pattern

State of U.S. Beauty in Ecommerce

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"2025 was a skincare-driven year. Everyone's obsessed with glow, from peels and serums to red light devices and the K-beauty boom. People want products that really do something, and they love trying minis or sets before committing. At the same time, AI is quietly running the show. It's redefining what we see, what we buy, and how brands talk with us. Beauty is more data-driven than ever and it's merging innovation with emotion to enhance the self-care experience."

Melanie Alder

CO-FOUNDER / CHIEF STRATEGY OFFICER AT PATTERN

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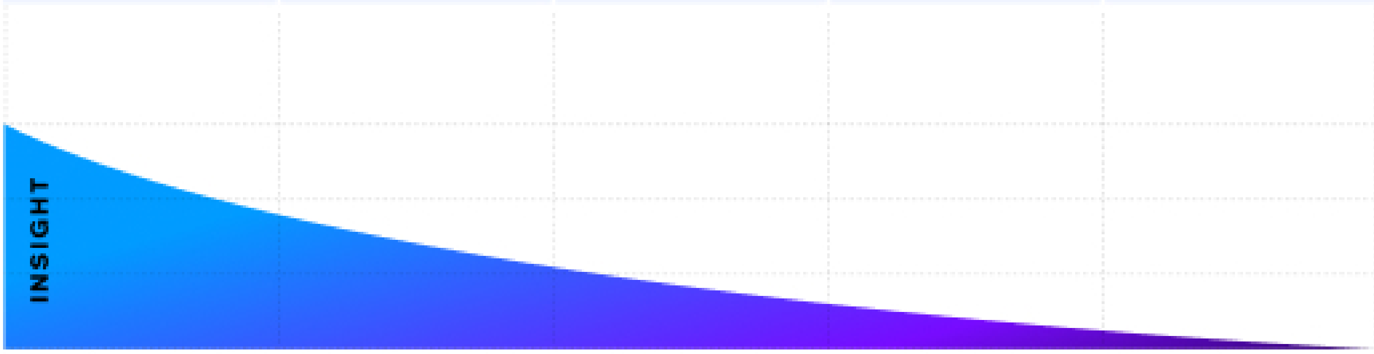
EXECUTIVE SUMMARY

How U.S. beauty is being rewritten online and what it takes to win

SUMMARY

1. Where Shoppers Are	2. Ecommerce Outlook	3. Understanding TikTok	4. Amazon's Rise	5. Consumers Rewired
Beauty is a ~$160B US market; ecommerce and social now account for >40% of sales, and TikTok, Amazon, and Walmart are reshaping share. Social media is the dominant digital discovery channel; Gen Z is 2.5x more influenced by creators than older cohorts.	US BPC Ecommerce is ~$59B in 2025. Brands face pressure from tariffs, channel costs, and attention scarcity, but gain momentum from clearer clean-beauty standards, value and luxury strength, social-driven discovery, and trial formats such as minis and sets.	TikTok has become a top US beauty retailer, with beauty GMV up +25% (L6M) and conversion exceeding other platforms. Winning brands build always-on creator and affiliate engines that turn viral moments into sustained cross-channel demand (including Amazon).	Brand-control concerns are easing as Amazon drives growth and brands adopt strategies to preserve image. Many beauty categories are strongly brand-led (e.g., women's perfume) where branded search shapes shopper journeys.	AI is the new beauty advisor: a majority of shoppers use GenAI for discovery, education, and evaluation. Brands must manage how AI 'sees' and recommends them —visibility, rank, and sentiment using tools to monitor and act.



Macro Trends

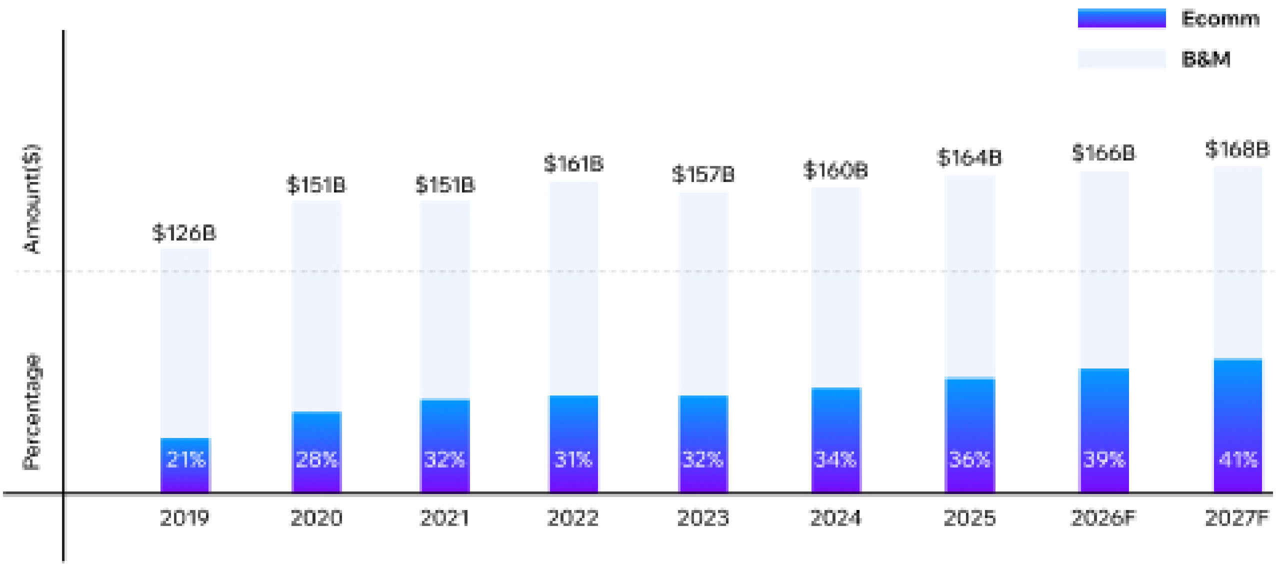
Brand strategy and execution

Where *Shoppers* are

Ecommerce is reshaping the $160B U.S. beauty & personal care market

U.S. Beauty & Personal Care[1] Sales & Share by Channel (2019 – 2027F)

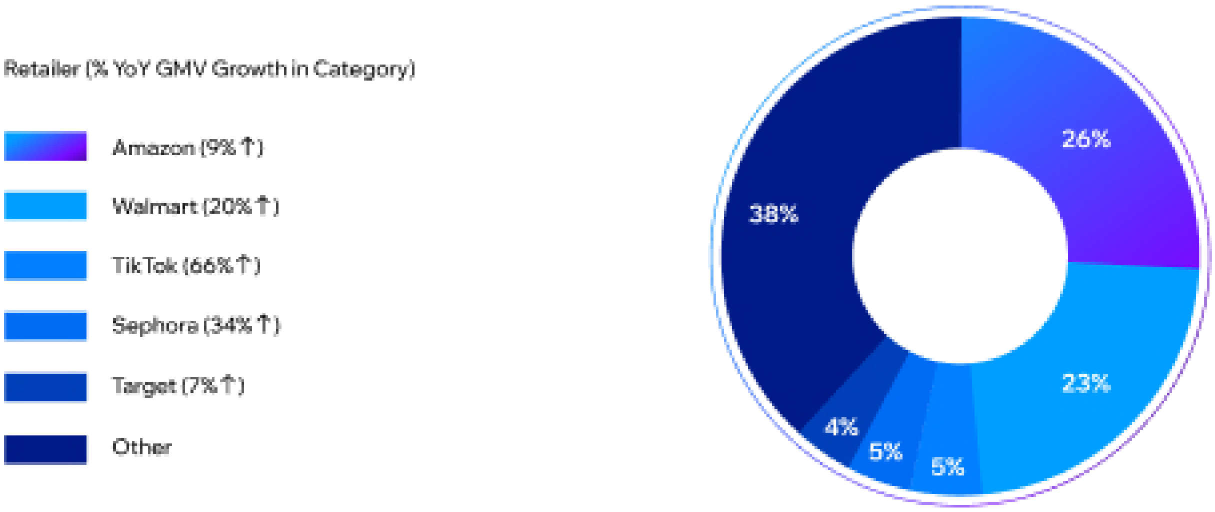
Physical retail is still the dominant channel for beauty and personal care, though **Ecommerce is gaining share**



U.S. Ecommerce Beauty & Personal Care Retailer Share (2025)

Amazon and Walmart dominant online sales, while TikTok rapidly emerges as a full-funnel commerce channel (+66% YoY sales).

Data reflects Amazon Beauty performance across all price tiers, from mass to premium.

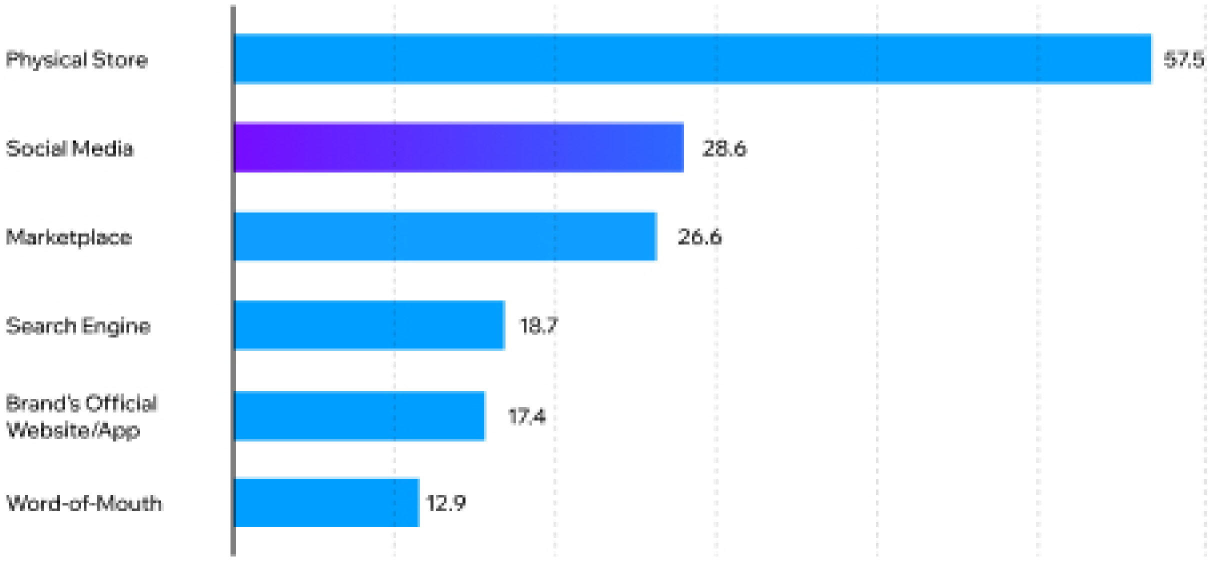


1. Includes key categories across total beauty (mass, mid-tier, premium, luxury): Fragrances, Haircare, Skincare, Bath & Body, Personal Care (e.g., hygiene), Cosmetics Source: Pattern; ECDB

Multi-channel journeys and social-powered discovery are defining digital beauty

Social media is the dominant digital channel for beauty product discovery in the U.S.

Beauty Product Discovery: Share of U.S. Shoppers Hearing About New Products[2]



Influencer-driven social shopping is a leading force in beauty, with Gen Z leading the shift

"Tik Tok has become a modern social channel where consumers discover products and get content and education in an easy to comprehend way. It is visual and lends itself organically to "how you use it", so it becomes highly relevant for beauty brands."

- Vasiliki Petrou, Founder & CEO at Veralis Group

50% 50% of U.S. social shoppers report having purchased a beauty product because of creator/influencer content

2.5x Gen Z consumers are more than 2.5x as likely to be swayed by celebrity and influencer endorsements of beauty products than older demographics

22% TikTok social shopping drove a 22% increase in sales of beauty products on social media platforms

3.2% TikTok Shop boasts a higher conversion rate of 3.2% compared to Amazon's 2.6% in impulse-buy categories like beauty & wellness

2. Based on June 2024 EMarketer consumer survey, n=402 Sources: Euromonitor via Marketech APAC; EMarketer

Ecommerce Outlook

The U.S. Beauty and Personal Care Ecommerce market is large (~$59B in 2025) and growing (16% YoY)

Category	2019-2025	Forecast 2026-2029F			
		Base Case[3]		Upside Case[4]	
Beauty	16%		8%		9%
Tools, Hygiene, and other	10%	Online convenience driving moderate growth	4%	Expansion in subscription, refill, and bulk models	6%
Fragrances	17%	Fueled by product discovery via social media	9%	Surge in luxury and niche fragrances, layering trends	10%
Makeup	17%	Face and eye innovation; Dupes limit the potential upside	8%	Social selling, format experimentation (hybrid makeup-skincare, minis)	10%
Haircare	12%	Premiumization in scalp care and textured-hair products	6%	Stronger prestige trade-up, tech-enabled diagnostics	8%
Skincare	10%	Derm-backed innovation, daily-use formats	4%	Deeper penetration in clinical, sun-care, slow aging, refill/ subscription play	6%

Data reflects Amazon Beauty performance across all price tiers, from mass to premium.

CAGR | Forecast

3. Based on steady digital penetration growth rates; 4. Assumes faster digital penetration; Source: ECDB; McKinsey & Co.; NIQ; Businesswire

Beauty brands are navigating structural headwinds, from tariffs to saturation, while unlocking growth through rising trial formats

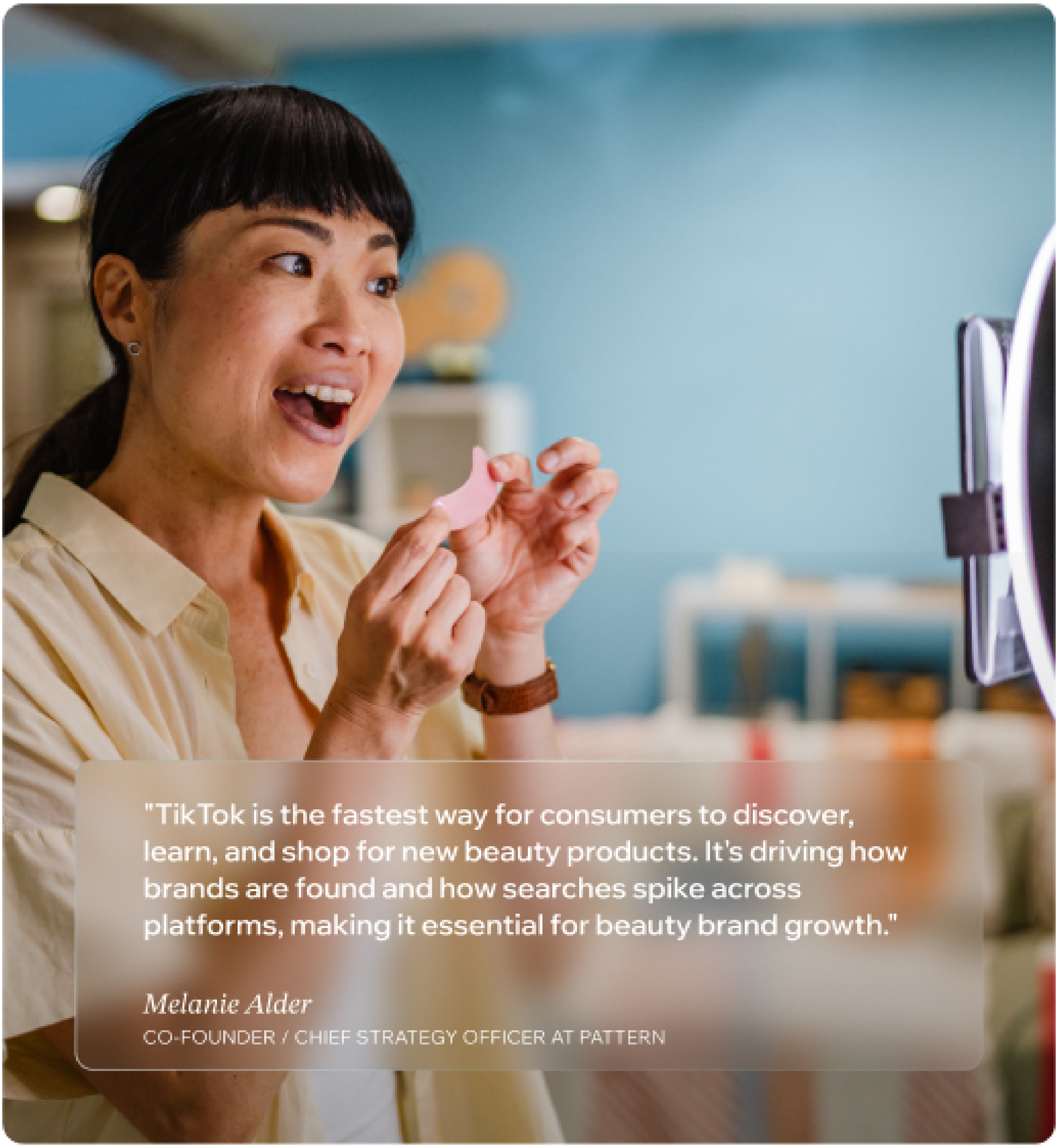
Headwinds and Tailwinds across Ecommerce Beauty Industry, by Theme

Non-exhaustive

Theme	Headwinds	Tailwinds
Political Tariffs, trade policy, regulatory	**Tariff Exposure:** Brands face 26% avg tariff on imports; 13%+ of US cosmetics imports from China, driving **cost spikes up to 145% on specific materials**	**Regulatory Simplification:** Clean beauty **laws gaining clarity** (e.g., MoCRA implementation[5]); "natural", "organic" certifications create moat (10%+ growth)
Economic Consumer purchasing power, price sensitivity	**Consumer Polarization:** Trade-downs are **draining masstige and pressuring prestige** as spending concentrates in low-cost mass and high-end luxury	**Outperformance in Value and Luxury:** **Mass beauty is accelerating** on value-seeking behavior, while **luxury continues to grow** driven by steady full-price demand
Operational Fulfillment, supply chain, marketplace	**Shifting Channel Cost:** Amazon captures 1/3 of new beauty growth with **30%+ take-rates[6]; specialty foot traffic down 2% YoY,** omnichannel complexity grows	**Digital Discovery Expanding Control:** **Social becoming primary discovery,** AI tools lifting CVR 5–10%, normalized 2-day shipping raises upside
Consumer Preferences, behavior, engagement patterns	**Saturation & Attention Scarcity:** 70K+ beauty brands compete online; viral-driven discovery creates SKU churn and **requires constant content investment**	**Trial Buying:** **Double-digit growth in mini/'travel' formats** drives repeat purchases and lowers returns, while **bundles and sets** outperform, increasing AOV

5. MoCRA = Modernization of Cosmetics Regulation Act: Requires brands to register facilities with the FDA, substantiate product safety claims with data, report adverse events (e.g., skin reactions), and maintain traceability and supply chain documentation. By Dec 29, 2025, MoCRA requires FDA to publish Enforceable Good Manufacturing Practices (GMPs) specific to cosmetics; 6. Includes referral fee, fulfillment, storage, packaging, returns, etc.; Source: Pattern; Vogue; McKinsey; BCG; Retail Dive; Circana; Forbes; NSF International; COSMOS Standard

Understanding *TikTok*



> "TikTok is the fastest way for consumers to discover, learn, and shop for new beauty products. It's driving how brands are found and how searches spike across platforms, making it essential for beauty brand growth."
>
> *Melanie Alder*
> CO-FOUNDER / CHIEF STRATEGY OFFICER AT PATTERN

TikTok Beauty has grown significantly in the past 6 months, driven by organic traffic and momentum

~1.4B

Trailing 6 mo. Beauty rev.

With over 135 million monthly active users and 82 million daily active users in the US alone, TikTok is one of the top social commerce platforms today. Given the daily **organic traffic, TikTok beauty has thrived** from the platform's format which enables fast-paced, visually-driven demos, honest review, and "get ready with me" content, all of which drive both trust and engagement.

~26%

Trailing 6 mo. growth rate

TikTok isn't just a feed, it's a flywheel of discovery, powered by creators, trends, and urgency. Top performing beauty brands understand this and generate content that comes in a wave of videos, seeded intentionally, that build social proof and spike conversion. Beauty brands who win **understand it's all about momentum** with creators, limited-time offers, and other trends and formats that ride TikTok's momentum.

~30K

Beauty shops on TTS

Brands, especially newer beauty brands, can launch directly on the platform with minimal advertising costs compared to other platforms. Many shops can reach wider audiences and generate a higher ROAS because of TikTok's discover-first platform. **TTS brands have seen a 1.8x improvement of ROAS,** versus other online video channels.

Partnering with Creators is critical for success

US TikTok creator and affiliate statistics in the past 6 months

87%	35B+	176M+
revenue of top 100 beauty shops came from affiliates	views from top 500 beauty creators	followers of top 500 beauty creators

TikTok Shop is, at its core, an affiliate-driven marketplace. The brands that scale do so because thousands of creators are actively posting, selling, and driving momentum daily, not through one-off posts, but through ongoing, incentivized content flywheels.

A good affiliate strategy isn't about more creators, it's about the right creators, with the right brief, pushing the right product, at the right time. Brands who understand this motion, are able to go from one-off wins, to predictable and sustainable growth.

Creators better connect with audiences through their individuality

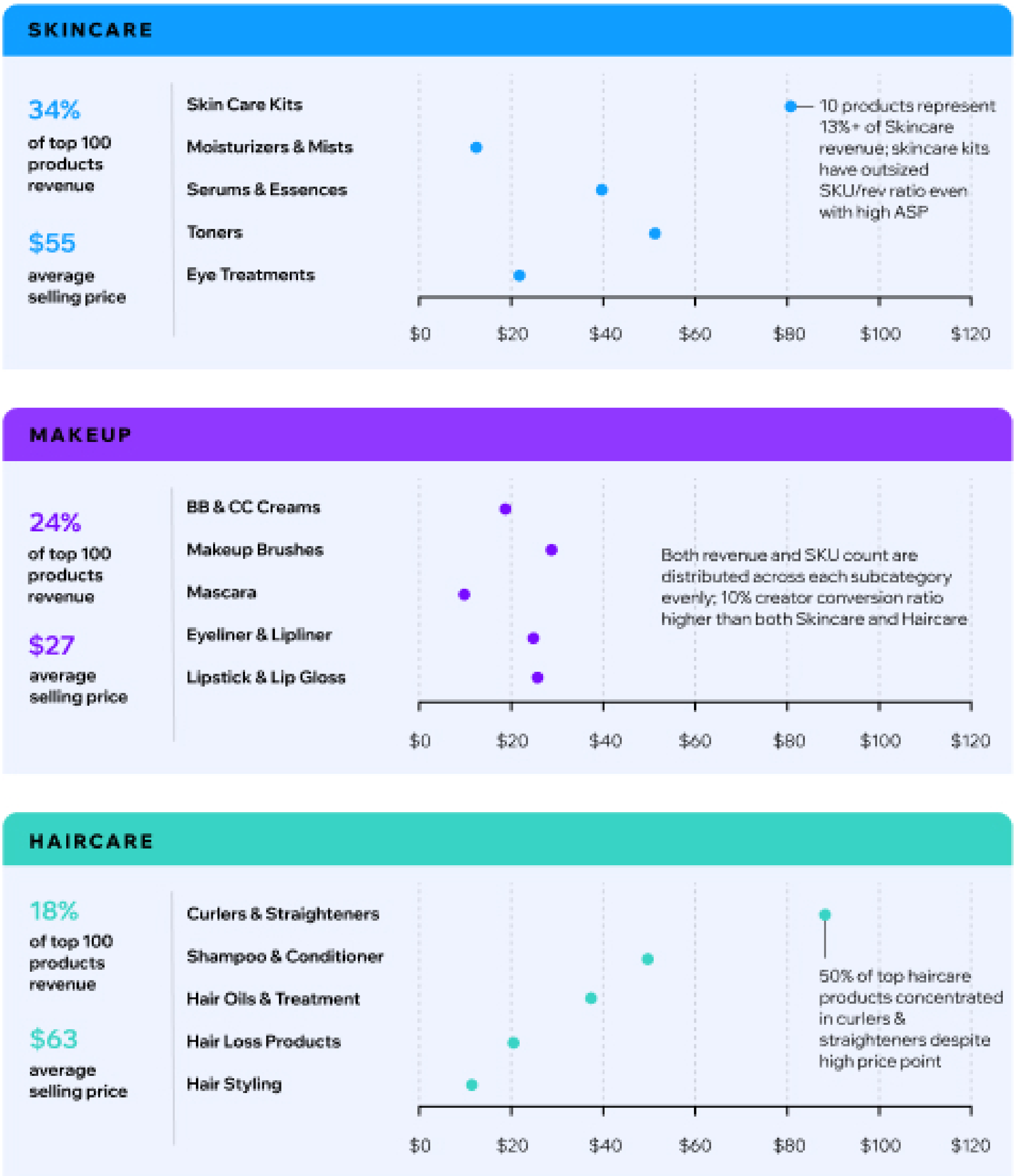
- 63% of shoppers on TikTok agree that authentic TikTok creators and niche communities guide them in making well-informed purchasing decisions.
- 54% of Gen X TikTok users say they would go online to view the product/brand the Creator shared, indicating credibility and emotional resonance, driving higher purchase intent.

Top performing brands invest in TikTok creators for higher ROI

- TikTok delivers 96% higher paid media ROAS than other digital channels, and beauty creator ads generate a 33% uplift in attention, together signaling higher ROI on TikTok ad spend.

Consumers are willing to spend on TikTok across beauty categories

Average pricing of top 100 beauty products on TTS



TikTok is directly driving off-platform growth, especially on Amazon

Top TikTok Beauty Brands Shops Metrics

medicube

TikTok	amazon
$56M + T6M Revenue	**$117M +** T6M Revenue
~$41 Avg. Unit Price	**160%** T6M Growth

TikTok-native, **visually demonstrable products** (pore tests, texture changes). Scales via high-volume, low-fi demos that reliably convert on both TikTok Shop and Amazon.

tarte

TikTok	amazon
$46M + T6M Revenue	$24M + T6M Revenue
~$27 Avg. Unit Price	1300% T6M Growth

First mover that used creator trips to seed hero products and ignite mass creator adoption. Sustained by thousands of mid-/long-tail creators posting daily GRWMs and routines.

Dr.Melaxin

TikTok	amazon
$40M + T6M Revenue	$6.4M + T6M Revenue
~$29 Avg. Unit Price	200% T6M Growth

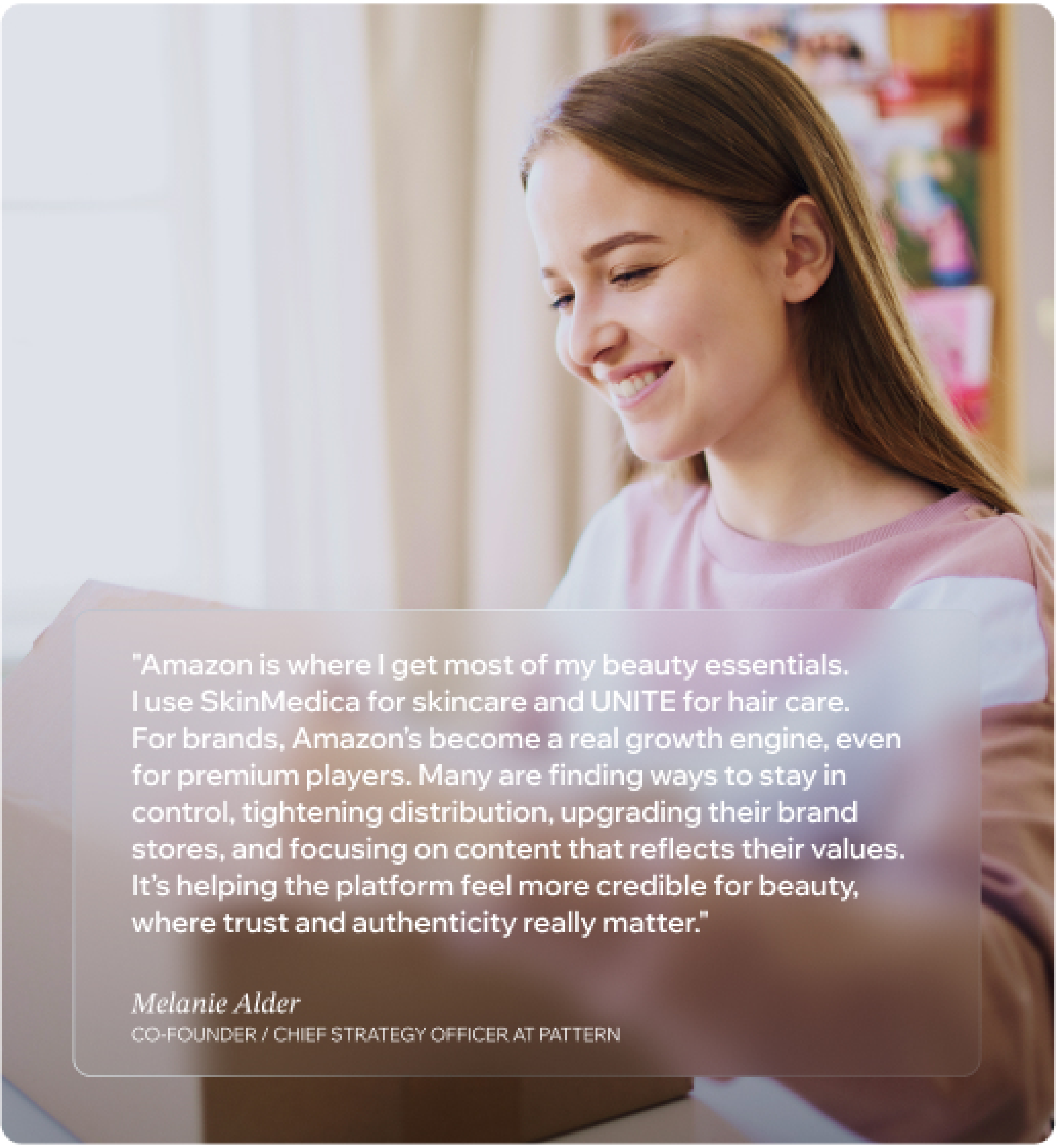
Grows through **education-driven, derm-style** content that resonates in TikTok's "slow-aging" category. Relies on creator-led demos and before/after proof to drive conversions.

WOW

TikTok	amazon
$19M + T6M Revenue	$62M + T6M Revenue
~$21 Avg. Unit Price	160% T6M Growth

Built Amazon base, then TikTok to **amplify demand through stylist POVs and transformation routines.** Dream Coat & Bombshell Duo frequently top TikTok Shop charts, pushing major Amazon lift.

Amazon's *Rise*



"Amazon is where I get most of my beauty essentials. I use SkinMedica for skincare and UNITE for hair care. For brands, Amazon's become a real growth engine, even for premium players. Many are finding ways to stay in control, tightening distribution, upgrading their brand stores, and focusing on content that reflects their values. It's helping the platform feel more credible for beauty, where trust and authenticity really matter."

Melanie Alder
CO-FOUNDER / CHIEF STRATEGY OFFICER AT PATTERN

As Amazon Beauty accelerates, brands are moving past control concerns and embracing it as a growth opportunity

Amazon's role in the beauty landscape has expanded far beyond brand control. Today, it serves as a powerful conversion engine, capturing social-driven product demand, absorbing solution-oriented search, and accelerating category-wide beauty trends. These dynamics bring incremental shoppers into the brand ecosystem and unlock meaningful growth opportunities.

Category Expansion & Consumer Evolution

Amazon has become a **major engine of beauty growth,** with demand accelerating across all BPC categories.

Skin care leads as both the largest and fastest-growing segment, while high-growth niches across categories (e.g., lip liners, bikini trimmers, facial peels) are reshaping the mix.

Shifts in consumer preferences, from **ingredient-led** routines to **barrier repair, biotech, K-beauty, and AI-driven personalization,** fuel rapid category expansion and bring new shoppers into the ecosystem.

Branded Search & Spend Efficiency

Beauty is one of the most brand-led categories in CPG, but dynamics vary: skin care, hair care, makeup, and fragrances are heavily branded, while tools and accessories remain feature and price-led.

High branded search drives significant defensive spend as incumbents protect demand, raising TACoS without meaningfully expanding awareness.

Challenger brands break through by generating social-led demand, then converting spikes into repeat and loyalty to offset higher defensive costs.

Brand Control Strategies

Growing confidence in Amazon as a strategic growth channel, not just a control channel, is reshaping brand approaches.

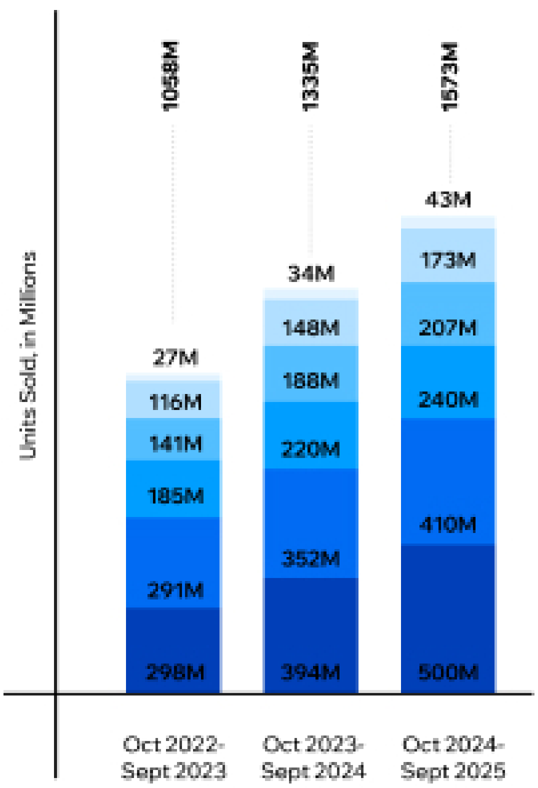
Some brands pursue **Amazon's Premium Beauty program** for greater control but at high fees, while others rely on tight reseller agreements, e-control, and differentiated bundles.

Notably, **brands outside Premium Beauty are growing faster,** showing that effective brand control paired with demand generation unlocks superior Amazon growth.

CATEGORY & CONSUMER

Beauty demand on Amazon is accelerating fast, led by skin care and high-growth niche segments reshaping mix

Amazon US Category[7]



	CAGR (%) 2023-24	CAGR (%) 2024-25
Total	26%	18%
Perfumes & Fragrances	27%	28%
Oral Care Products	27%	17%
Makeup	33%	10%
Beauty Tools & Accessories	19%	9%
Hair Care Products	18%	17%
Skin Care Products Deep dive to follow	36%	27%

Top Segment Growth[8], Top Brands[9]

Men's Eau de Parfum (~71%)			YvesSaintLaurent
Ultrasonic toothbrushes(~37%)	AquaSonic	Bitvae	V-WHITE
Lip Liners (~80%)	SACHEU	NYX	e.l.f.
Bikini Trimmers (~109%)	Risina	Akunbem	Hydro Silk
Hair Root Lifting Powders (58%)	L3VEL3	BASED BODYWORKS	sexyhair
Facial Peels (~76%)	The Ordinary.	Dr Dennis Gross	Dr.Melaxin

7. Shown at leaf node-level (Amazon's lowest level of categorization); 8. Measured by volume of units sold vs prior year; 9. Top brands within segment. Source: Pattern; Beauty Packaging; Retail Dive; Dermatology Times; Beauty Independent; Croda Beauty

CATEGORY & CONSUMER

Skincare is evolving as hero ingredients shift and consumer needs redefine what brands must deliver

Non-exhaustive

2023

Ingredients as Heroes

Theme: Consumers chase individual actives, layering multiple serums

Hero ingredients: Niacinamide, Vitamin C, Retinols, AHAs/ BHAs (glycolic, lactic, salicylic), tranexamic acid

Benefits sought: Brightening & tone correction, anti-aging, acne control, 'glass skin'

Trending products: The Ordinary Niacinamide 10% + Zinc 1%, Paula's Choice 2% BHA

2024

'Skinimalism' Era

Theme: Consumers pivot to repair, barrier support, and microbiome-friendly routines

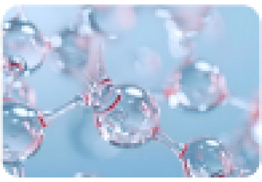
Hero ingredients: Ceramides, probiotic/ microbiome complexes, snail mucin, gentle retinoids

Benefits sought: Stronger skin barrier, hydration & moisture retention, simpler routines

Trending products: COSRX Snail 96 Mucin, Glow Recipe Avocado Ceramide Serum

2025

Regenerative Biotech



Theme: "Repair" → Regeneration, Biotech actives mimic in-clinic derm results

Hero ingredients: PDRN / Polynucleotides (e.g., salmon DNA), exosomes, peptides, colostrum & spicules

Benefits sought: Dermal repair, smoother texture, 'slow aging' vs 'anti aging'

Trending products: Medicube PDRN "Salmon DNA" DUO, Genabelle PDRN skincare

TODAY

Hybridization

Today's skincare **shifts from powerful regeneration to smarter personalization**-AI-guided routines, hybrid multi-benefit formulas, and low-waste packaging.

K-Beauty brands continue to steal share and expand across skincare categories.

CATEGORY & CONSUMER

K-Beauty is rewriting Amazon skincare, ingredient-led, social-first brands show outsized growth (e.g., Medicube)

Amazon US Top 10 Korean Skincare Brands

Brands	by Rev Share[1]	Primary Segment[2]	Segment Share[3]	Share Growth YoY(%)
medicube	1.8%	Facial Masks	14%	~13% ↑
COSRX	1.0%	Facial Serums	5%	~1% ↓
Anua	0.9%	Facial Serums	3%	~2% ↑
LANEIGE	0.8%	Lip Balms & Moisturizers	16%	~0% →
BEAUTY OF JOSEON	0.5%	Eye Treatment Serums	11%	~2% ↑
Biodance	0.4%	Facial Masks	15%	~6% ↑
d'Alba	0.2%	Facial Mists	17%	~1% ↑
MEDIHEAL	0.2%	Facial Toners	3%	~2% ↓
VT COSMETICS	0.1%	Facial Serums	1%	~1% ↑
Dr. Althea	0.1%	Facial Moisturisers	2%	~2% ↑

1. By T12M revenue share within Skincare; 2. Brand's highest revenue-driving category - shown at leaf node-level (Amazon's lowest level of categorization); 3. T12M share in primary segment; Source: Pattern

BRAND SEARCH & SPEND

Many categories are brand-led; success hinges on knowing where brand vs. feature matters

Amazon US BPC Category Performance, T12M

Branded | Non-Branded

Category	Branded Clicks[10]	Ex: Low Branded	Ex: High Branded	Top brand[11]
Perfumes & Fragrances	58% / 42%	17% Dusting Powder	61% Women's Eau de Parfum	
Oral Care Products	39% / 61%	9% Interdental Floss Picks	48% Mouthwashes	LISTERINE
Makeup	39% / 61%	15% False Eyelashes	60% Foundation Makeup	LAURA GELLER
Tools & Accessories	17% / 83%	6% Toiletry Bags	60% Men's razor cartridges	Gillette
Hair Care Products	32% / 68%	4% Hair Clips	58% Hair Shampoo	OLAPLEX
Skin Care Products	48% / 52%	13% Eye Masks	60% Facial Serums	The Ordinary.

Beauty sees some of the highest branded search in CPG, though dynamics vary. Perfume, skin care, and hair care are loyalty-driven and brand-led, while categories like tools remain largely unbranded and price-sensitive.

As a result, incumbents focus on defending branded search, while high-growth challengers **win by driving social discovery, expanding relevance through innovation, and converting trial into repeat.**

10. Click distribution to branded terms within parent category; 11. Top brand by branded keyword share within high branded segment (i.e., The Ordinary is leading brand by share in the facial serums segment); Source: Pattern; McKinsey & Co.; Cosmetify

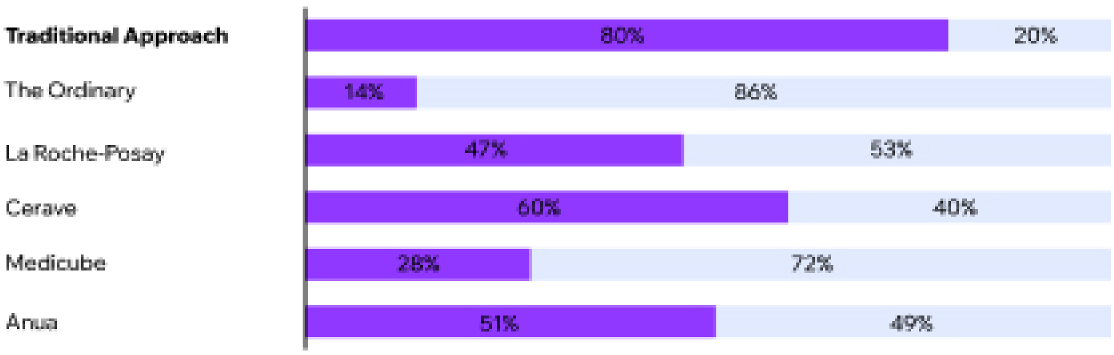
BRAND SEARCH & SPEND

Top segments require moderate to high ad spend; brands lean into defensive spend to maintain existing demand

Amazon US Segment Avg. TACoS[12] (%), T12M

Category	Top Segment[13]	Avg. Category TACoS
Perfumes	Eau de Parfum	4%
Oral Care	Toothpaste	12%
Makeup	Foundation	9%
Tools & Acc.	False Eyelashes	20%
Hair Care	Hair Shampoo	4%
Skin Care	Serums	12%

Serums: Offense vs. Defense Keyword Ad Spend Splits



Because branded search is so prevalent in serums sub-category, brands spend heavily on defensive ads to keep traffic, they "own" (deviating from typical 80/20 offense vs. defense). **Ultimately this increases TACoS without growing incremental awareness.** Differentiation and loyalty become critical but expensive.

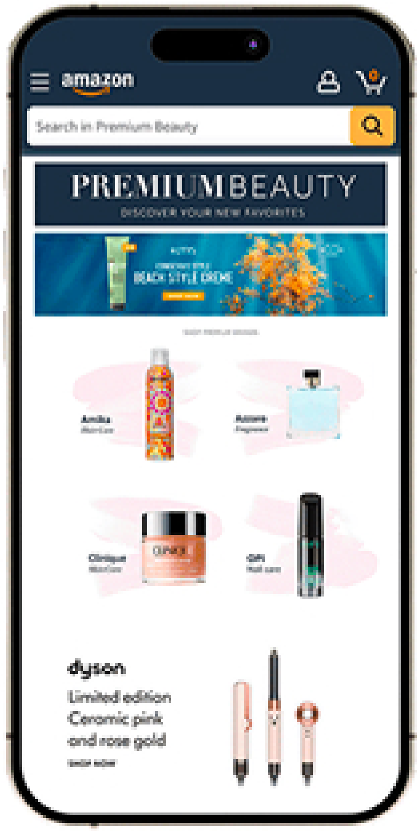
Small or new entrant brands struggle to steal share, however, some have seen great success via social media virality. Once a "viral" moment is achieved, the new entrant brand must convert the spike into sustained growth which is the second challenge.

12. TACoS = Total advertising cost of sales; 13. Top segment under parent category by T12M sales;
Source: Pattern

BRAND SEARCH & SPEND

Brand control on Amazon can be achieved through several strategies (e.g., Premium Beauty program)

Brand Control Strategies on Amazon



Growing confidence in ability to control image, pricing, and strategy has **led more brands to embrace Amazon.** Some brands participate in **Amazon's Premium Beauty program:**

PREMIUMBEAUTY DISCOVER YOUR NEW FAVORITES	Invite-only; high fees (10-20%) to participate

Offering:

- Amazon directed
- Gated listings
- Segmented premium storefront access

Example Brands:

OLAPLEX. SOL DE JANEIRO CLINIQUE MOROCCANOIL K18

Other **brands strengthen strategy via tight reseller agreements, third-party e-control,** etc. Data shows brands outside Amazon's Premium Beauty program are **growing faster.**

amazon	Standard Amazon operations

Control strategy

- Tight reseller agreements
- 3P partner to go after unauthorized sellers
- Unique bundles

Example Brands:

COSRX OUAI Supergoop! WONDERSKIN Dr Dennis Gross

Consumer's *Rewired*

AI is becoming the new beauty advisor; guiding consumers from first swipe to final purchase

Online Consumer Purchase Journey

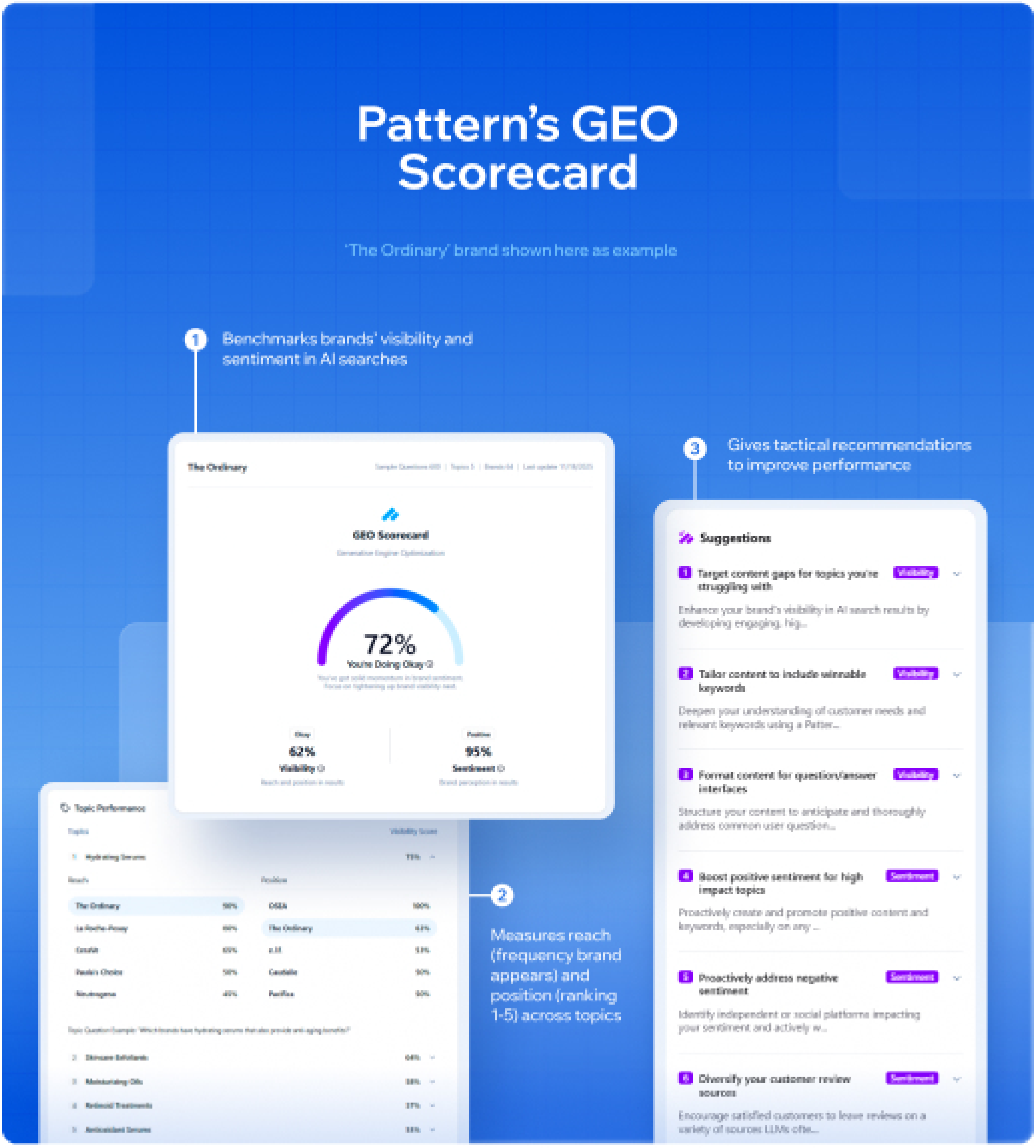
Consumers increasingly using AI in purchase journey step

1. Discovery & Need Recognition	2. Research & Education	3. Evaluation & Shortlisting	4. Purchase & Conversion	5. Post-Purchase & Loyalty Loop
Consumer discovers concern or product through social, influencers, ads, word of mouth, or AI engagement (e.g., ChatGPT, Rufus)	Consumer compares brands, ingredients, claims, reviews, results, price, via online research including AI engagement(s)	Consumer narrows to set of contenders considering suitability (e.g., skin type), routine fit, brand reputation, efficacy	Consumer selects seller (e.g., brand site, Amazon, Sephora), chooses variant/ quantity, and completes checkout	Consumer experiences delivery, usage, results over time, reviews, repurchase decisions, and potential advocacy
"I see something I want"	*"I understand my options"*	*"I know which product(s) I'd actually consider buying"*	*"I bought it"*	*"Will I buy again or switch"*
58% of consumers use GenAI for product discovery and recommendati-ons, according to HBR.	**4/5** active GenAI users rely heavily on AI for product opinions and education	**1.5-2x** Higher purchase likelihood when consumers engage with AI virtual try-on tools	**3 in 4** beauty consumers are open to using an AI-powered personal shopper[14], according to Free Yourself.	

14. AI bot helping consumers navigate through purchase journey including guiding user through checkout

Sources: Pattern; HBR; Cosmetics Design USA; Free Yourself; McKinsey & Co.

To compete, beauty brands must understand their AI visibility and sentiment… Pattern offers a solution



Contact us to learn more about Pattern's GEO capabilities.

Winning the new beauty battleground requires resonating with how AI surfaces and recommends

KEY INSIGHTS

AI Is Becoming the Consumer's Guide Across the Entire Purchase Journey

Shoppers now lean on AI not just for discovery, but for research, validation, and purchase navigation

Success Now Means Being Included in AI Answers, Not Just Search Results

Consumers form impressions from AI-generated recommendations making reach, rank, and sentiment in AI outputs critical

AI's Synthesizes Entire Ecosystem, Not Just Brand Inputs

AI blends signals from reviews, creators, experts, and social chatter, meaning broader ecosystem shapes how it appears

KEY PRIORITIES

Benchmark & Monitor AI Visibility and Sentiment

Track how often your brand appears in AI answers, how positively it's framed, and how it compares to competitors across categories (request GEO Scorecard)

Optimize Content for AI Recognition & Authority

Structure content for machine readability (e.g., FAQs, ingredient benefits, "best for" statements), use answer-ready content formats (e.g., lists, comparisons, how-to routines), publish expert-backed explanations, scale

Cultivate a Community of Trustworthy Signals

Amplify inputs AI relies on: credible reviews, creator content, ad earned media, so algorithm consistently associates your brand with quality and authority