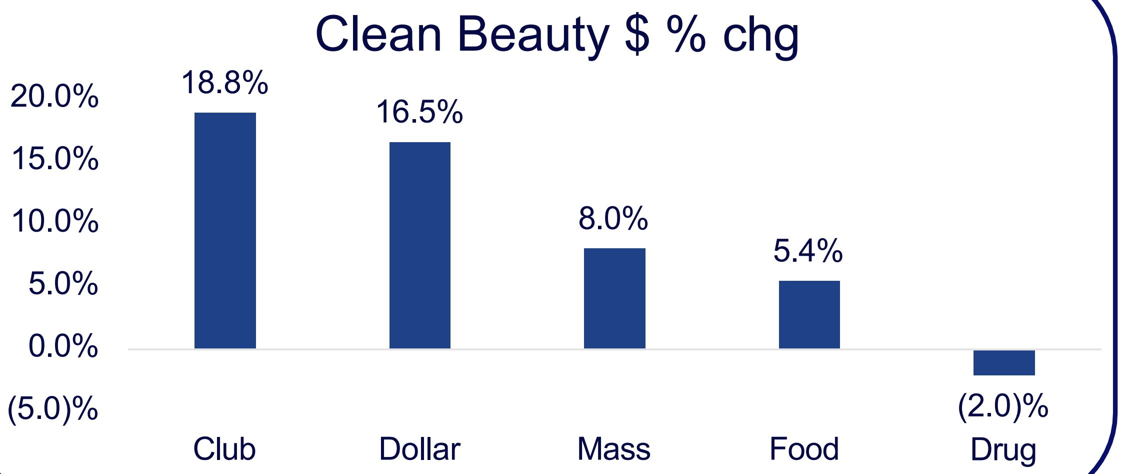
Channel	$ share	$ % chg	Unit % chg
Mass	25.7	5.8	2.0
Amazon	20.0	17.8	15.5
Beauty Specialty	14.7	4.2	-6.1
Drug	8.4	-2.0	-8.4
DTC	8.4	-3.0	3.9
Grocery	7.0	8.4	4.2
Department Store	6.5	10.7	-16.2
Club	4.3	6.2	12.5
Dollar	3.7	5.0	2.4

2024 TikTok Dollar Sales - $995.8M

Source: NielsenIQ Omnishopper Panel Total US 52 week ending 11/23/2024 vs YA. Mass is defined as Total-Amazon. DTC is defined as beauty supply online minus Sephora+Sally Beauty+Ulta. Beauty specialty is Beauty supply channel-DTC
Rakuten Data 12 Month Aggregate w/e 11/30/24.

Clean beauty growth slows, but alternative channels are winning





free from artificial ingredients

Facial Skin Care +42.0%

Hair Removal +18.2%

Sun Care +13.2%

Deodorant +10.3%

Cosmetics & Nail +9.3%

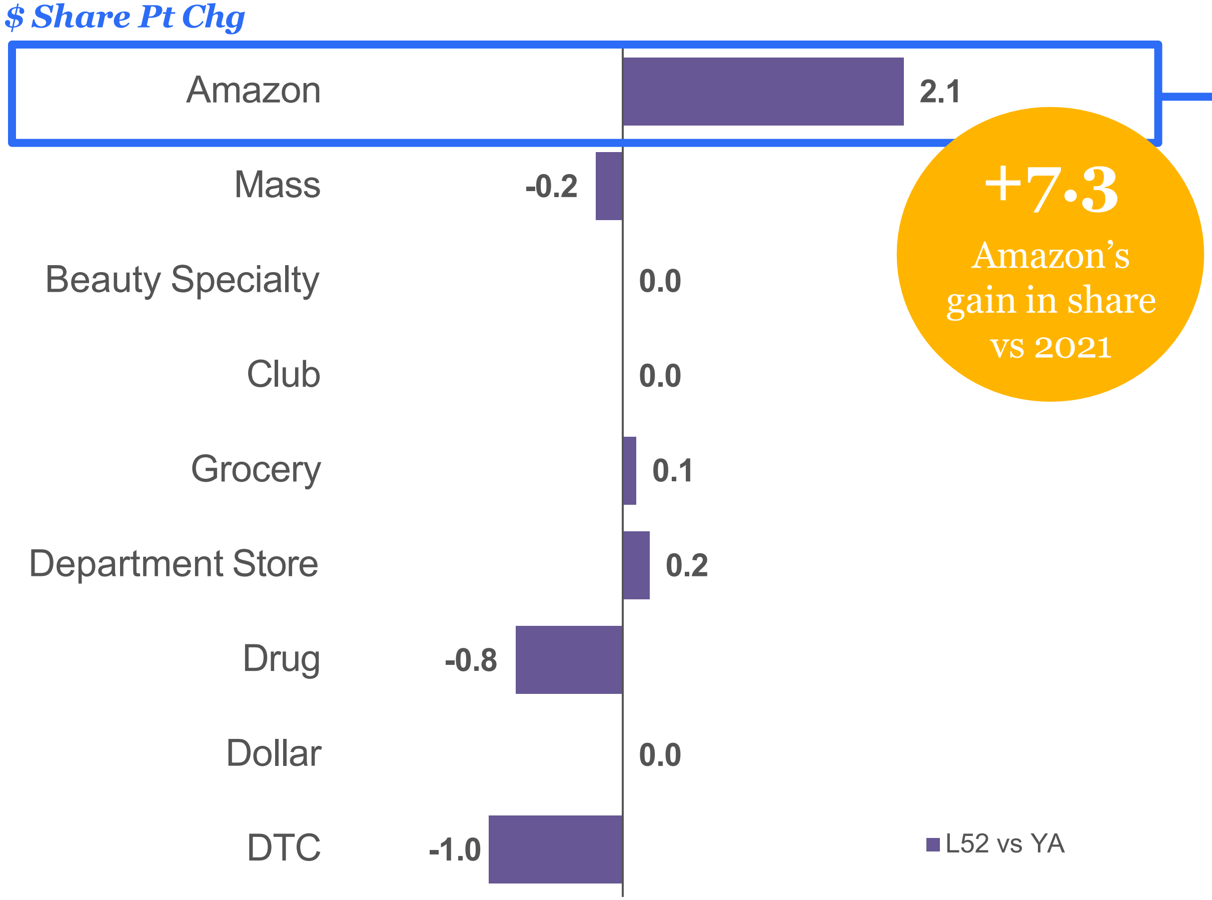
Source: NielsenIQ RMS Total US xAOC Latest 52 weeks ending 1/25/25

Major Trends that will Impact Beauty Retail

- Amazon's Dominance
- Social Selling Emerges
- Future of DTC
- Private Brands Evolve
- Demographics are Destiny

Amazon is now the #1 US Beauty Retailer

Retail consolidates as the big get bigger



amazon

Amazon delivers well-rounded growth

Category	*$ % Chg. vs YA*
Hair Care	17.6%
Facial Skin Care	32.7%
Cosmetics & Nail	6.3%
Hair Removal	4.6%
Bath & Shower	28.9%
Hand & Body Lotion	21.1%
Fragrances	20.6%
Deodorant	39.8%
Sun Care	25.9%

+18.6% Dollar Sales

+1.8pts Penetration

+$30/year $ Buy Rate

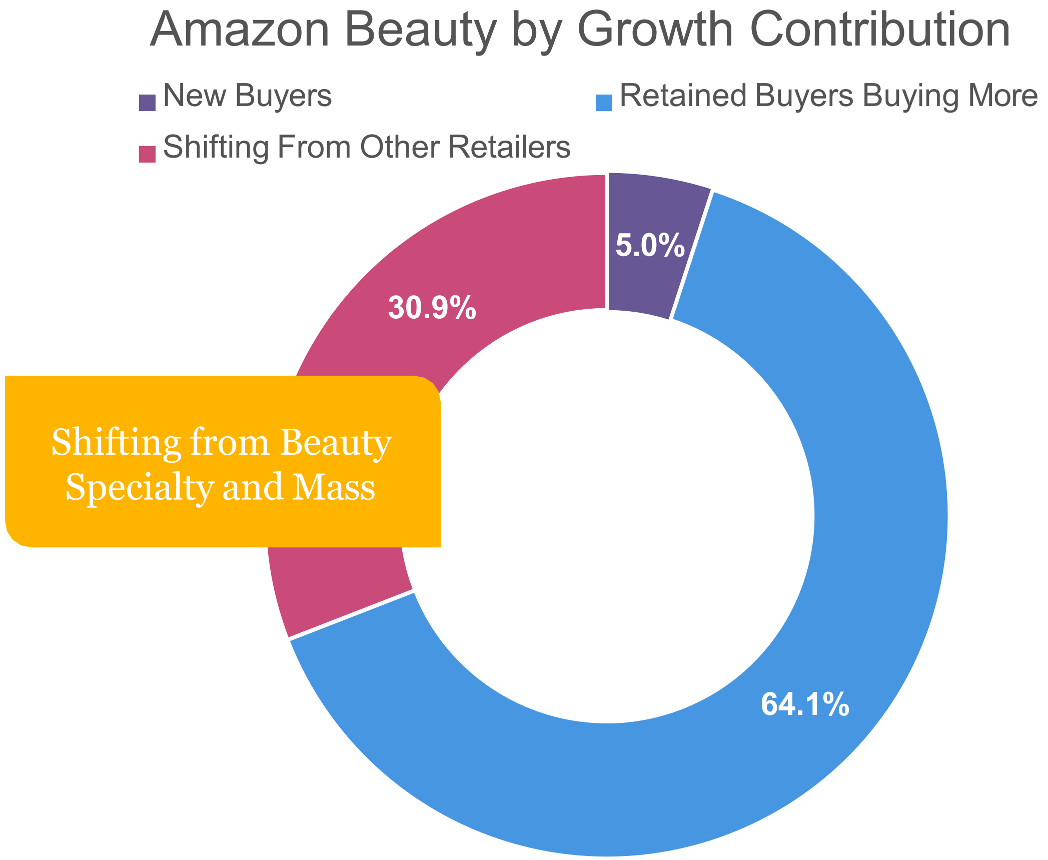
Categories ranked by $ sales at Amazon

Source: NielsenIQ Panel on Demand Omnishopper, Total US, Total Beauty, Latest 52 weeks ending 11/30/2024 vs YA

NIQ

Amazon's customer satisfaction shows

Retained Beauty buyers are driving growth



Source: NielsenIQ Panel on Demand Omnishopper, Amazon, Total Beauty, Latest 52 weeks ending 11/30/2024 vs YA

NIQ

Social Selling Takeover

Just 1 year in, TikTok Shop's success continues to compound

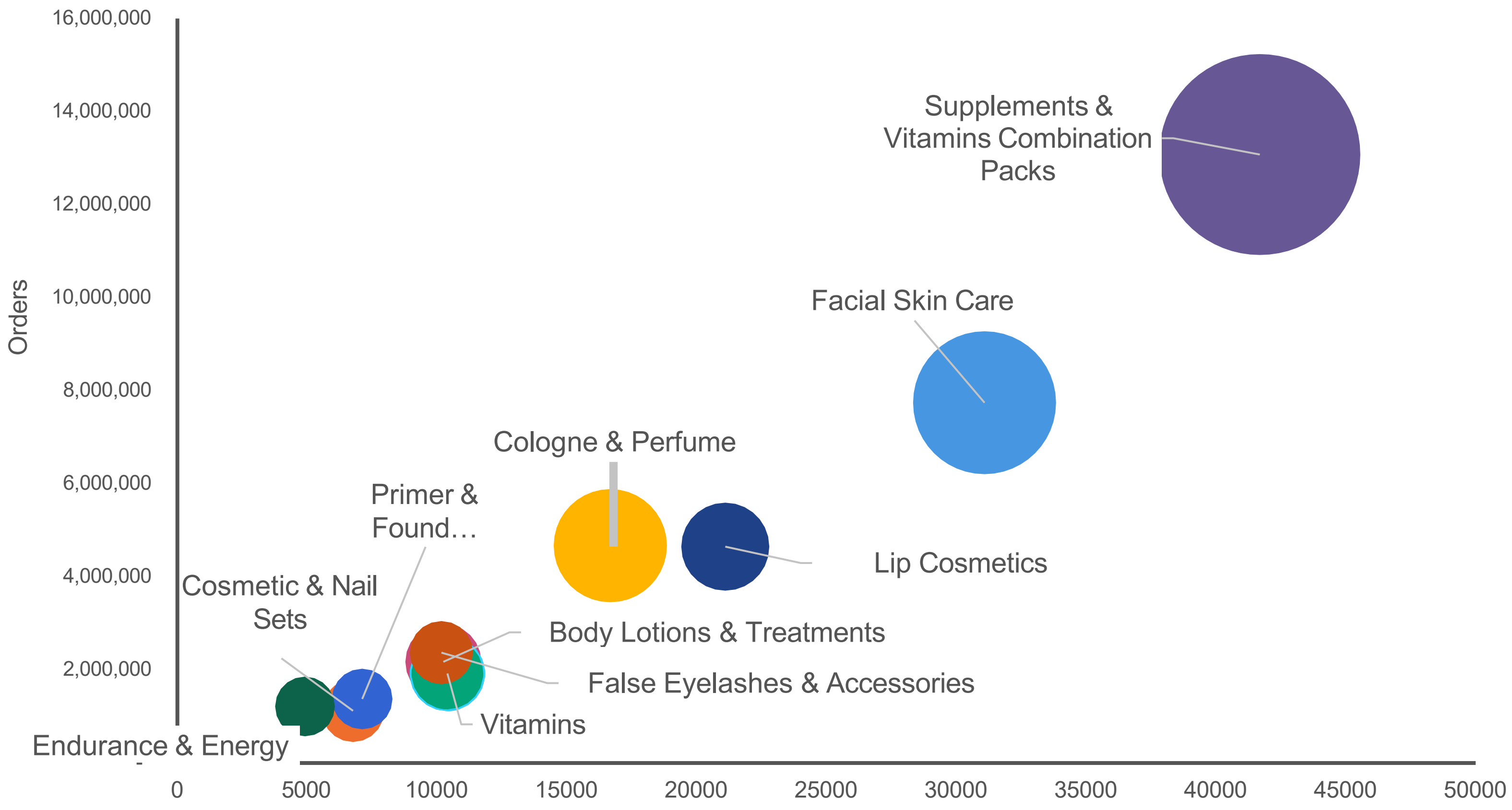
- ***#8 Health & Beauty*** ecommerce retailer

- ***12.5% of ecommerce shoppers*** made a purchase on TikTok Shop in the last year

- TikTok Health & Beauty sales have seen a ***35% growth in dollars sales in the recent 6 months***

NielsenIQ eCommerce Retailer View, 52wks ending 11/30/24

TikTok Shop's biggest selling *subcategory* in Health & Beauty is now Supplements & Vitamins



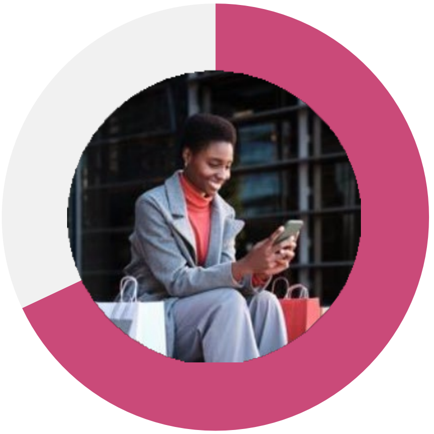
Bubble Size = Dollar Volume (000)

Source: NielsenIQ e-commerce Retailer View, TikTok Health & Beauty Categories, 52wks ending 11/30/24

NIQ

2023 Nielsen Consumer LLC. All Rights Reserved.

Social Selling is fueling discovery and impulse, though quality and trust are concerns



68% ***of purchases***

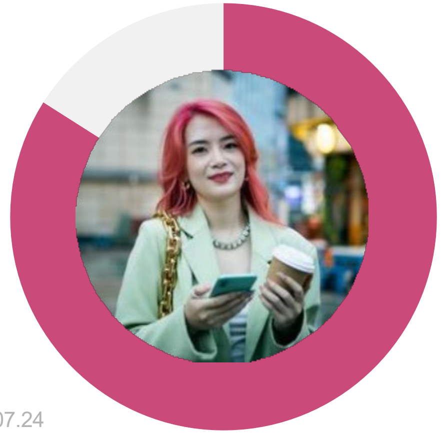
on social selling platforms are made on impulse

Top reasons for making a purchase on a social selling site:

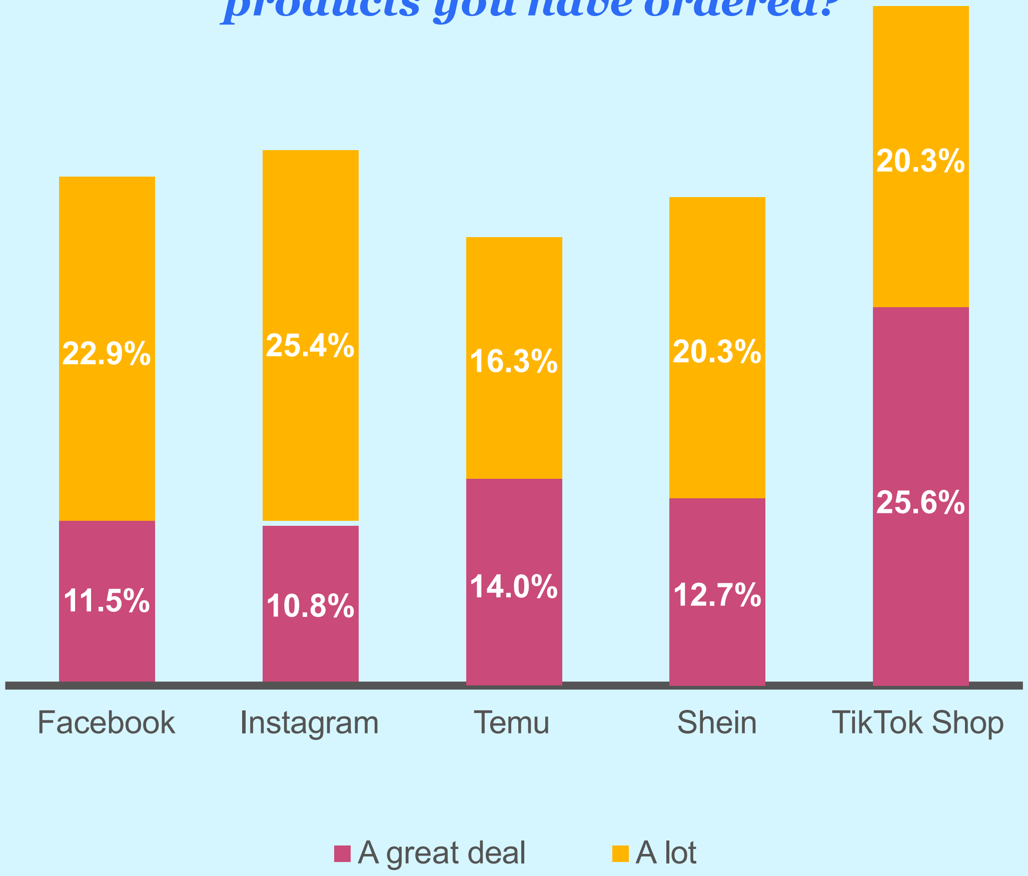
- I ***discovered something new*** that I wanted to try
- I can find ***cheaper alternatives*** to the usual products I buy
- Was a ***convenient*** way to purchase what I needed

84%

had a ***good or excellent*** experience shopping on social sites



How much do you trust the beauty products you have ordered?



Source: NielsenIQ Omnishopper Panel, Social Selling Survey, Total US, L52W 09.07.24

NielsenIQ

Social selling captures 6.2% of ecommerce market share in Beauty/Personal Care

TikTok Shop	TEMU	ebay
3.2%	1.4%	1.1%

POSHMARK	MERCARI	SHEIN
0.2%	0.2%	0.1%

Future of DTC

What is DTC?

DTC takes on many shapes and forms

billie

Glossier.

norwex

RODAN+FIELDS

Rare Beauty

SOL DE JANEIRO

DTC Pure Play

Started by online only, shipping directly to customers

Multi level marketing (MLM)

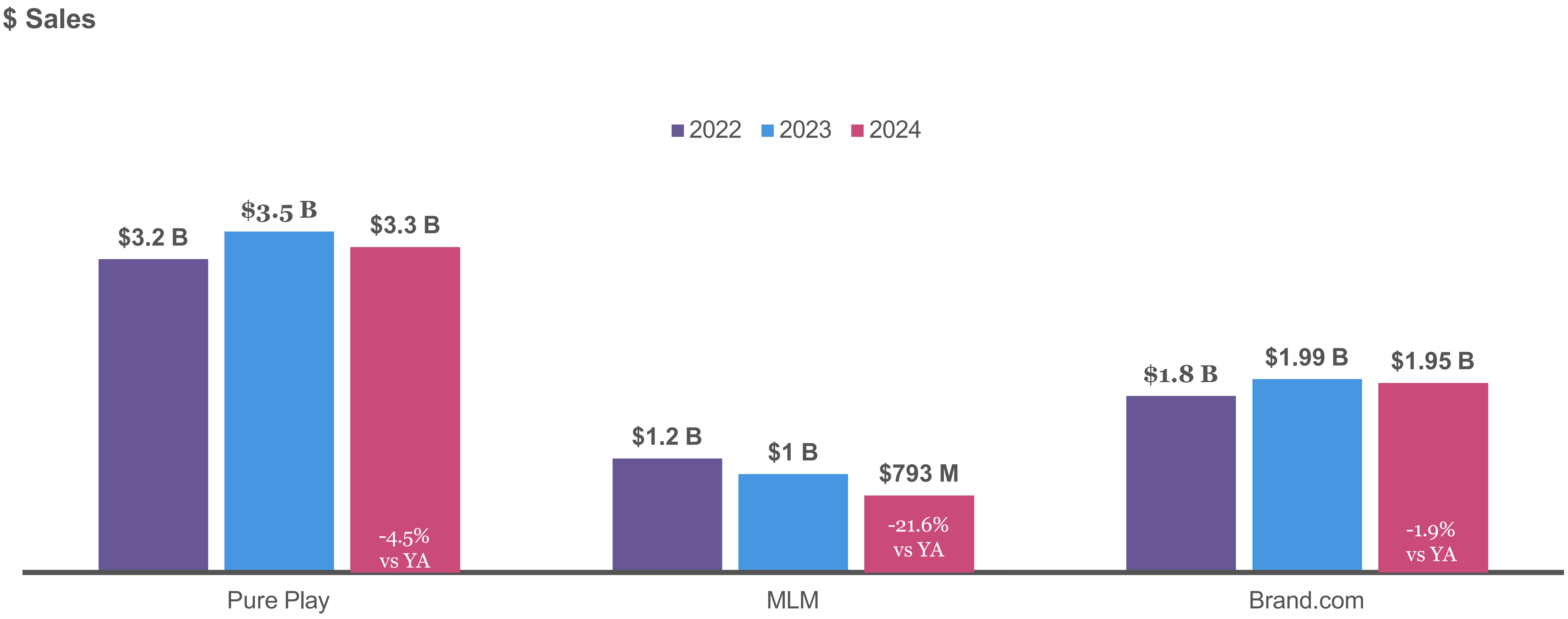
Brands that use direct seller reps to enable online sales

Brand.com

Brands that already exist in B&M space that then launched their own websites to sell directly to consumers online

© 2023 Nielsen Consumer LLC. All Rights Reserved.

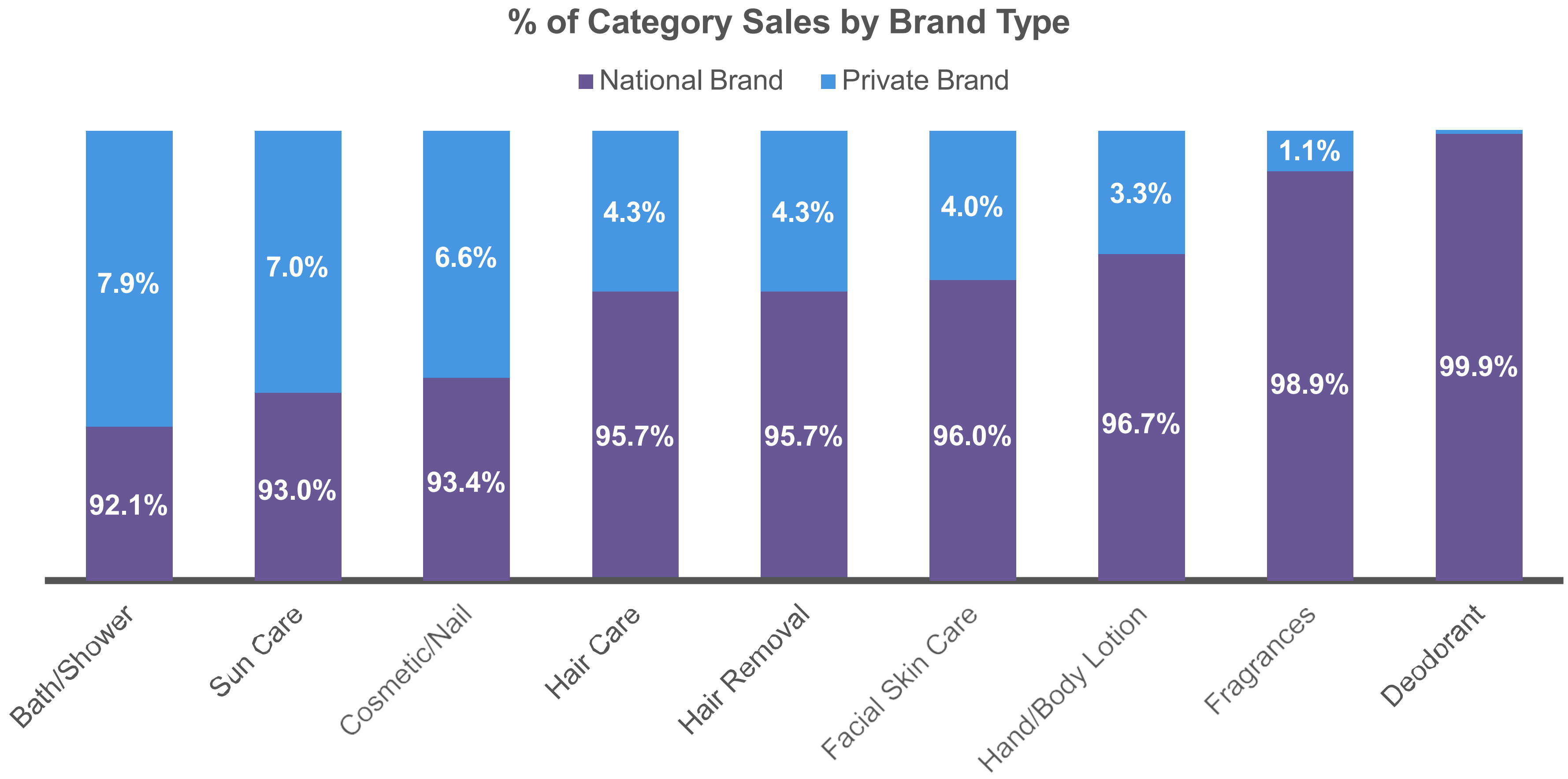
All DTC formats face declines this year, with Brand.com as most resilient



Source: NielsenIQ E-commerce Data powered by Rakuten, 52 we 11/30/2024
Beauty & Personal Care includes: Bath & Shower, Cosmetics & Nail, Deodorant, Facial Skin Care, Fragrance, Hair Care, Hair Removal, HBL, Sun Care

Retailers Innovate with Private Brands

Retailers continue to use Private Brand as a vehicle for quality and value



5% of Total Beauty Sales are Private Brand

Private Brand Category Share Gains

Bath/Shower: +1.4 pts

Sun Care: +1.1 pts

Fragrances: +0.5 pts

Source: NIQ Omnishopper, L52W Ending 10/5/24, Total US, All Shoppers

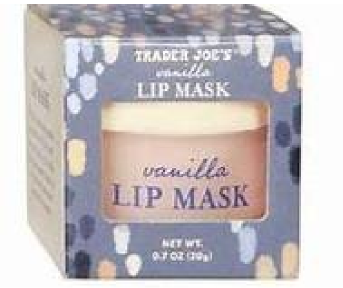
Upgraded Store Brands

TRADER JOE'S

ULTA BEAUTY

Walgreens

SALLY BEAUTY



Source: Retailer Websites

Demographics are Destiny: How Changing Generations will Impact Retail

Channel strategies should vary based on age target

Gen Z and **Millennials** are more likely to shop for Beauty and Personal Care products at Sephora and Target

Over indexing channels for Beauty and Personal Care

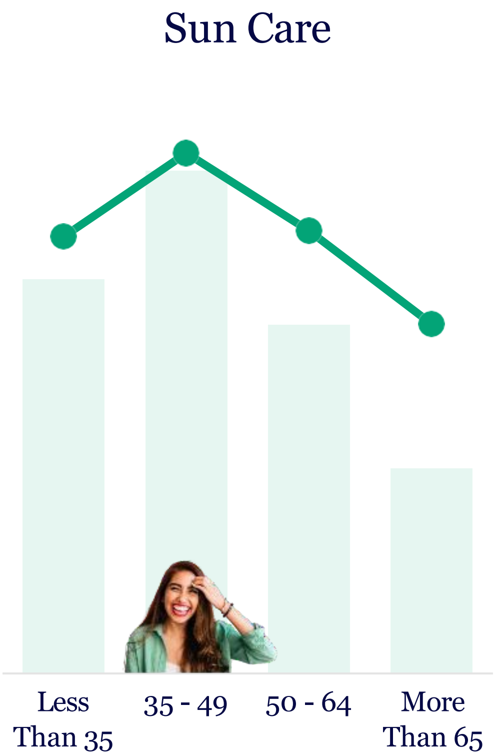



	Gen Z	Millennials	Gen X	Boomers/Traditionalists
Tend to shop…	Sephora, Ulta, Target, TikTok Shop	Sephora, Target, Amazon	Department, Dollar, Drug, Walmart	Department, Dollar, Grocery, Walmart, Amazon
Not shopping…	Department		Target	Sephora, Target

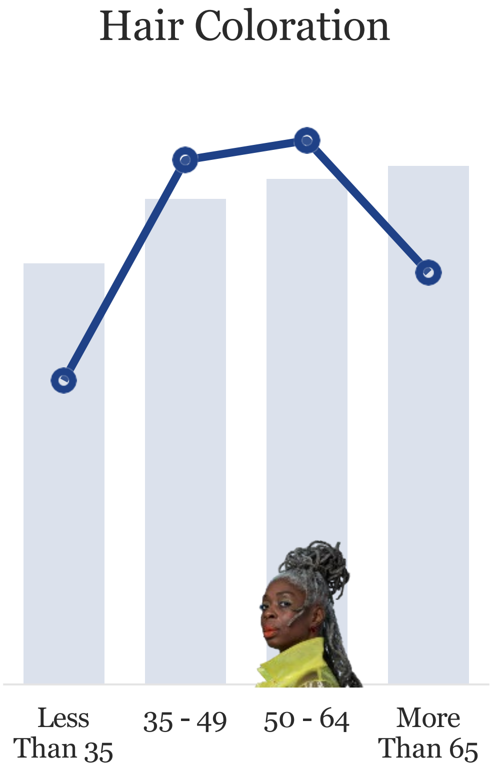
Source: NielsenIQ Omnishopper, Trip Projected, Syndicated Database POD 444, L52 WE 03/23/2024, Total Outlets, Total Beauty & Personal Care Categories

No one size fits all approach to beauty's generational landscape

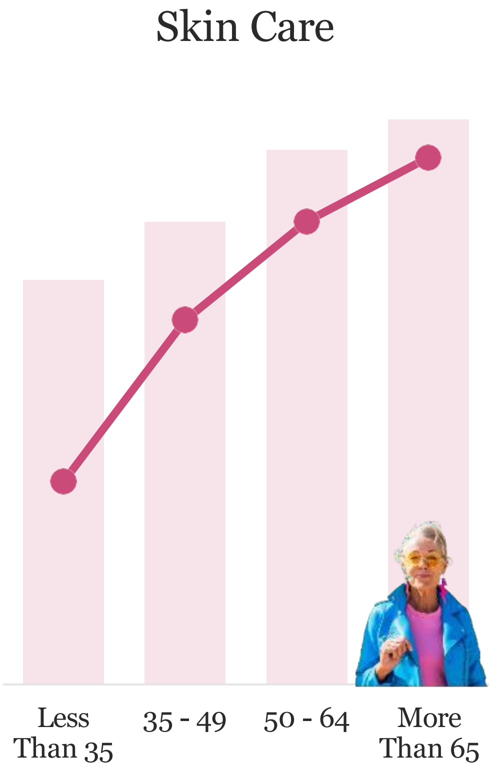
Early Peak



Deprioritization



Needstate Spike



Sustained Rise

Closing thoughts

A time for exploration and discovery

Shoppers are looking for beauty in new and varied places. Brands need to be experimenting with how their products show up, and how to incorporate social and gamified experiences to appeal to shoppers

The in-store experience is ripe for a comeback

While e-commerce has evolved rapidly in the past 5 years, the in-store experience has remained largely the same. The successful retailers of tomorrow will find a way to capture the excitement happening in beauty e-commerce, and bring it to the physical world.

NIQ