



State of the Global Consumer

2025 OUTLOOK

Beauty

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Introduction

Welcome to the State of the Global Beauty Consumer. In this biannual report, Consumer Edge will be highlighting the top trends in Beauty spending across the globe, looking ahead to which company strategies are likely to be most successful in the months ahead.

In this winter report, explore valuable actionable insights into what might be in store for beauty stores across the globe in 2025.

The report is based on our CE Transact Global dataset, which captures payment account spend in the US, UK, Germany, France, Italy, Spain, and Austria. For the beauty industry, this means that the data is reflective of direct-to-consumer (DTC) spend and purchases directly from beauty brands or beauty specialty retail, but does not incorporate wholesale sales of beauty brands at multi-category retailers.



1 Key Themes

Looking ahead at 2025, three themes stand out as expected to have the most impact on Beauty success in coming months:

1

RETURN TO ROOTS

In many ways, Beauty industry spending is returning to its roots. In 2025, Beauty companies may find that tried and true strategies lead to success more often than jumping on the bandwagon of new fads.

2

MEET IN THE MIDDLE

A willingness to overspend on luxury may have run its course, and the premiumization of mass beauty may be enough to satisfy the lower-priced needs of most shoppers.

3

BRAND MATTERS

Brands do still matter at all price points, and consumers are shifting to buying their favorite brands directly and more often.

In this report, the beauty industry is comprised of 3 subindustries:

Beauty Product Brands

DTC online and brick & mortar retail beauty brands and manufacturers (ex: Fenty Beauty, E.L.F. Cosmetics)

Beauty Retail

DTC online and brick & mortar retailers selling a wide variety of brands from various manufacturers (ex: Sephora, Ulta)

Beauty Services

Beauty-related services businesss (ex: Regis Salons, XpresSpa)

2 Global Spend Growth

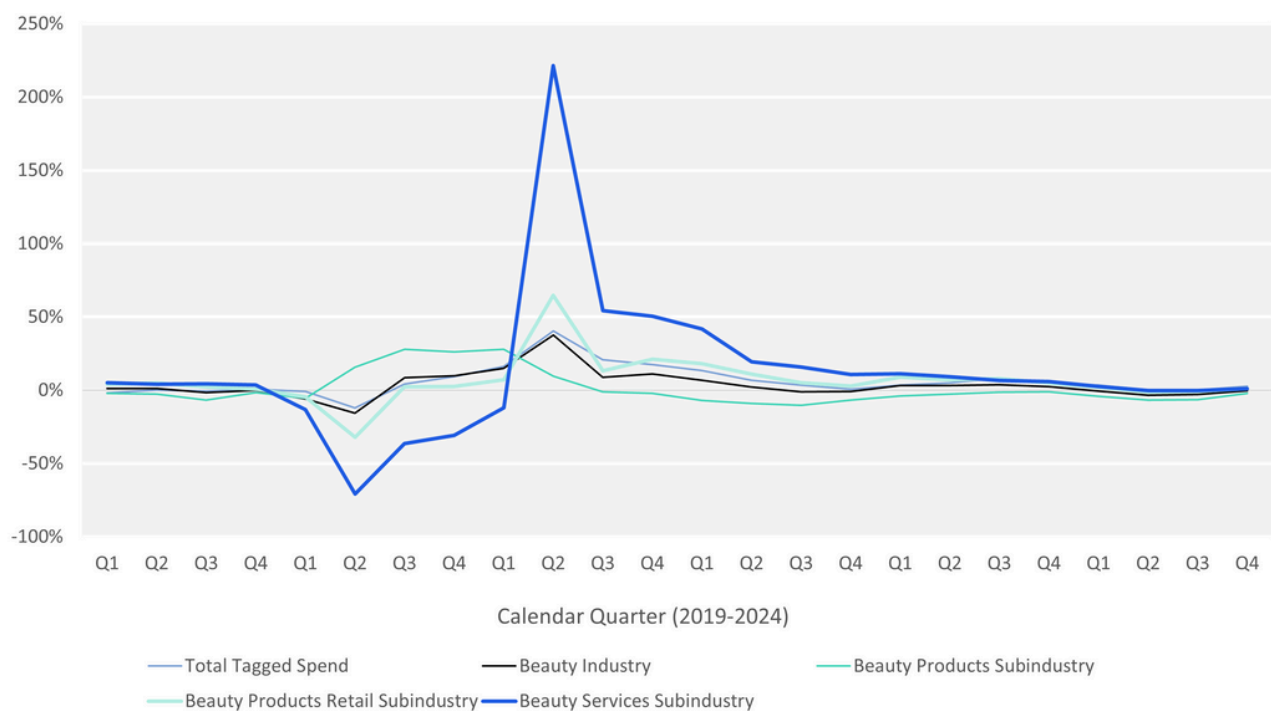
Beauty vs. Total Consumer Spend

In 2024, Beauty spend growth underperformed broader total consumer spend growth (Chart 1). Among the subindustries in the overall Beauty Industry, Beauty Products showed the most negative growth, but also the most drastic acceleration heading into Q4.

This could mean a promising trajectory for the Beauty Industry into 2025. Indeed, the Beauty Industry saw higher spend growth acceleration in the second half of 2024 than Total Spend, another positive bellwether.

Chart 1

Global Spend Growth YoY



Theme: Return to Roots

Reinvigorated industry growth could lift all boats, allowing companies to pursue strategies that have historically been successful rather than needing to find new tricks to steal share in a declining market.



2025 Playbook

As beauty becomes a more important component of consumer spending, beauty companies need to be poised to invest in inventory and marketing to propel their brands forward.

Theme: Brand Matters

Accelerating spend growth driven by shoppers buying beauty brands directly from the manufacturers emphasizes consumer loyalty to their favorite brands in the beauty space.



Largest Geographic Strength

Spend on Beauty slumped during the pandemic as shoppers stayed home and didn't need to dress up to go out (Chart 2). Although there was a resurgence due to pent-up demand for entertainment in 2021, 2022, and the beginning of 2023, spend growth has decelerated across all seven tracked countries since then.

The end of 2024 showed signs of a turnaround (Chart 2) with Austria, France, and the UK seeing spend growth accelerate by 5% or more.

This trend is especially optimistic for the UK, where spend growth was negative as recently as Q2.

Chart 2

Beauty vs. Total Spend Growth YoY

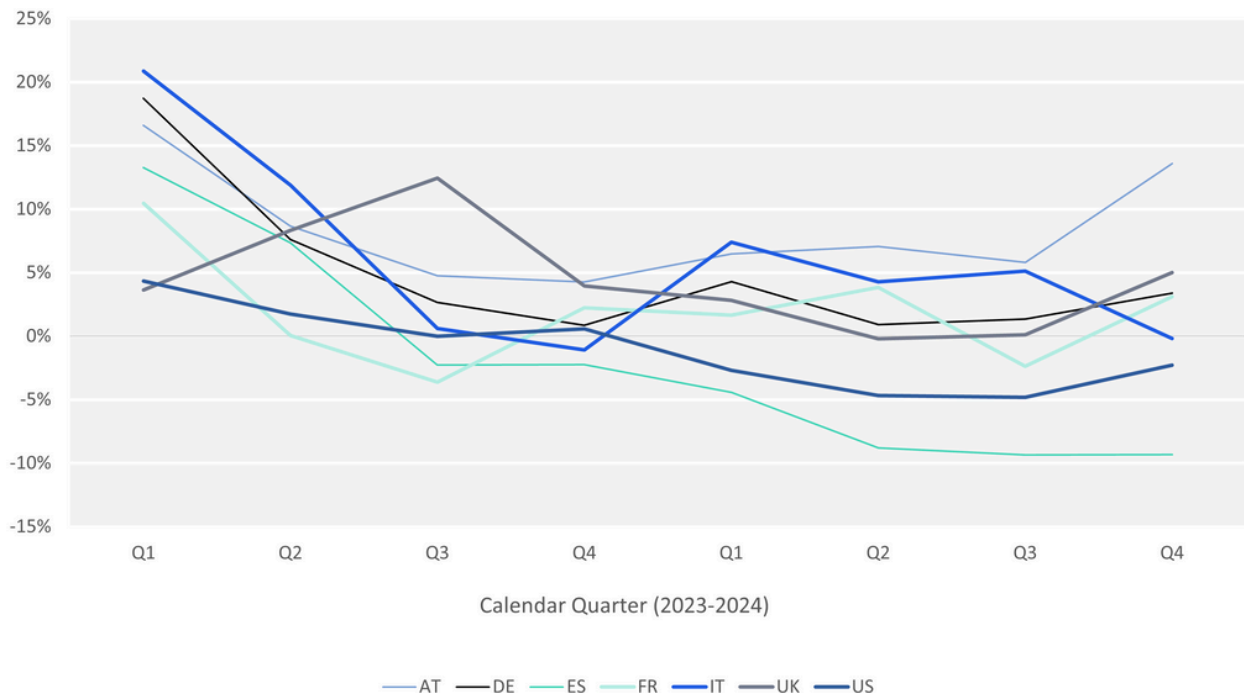
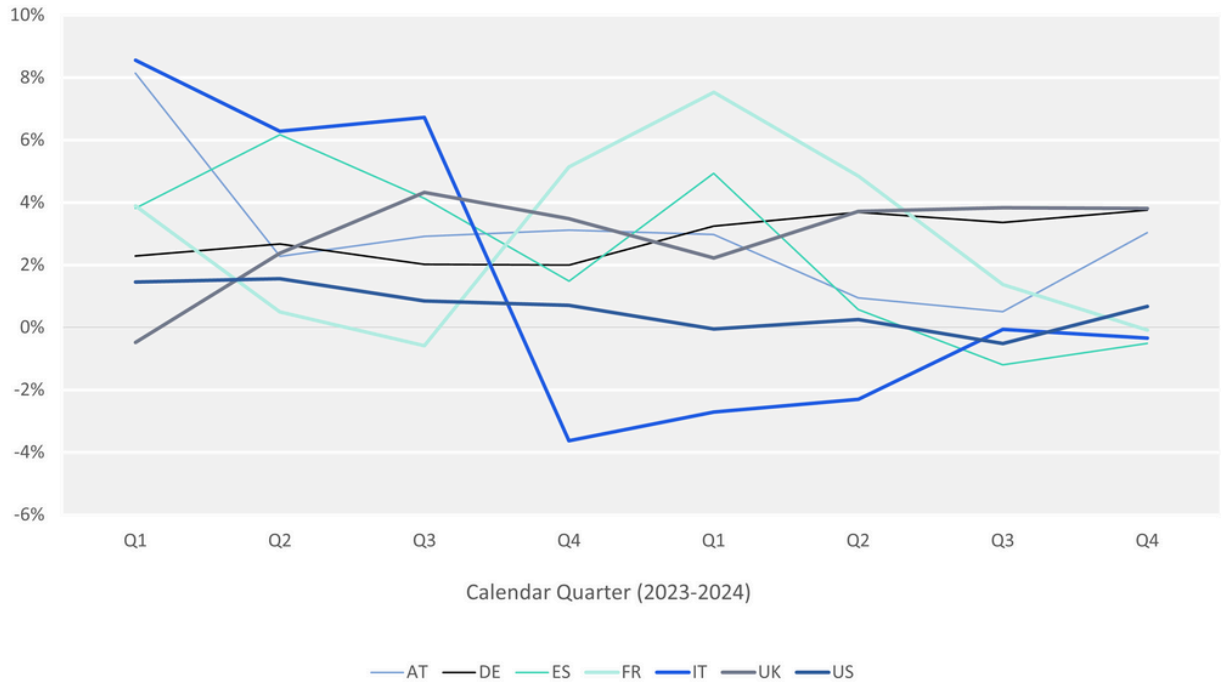


Chart 3

Average Ticket Growth by Country YoY



Italy showed the largest growth deceleration in Q4 (Chart 2), especially disappointing after an extremely positive start to the year.

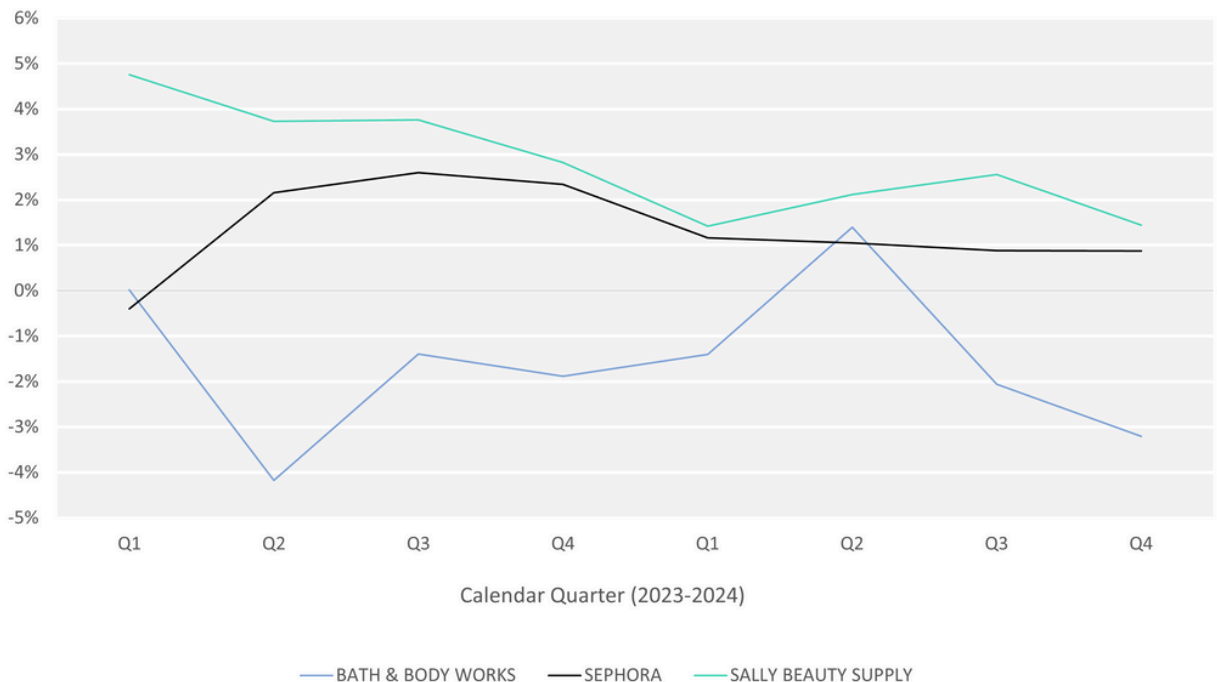
Spend Growth Drivers

Italy's spend growth in the beginning of 2024 came after a sharp decline in average ticket growth at the end of 2023 (Chart 3). Similarly, France, which saw spend growth deceleration throughout 2024, was one of the top growth markets by the end of the year.

Indeed, the deceleration in y/y ticket growth is consistent even across major global beauty retailers like Bath & Body Works, Sephora, and Sally Beauty Supply (Chart 4).

Chart 4

Top Beauty Retailers Average Ticket Growth YoY



2025 Playbook

There are opportunities for beauty companies to think hard about their regional strategies, and especially to look at localizing pricing models (or product mix models) based on what each region is buying most.



Theme: Meet in the Middle

Spend growth isn't being driven by premium pricing. Rather, a declining average ticket in high-growth areas is showing the importance of making beauty accessible across income levels.



3 Global Subindustry Trends

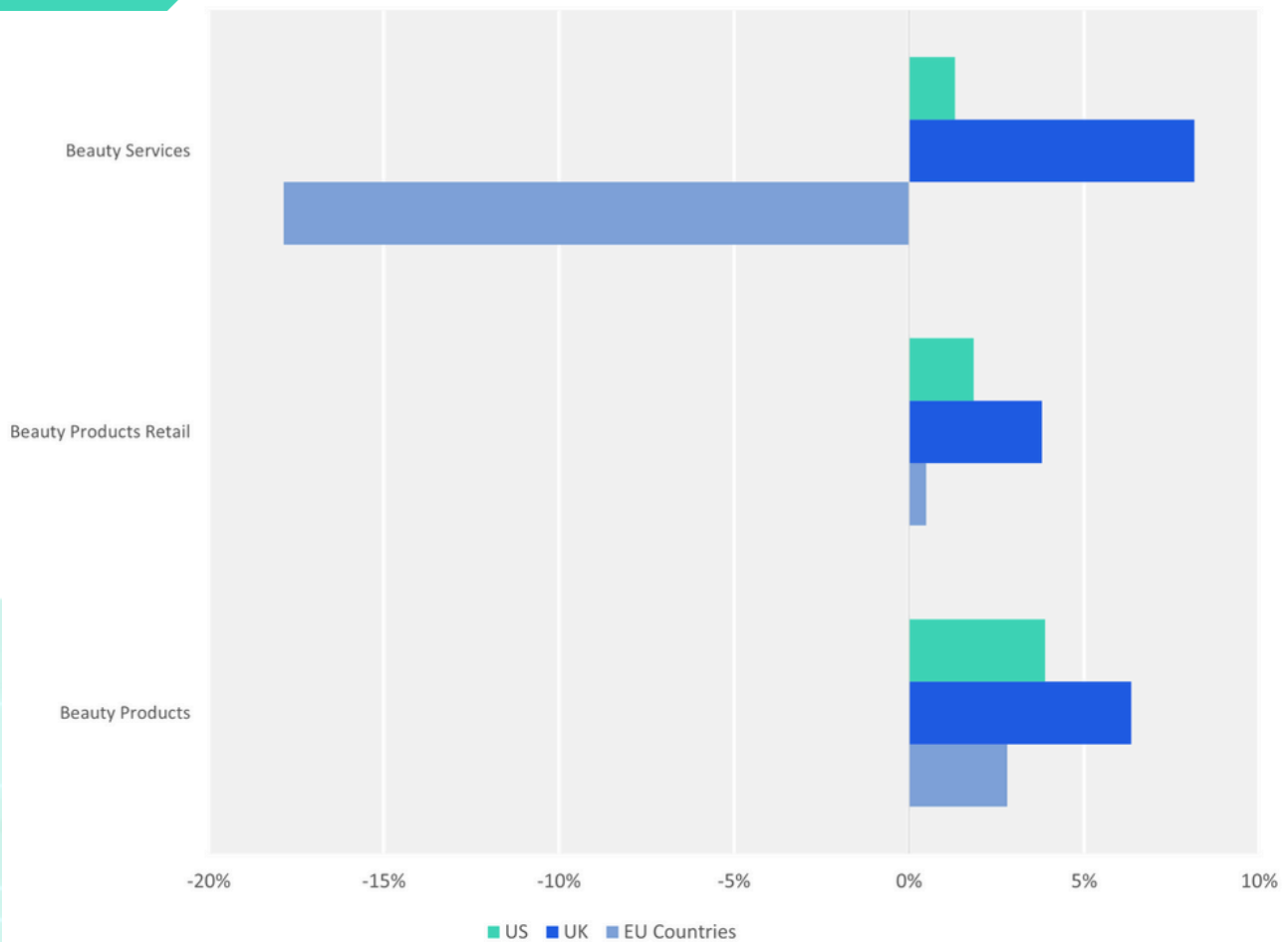
Adding more support to signs of a Beauty revitalization in 2025, the acceleration in Q4 growth in beauty product brands was strong at 3-6% across all three regions tracked (Chart 5), and spend growth acceleration was positive across all regions in beauty retail.

Strongest Acceleration

The UK showed strong acceleration of 6% in beauty brands, 4% in beauty retail, and an impressive 8% in beauty services.

Chart 5

Subindustry Acceleration by Region



Theme: Return to Roots

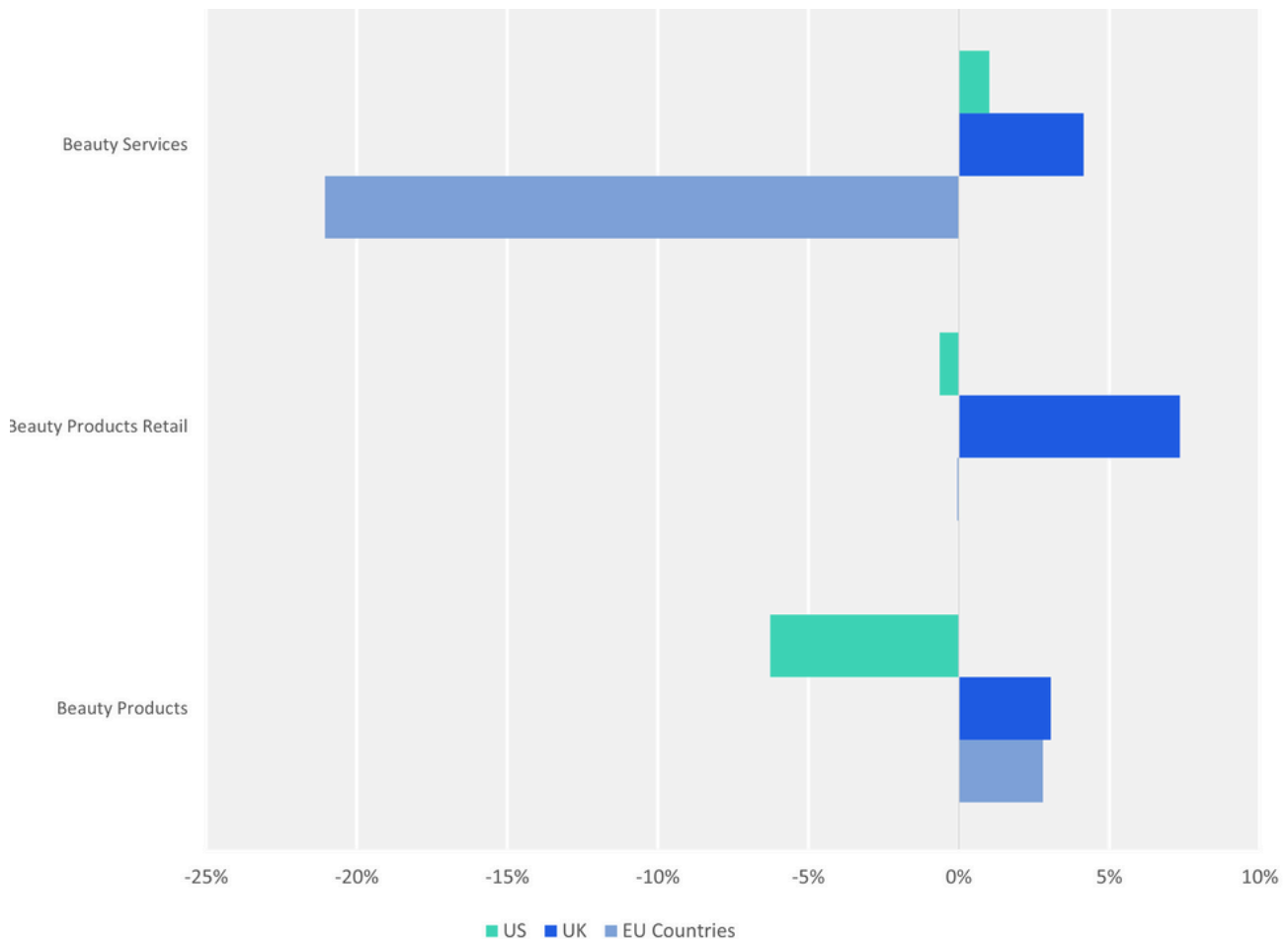
Buying directly from brands has a long history in the Beauty Industry. In fact, Avon pioneered direct-to-consumer beauty sales as far back as 1886.



In the EU, Beauty Services is seeing significant weakness, with a double-digit y/y spend decline in Q4 (Chart 6) that was a sharp deceleration from Q3 (Chart 5).

Chart 6

Subindustry Growth by Region



2025 Playbook

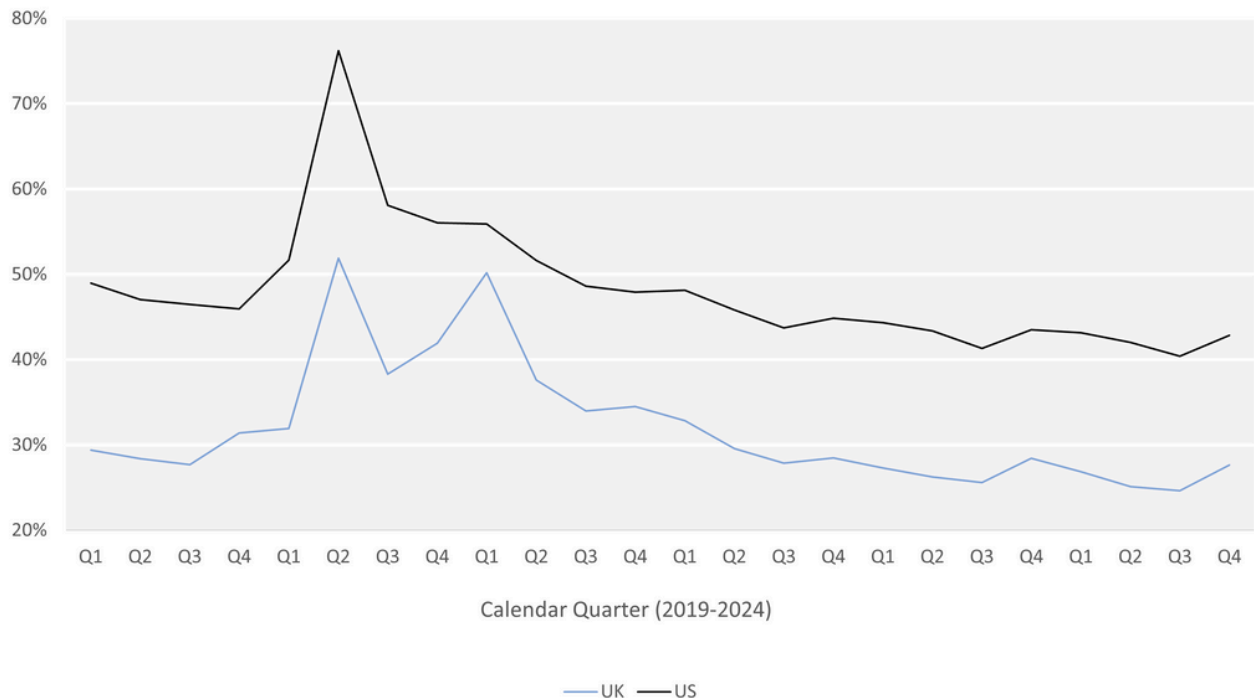
Beauty companies may want to refocus some of their investments more into direct channels and less into supporting retailer distribution.

Online Spend

The experiential nature of beauty continues to reinforce offline shopping, with a smaller percentage of beauty spend online in both the US and UK every quarter of 2024 vs. 2023 (Chart 7).

Chart 7

Online Beauty Spend by Country



However, a curious aspect of this trend is that within each of the beauty subindustries, the online share has been relatively stable y/y (Charts 8 and 9). This implies that the increase in offline spend is coming with a mix shift away from the heavily online beauty product brands subindustry.

If that subindustry's recovery continues, it will be interesting to see whether shoppers will follow with spend shifts to e-commerce or if the increasing demand will lead to more offline locations for beauty brands.

Chart 8

Beauty Subindustries % of Online Spend - US

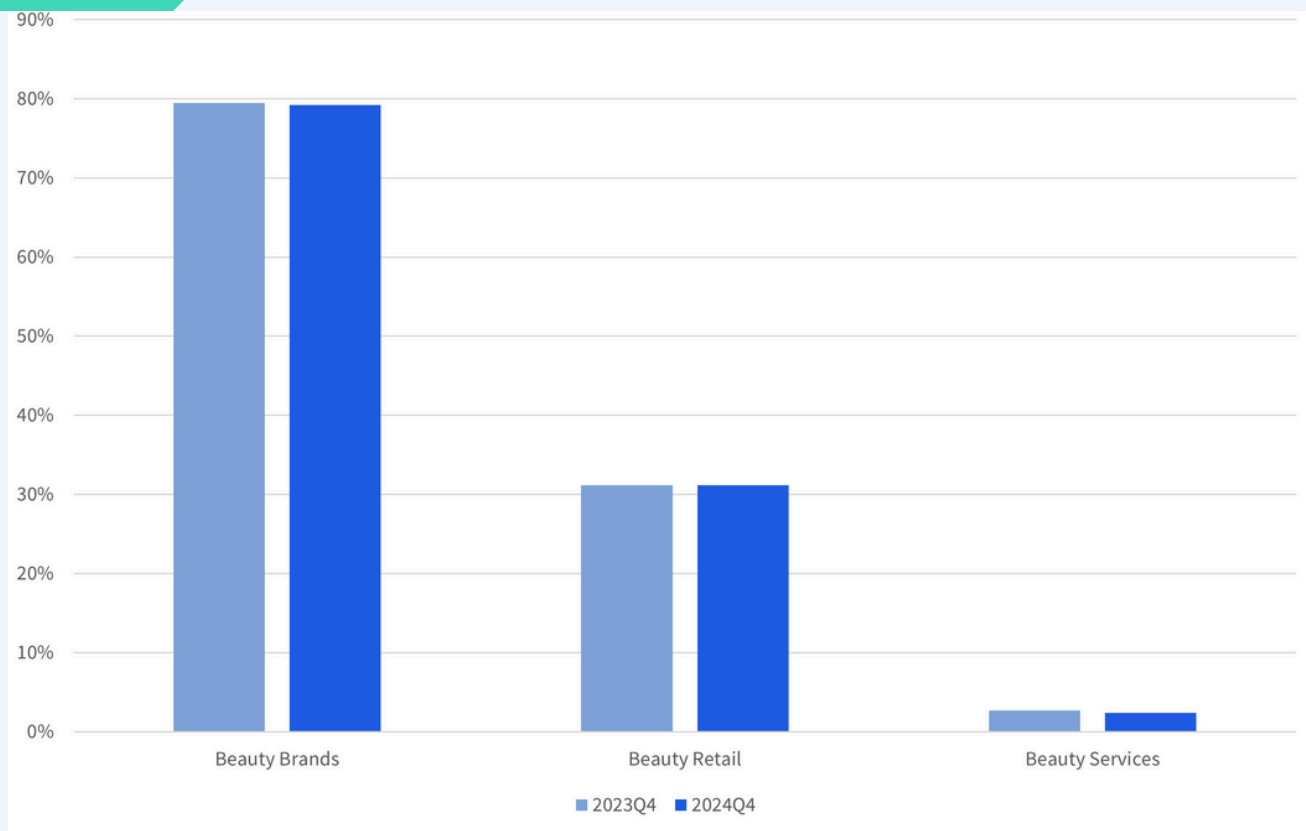
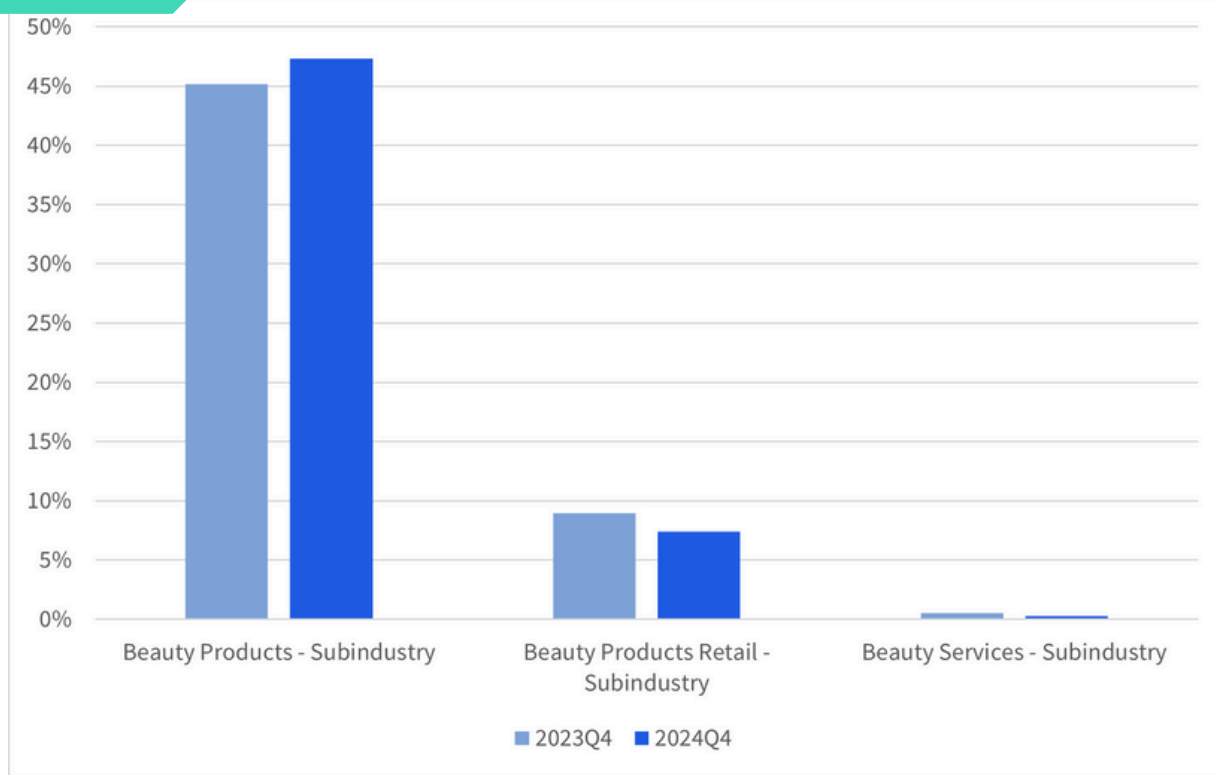


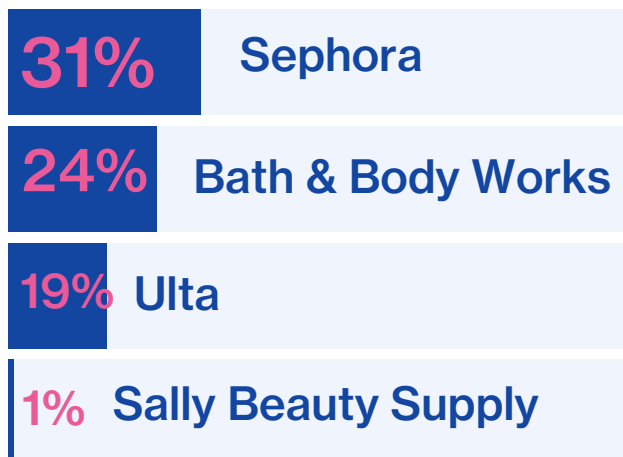
Chart 9

Beauty Subindustries % of Online Spend - UK

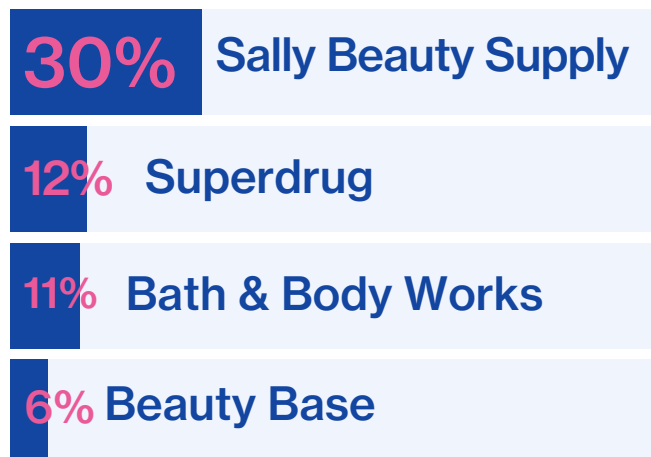


In the US, offline importance is reinforced by the fact that the % spend online for major beauty brands is even lower than subindustry average, with subindustry numbers being pulled up by online-only brands like IPSY. In the UK, online spend is somewhat higher for top retailers vs. the regional average.

Retailers Online Spend US



Retailers Online Spend UK



Theme: Return to Roots

Offline selling directly face-to-face is old hat in the Beauty Industry, and allows many companies to draw on well-established strengths.



2025 Playbook

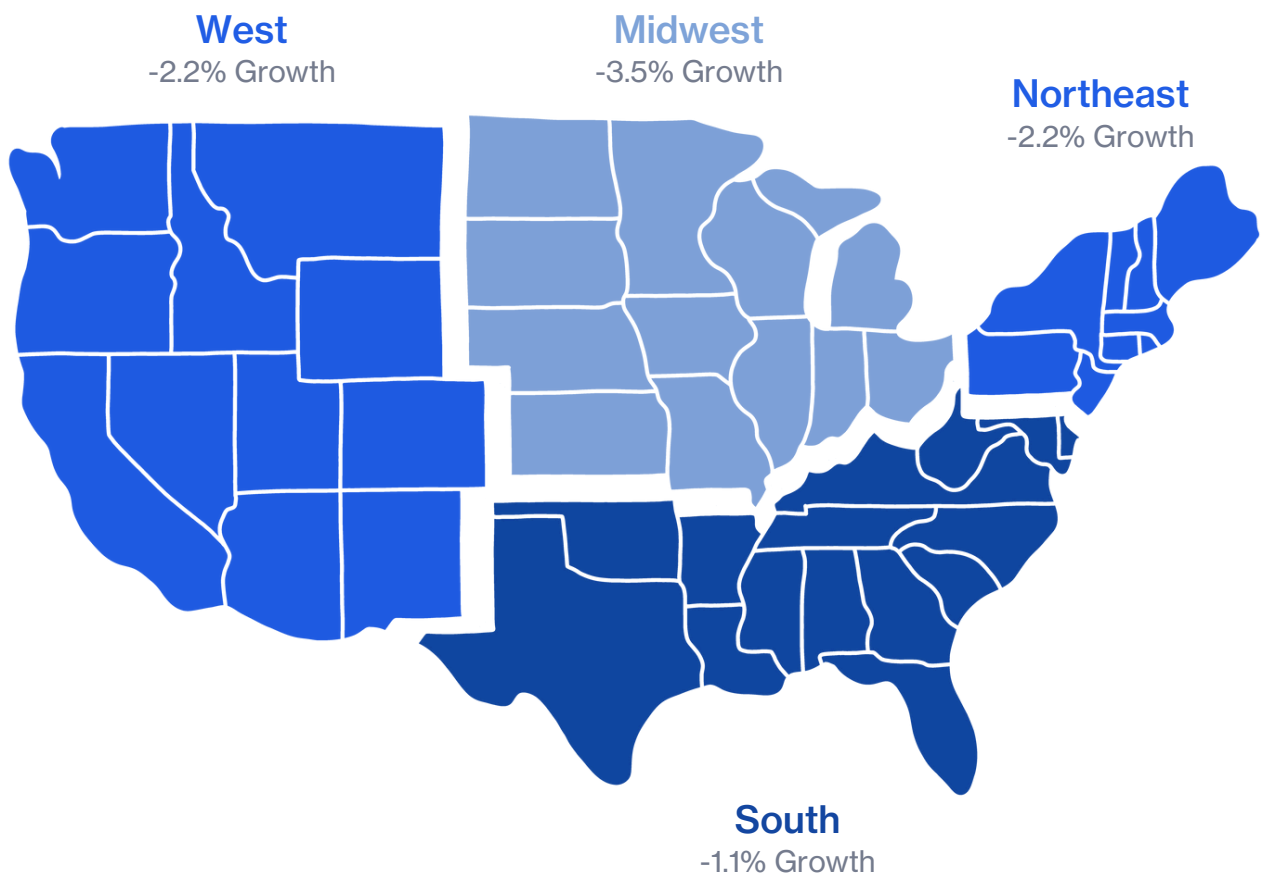
Beauty Products companies should consider their retail portfolio and experiment with investments in face-to-face interactions with their customers.

Regional Differences

Geographically, the US saw the largest y/y declines in beauty industry spend for 4Q2024 in the Midwest, with spend in the South down only slightly and spend on the coasts declining in between.

Chart 10

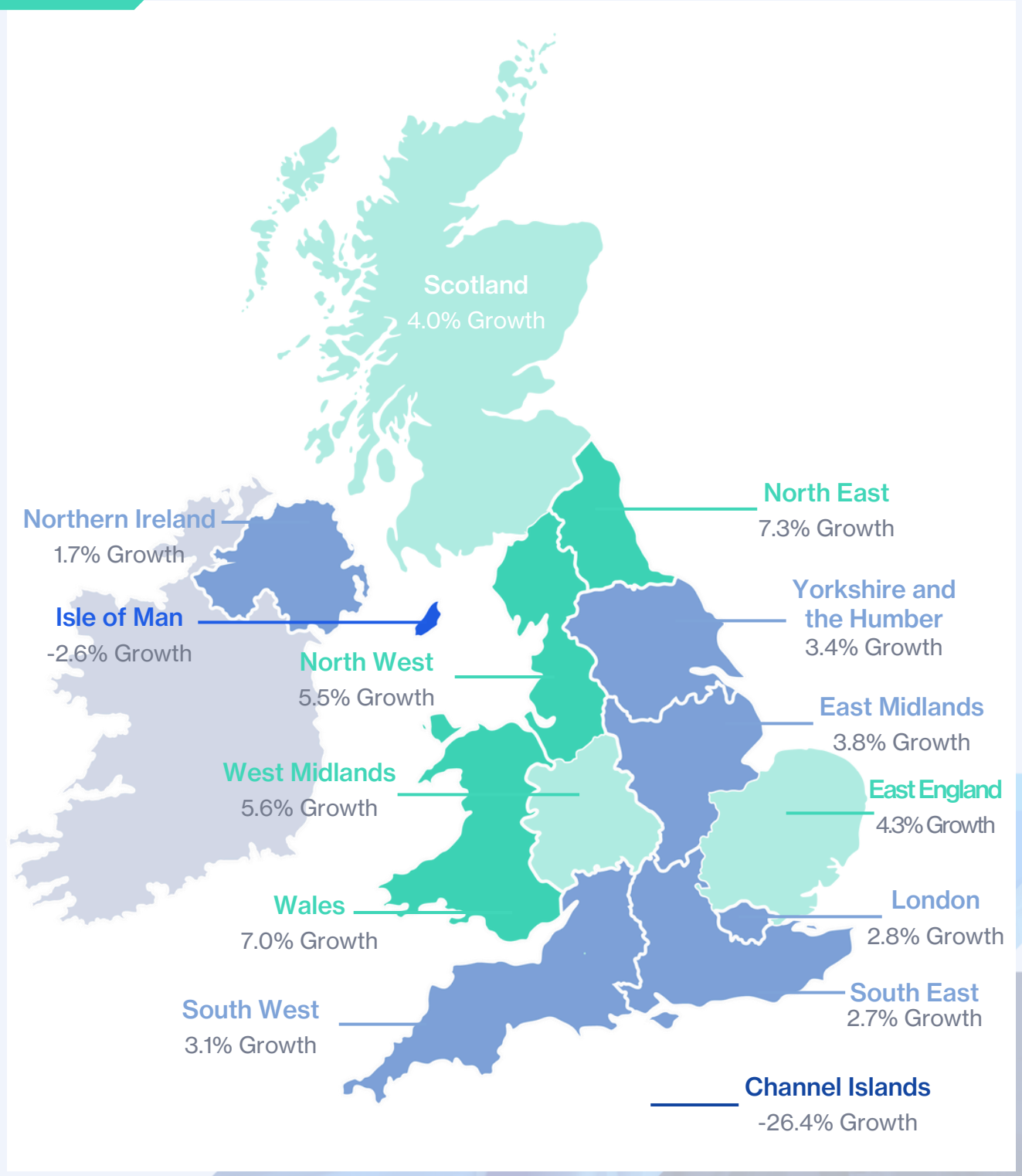
US Spend Growth Change by Region



In the UK, beauty spend growth was strongest in Wales and the Northwest regions of England.

Chart 11

UK Spend Growth Change by Region

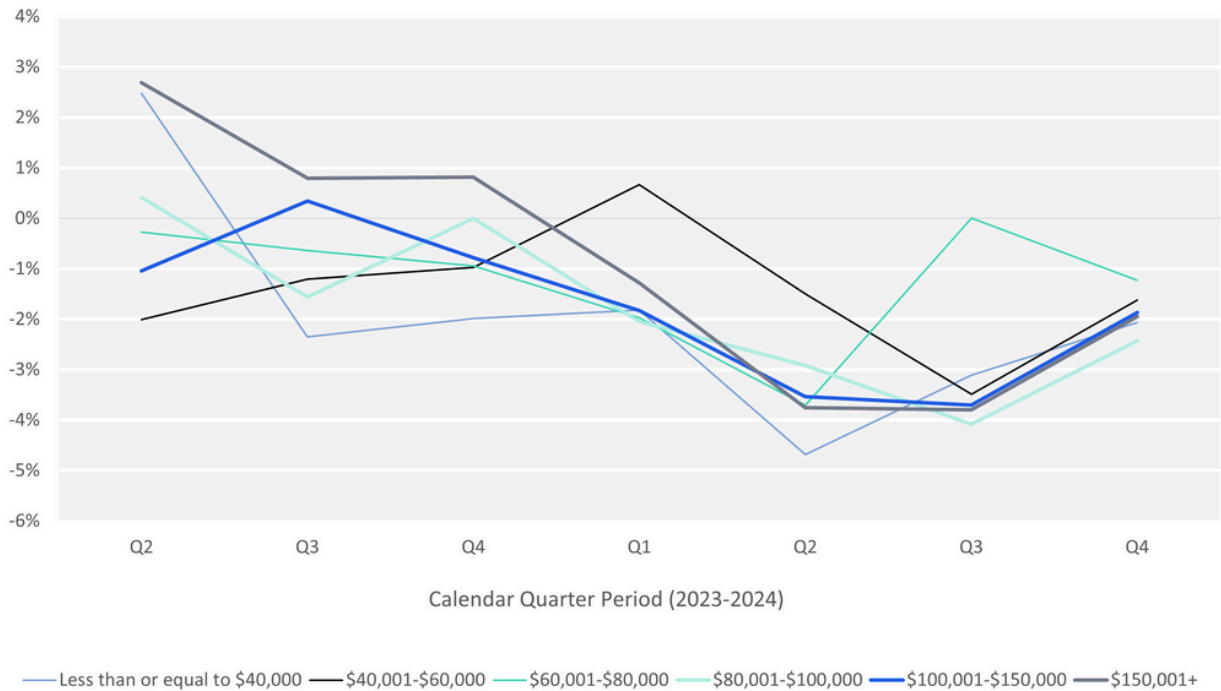


Demographics

In 2024Q4, US y/y beauty spend growth was most negative in both the highest and lowest income groups, with those making \$40,000-\$80,000 per year showing the smallest y/y spend declines (Chart 12).

Chart 12

Spend Growth by Income



18-24 year olds were the only group with positive y/y spend growth in the US (Chart 13). 35-44 year olds showed relative strength across both sides of the pond with flat y/y beauty spend growth in the US (Chart 13) and the highest beauty spend growth in the UK (Chart 14).

Chart 13

Spend Growth by Age Group - US

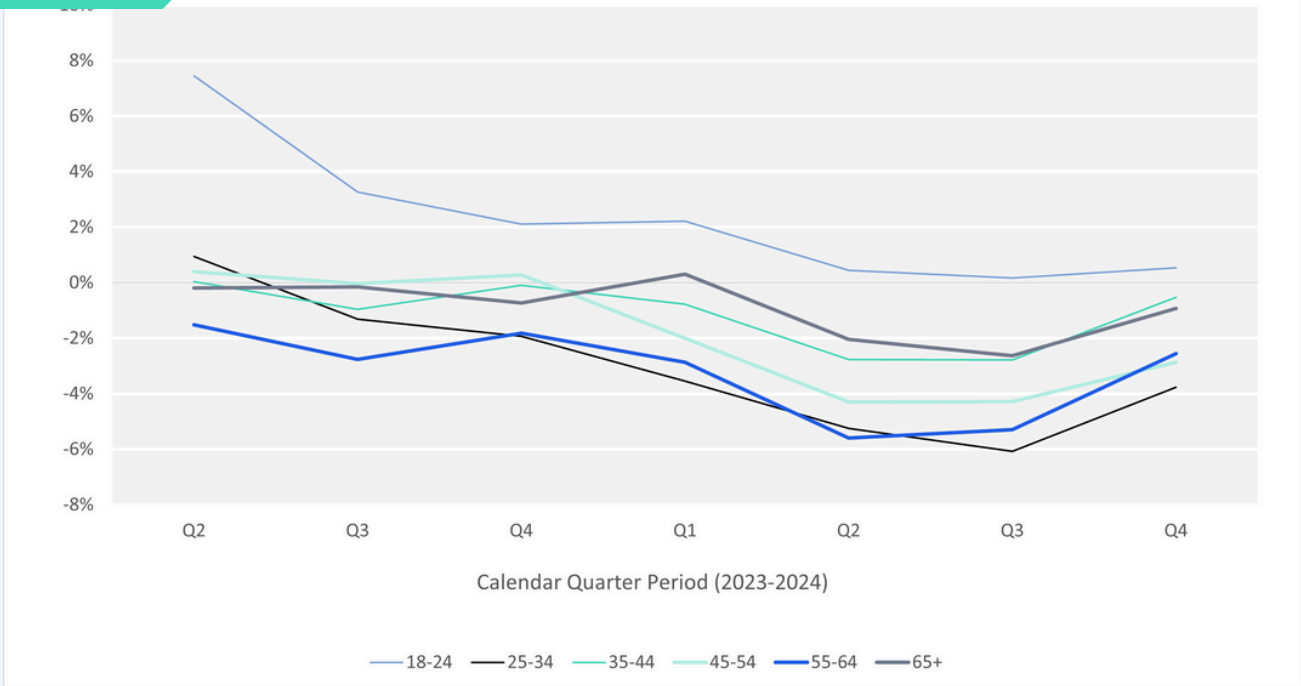
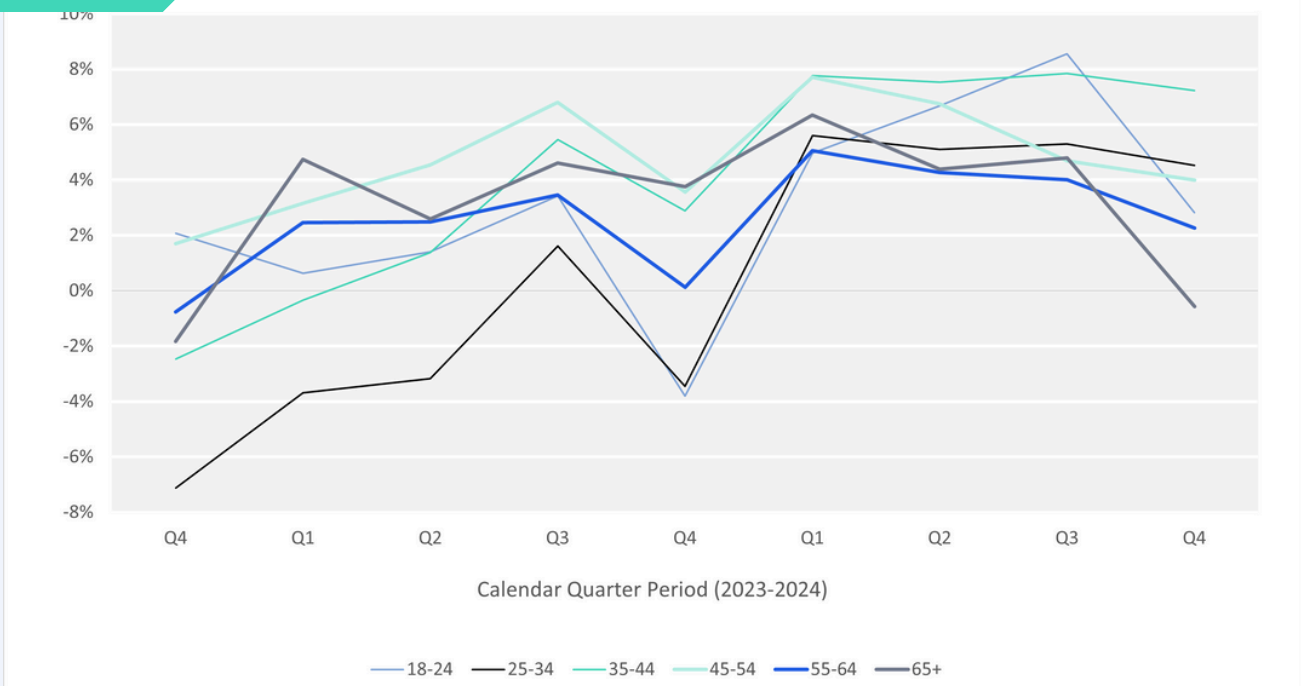


Chart 14

Spend Growth by Age Group - UK



Several brands in both geographies are well-positioned to appeal to 35-44 year olds, with this group spending substantially more than the average panelist.

Direct selling brand Younique is especially interesting here, as 35-44 year old shoppers in both the US and UK spend twice as much at this brand as the average consumer.

For 2024Q4, women in the UK continued to spend more than men y/y, and the spend growth gap between the genders widened significantly as spend growth among men decelerated sharply (Chart 15).

Theme: Return to Roots

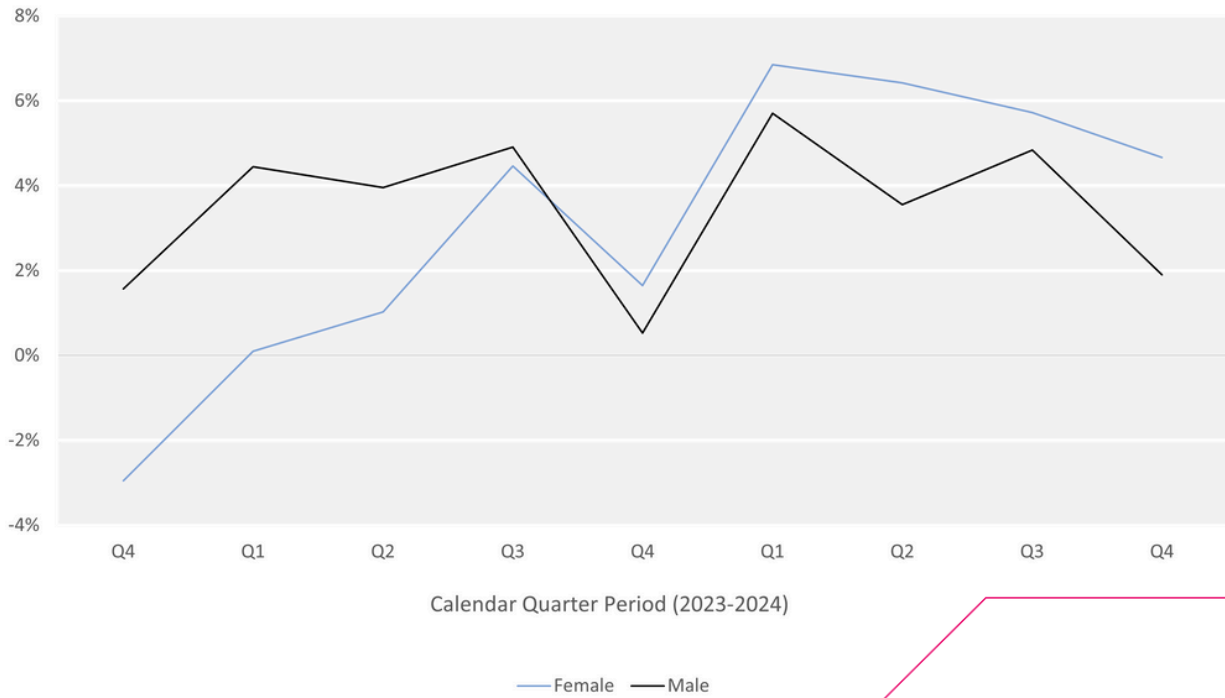
The deceleration in spend growth among males in the UK refocuses growth more squarely on the more traditional female market.

2025 Playbook

Stick to the core consumer – middle age, middle income females control an enormous amount of spending power and are positioned to be a major driver of Beauty sales in 2025.

Chart 15

Spend Growth by Gender



Theme: Meet in the Middle

Positive signs among middle income shoppers in the US emphasizes the need for more accessible pricing.



Chart 16

Times More Spend Than Overall Panel

35-44 Year Olds, 2H24 - UK

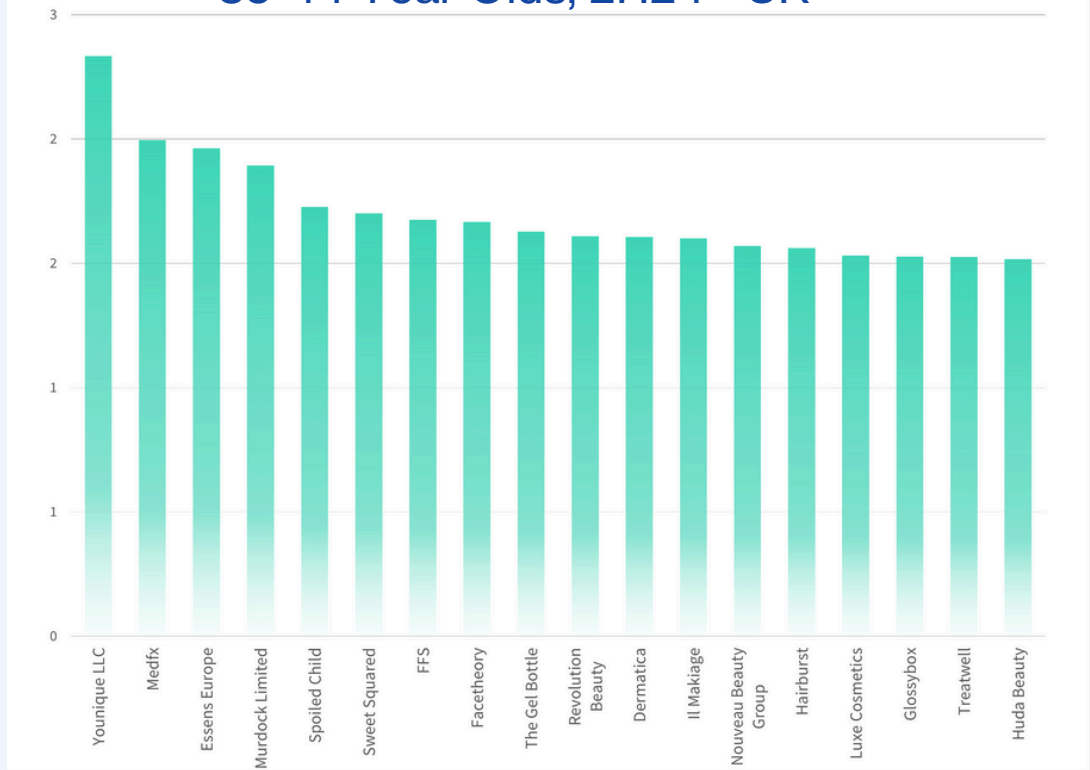
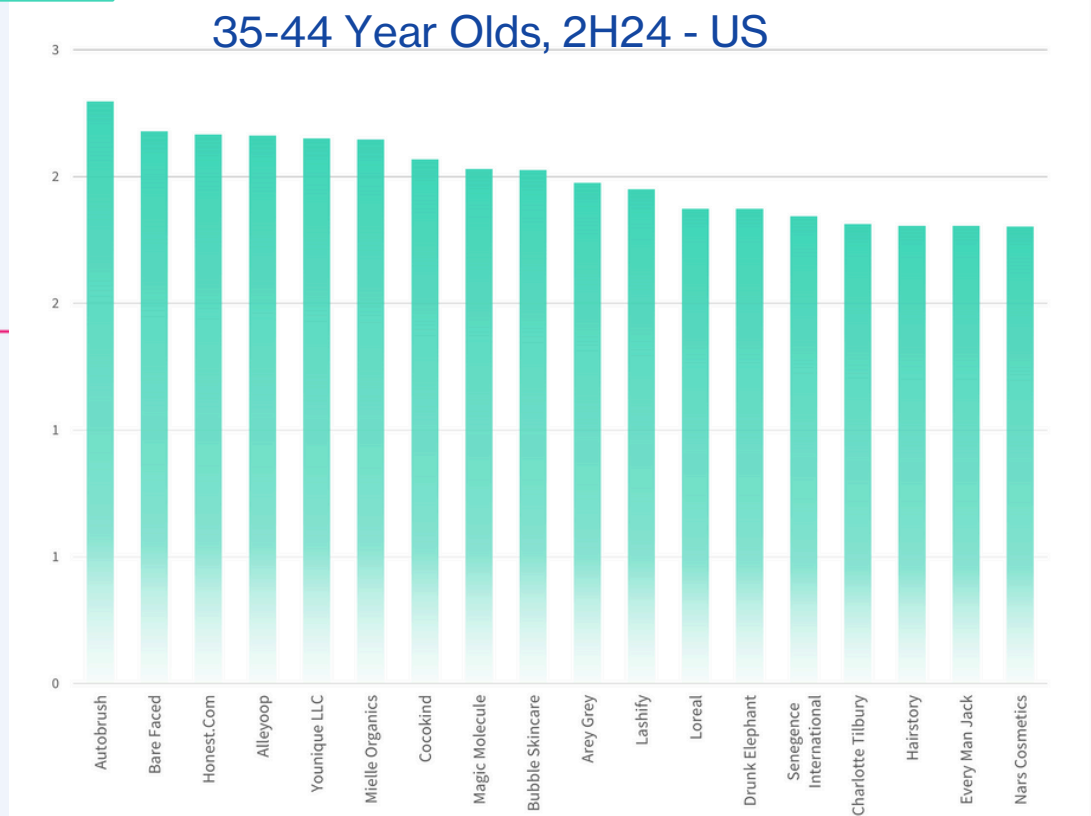


Chart 17

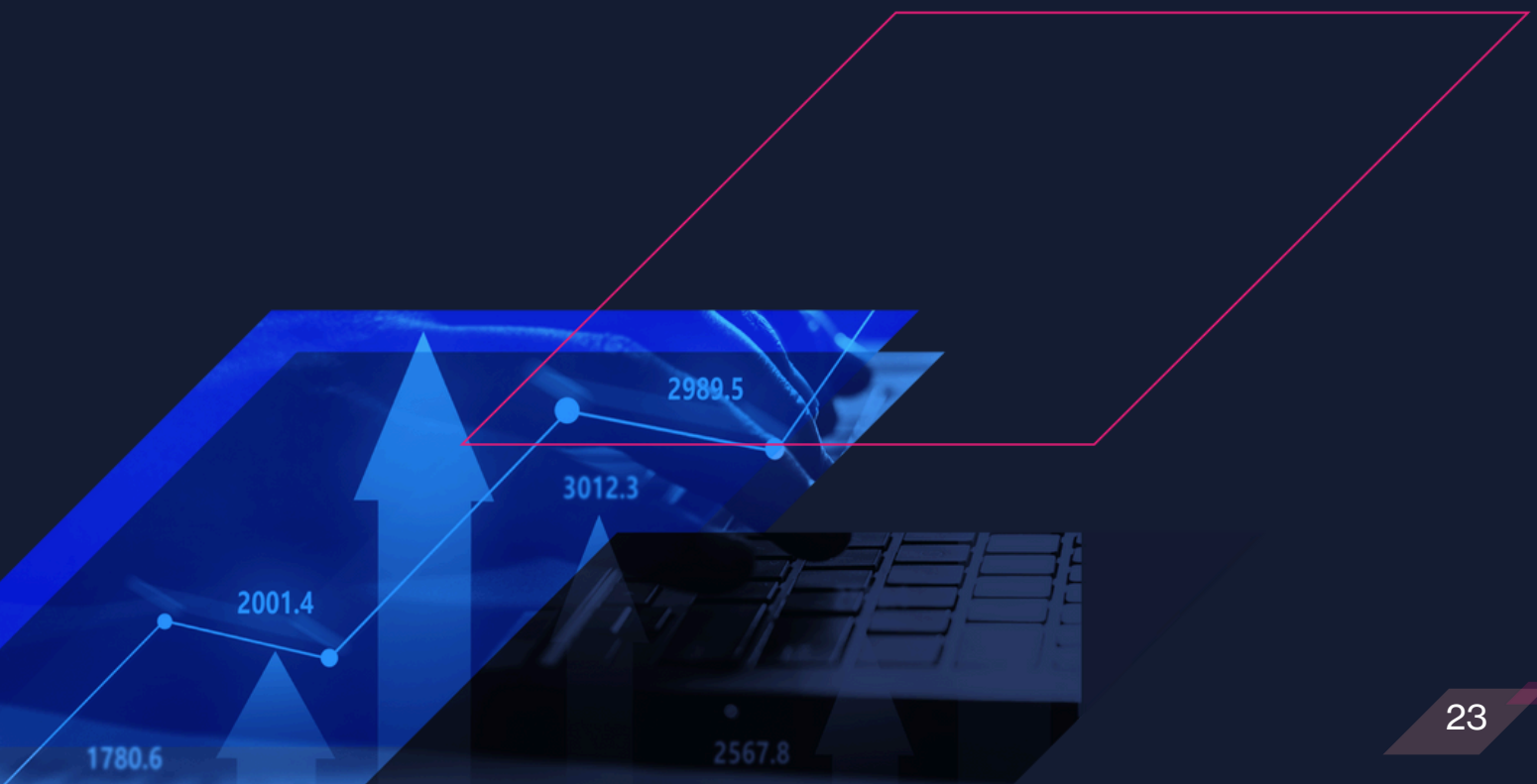
Times More Spend Than Overall Panel

35-44 Year Olds, 2H24 - US



4 Conclusion

The beauty industry moves fast – waiting months to react means falling behind. With Consumer Edge’s transaction data, you can spot emerging trends in near real-time, staying ahead of shifts before they become old news. Our insights, available with less than a week’s lag, empower you to make proactive, data-driven decisions. Contact our sales team to ask about a trial.



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