

BAIRD

# WWD | BEAUTY CEO SUMMIT

## BAIRD'S TAKEAWAYS

Spring 2026

# THE WWD BEAUTY CEO SUMMIT

We recently attended the [WWD Beauty CEO Summit in Palm Beach](#). The theme this year was [“The Innovation Imperative”](#), and we heard about different ways in which innovation is playing a role today across the beauty industry.

At a high level, we found the [tone of the event to be much more constructive than the same conference we attended one year ago](#). At that time, Liberation Day had only recently occurred, and seemingly everyone engaged in the beauty industry (manufacturers, retailers, and service providers) were uncertain about the looming impact of higher tariffs, not only on costs throughout the supply chain, but also on consumer confidence and ultimately consumer spending. In addition, given concerns earlier in the year about a potential shutdown of TikTok, many of the attendees of the 2025 WWD Beauty CEO Summit seemed anxious that the year would be challenging.

Flash forward a year, and it feels as if the current outlook for the beauty industry is far more constructive. Despite ongoing geopolitical issues that are impacting not only consumer spending in parts of the world but also the cost and availability of some ingredients and packaging, overall, the [industry seems to have adopted more of a “we can deal with this” approach to near-term headwinds](#). The focus for retailers is to find a way to [attract consumers to their stores](#) – whether online or in-person. The focus for brands is to [launch new products that meet the wants and needs of ever-more-finicky consumers](#). And the focus for all companies is to [leverage AI to be a helpful tool to accomplish their objectives](#) – whether it be higher sales or lower costs.



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Herein, we look at the ways in which the topic of “Innovation” was addressed at the conference – in terms of the retail shopping experience, new brands and new products, meeting the needs of the new beauty shopper and AI.

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# INNOVATION REQUIRES MODERNIZATION WHEN IT COMES TO THE RETAIL SHOPPING EXPERIENCE

Perhaps nowhere is innovation more important today than in brick-and-mortar shopping venues. Retailers are more eager than ever to find ways to entice consumers to come back into physical stores to shop. According to a recent article in Glossy, Front Row research has found that sales of beauty products on Amazon totaled \$8.1B in 1Q2026, which is 13% more than the prior year period. This outpaces Ulta's 4Q2025 net sales increase of 12%<sup>(1)</sup>, which included revenue from its acquisition of Space NK. While Sephora-specific results are not disclosed, LVMH's selective retailing division (which includes Sephora) posted only 4% organic sales growth during the same period, although undoubtedly LVMH's more global footprint saw more pressure from geopolitical turmoil in the Middle East. With Amazon's growth in the beauty category outpacing that of Ulta and Sephora, it was interesting to hear different retailers are adapting their strategies to capture the wallet of the beauty shopper.

## How is Evolving and Shaping the Beauty Shopping Experience

80%

of Beauty Shoppers are Considering Buying Products Multiple Times a Week on Amazon

2 Hours / 75%

Beauty Shoppers Stream Content on Average 2 hours Per Day and 75% Take One or More "Actions" Such as Saving or Shopping

75%

of Beauty Shoppers on Amazon are also Buying Health & Wellness Products






\$8.1B

Amazon Beauty Products Sales in 1Q2026, up 13% Year-Over-Year

- Fundamentally, **Amazon is striving to make prestige beauty more accessible to more people**, and their ultimate goal is to be able to meet the increasingly finicky demands of the beauty shopper. 80% of beauty shoppers are considering buying products multiple times each week (whether they are at their computers, on their phone, or watching TV), which **gives both Amazon and specific brands a multitude of opportunities to access the eyeballs of these shoppers**.
- Interestingly, it was said that on average, **beauty shoppers stream content 2 hours per day, and that during that time frame, 75% of consumers take one or more "actions" (either saving an image, clipping, or actual shopping)**. Given these ongoing point-of-sale opportunities, Amazon urged brands to have content that is engaging and shoppable.
- What worked in the past (i.e., enable consumers to search) has been replaced by a new playbook, which is to encourage consumers to shop because of education, content, and value-added offerings. **Amazon is no longer only a place to buy: it is a place to watch, to learn, and to spend time**. As part of this evolution, Amazon now offers "SkinCare+" – a service that offers consultations with dermatologists. Similarly, shoppers that used Amazon's AI bot Rufus **spent 80% more than those consumers who did not** (during the months of November and December 2025).
- As it relates to product assortment on Amazon, **75% of beauty shoppers on Amazon are also buying health & wellness products**. In terms of beauty products, Amazon called out that K-beauty sales are growing at 3x the rate of traditional beauty (perhaps partly as a result of the fact that Amazon now sells 3,000 different K-beauty brands!).
- One important enabler of Amazon's success when it comes to beauty sales is its **extensive data**, which relies not on modeled demographic data, but is underpinned by actually observed data (i.e., what are you browsing for on Amazon, what products are you buying at Whole Foods, what shows are you watching on Prime, what questions are you asking Alexa). **Amazon's integrated ethos provides a more educated and targeted shopping experience**.

# INNOVATION REQUIRES MODERNIZATION WHEN IT COMES TO THE RETAIL SHOPPING EXPERIENCE (CONT.)

Several brick-and-mortar retailers discussed the steps they are taking and the strategies they are employing to try to keep beauty shoppers coming into their stores.

 <p>1990 Established 1,500 Stores 7 Countries</p>	<ul style="list-style-type: none"> <li>Has become the beauty behemoth in the U.S. with an extensive footprint and increasingly expanding overseas (entering 6 new markets over the last 6 months and through its 2025 acquisition of Space NK)</li> <li>Leveraging its scale in trying to meet the needs of “all stages, all ages” of customers</li> <li>Pricing strategy is “Low to Luxury,” and the pivot to offering more prestige offerings has been a successful one as 85% of Ulta shoppers are now buying prestige and luxury products from them</li> <li>Focused on being intentional when selecting its brand partners to ensure they balance offering a mix of the larger traditional brands as well as featuring newer niche brands</li> <li>Offering the best of both worlds when it comes to being omnichannel – in terms of physical presence, Ulta hosted more than 100K events in its stores in 2025 in an effort to draw shoppers into the stores, while the company is also leveraging digital partnerships with TikTok, Google and Open AI to make sure that its digital presence is differentiated</li> </ul>
 <p>1858 Established 430 Stores 1 Country</p>	<ul style="list-style-type: none"> <li>Working to redefine and modernize the department store both online and in-store</li> <li>Addressing that they had lost touch with their consumers but believe that they are presented with a strong opportunity for cross-selling, given an expansive customer base of 40M people</li> <li>Holds the unique position as the #1 shopping destination for women’s dresses, and recognizes that most of these customers do not shop for beauty products at Macy’s today which represents a large opportunity for cross-selling to female consumers</li> <li>Recently has added 40 new beauty brands – from upscale brands like La Mer and Hermes to more entry price point brands like Kiko Milano – to drive foot traffic to the beauty offerings when shoppers are in-store</li> <li>Working on refurbishing physical stores, including the recent build out of the beauty floor in the flagship Herald Square location, which was done in an effort to “light-up” the in-store experience for shoppers</li> </ul>
 <p>1997 Established 110 Stores 2 Countries</p>	<ul style="list-style-type: none"> <li>#1 prestige beauty operator in Australia / New Zealand and holds about 30% market share in the region</li> <li>Operates as an omni-retailer, though the vast majority of its sales are in-store</li> <li>‘All-in’ on enhancing the shopping experience, as evidenced by key discussion points from founder Jo Horgan who talked about a 40K square foot flagship store that was recently opened in Melbourne. Store is expected to generate \$65M in retail sales in its first year, of which 20% are projected to come from its services and experiential offerings, which include:             <ul style="list-style-type: none"> <li>Beauty services: makeup studio, brow bar, nail salon, hair salon</li> <li>Adjacent services: “Aesthetica” laser treatments, piercing</li> <li>Shopping experiences: flower store, jewelry boutique, wrapping station, café, champagne bar</li> </ul> </li> </ul>
 <p>2009 Established 1,900 Stores 22 Countries</p>	<ul style="list-style-type: none"> <li>Focused on serving customers through an omni-channel strategy</li> <li>Investing heavily in its services offering by putting the services in the center of the store and offering a range of experiences for customers to help draw them in and encourage them to stay longer</li> <li>Also offers a broad range of products on its DTC website for those that are unable to get to a physical store or who are focused on replenishment</li> </ul>
 <p>2015 Established 20 Stores 3 Countries</p>	<ul style="list-style-type: none"> <li>Operating 20 doors across Mexico, Colombia and Chile which reflect the strong retail expansion since founding</li> <li>Offers a different shopping experience from other retailers given that the stores are small and offer a highly curated assortment of products</li> </ul>

# INNOVATION REQUIRES DIFFERENTIATION WHEN IT COMES TO NEW BRANDS AND NEW PRODUCTS

Innovation has long been the lifeblood of the beauty industry – with “newness” often repeated as the single most important driver of growth for brands. At the conference, we heard from some more well-established brands about how they are working to remain relevant and some newer brands about how they are carving out niches for themselves in a crowded market.

CLARINS

Clarins said that even though the brand is 70 years old, and still run by the founding family, the family motto is to always consider themselves an “indie brand”. The company now generates \$2B of revenue, with 25% of their sales generated online. The company believes that staying true to the core principles behind the brand is what has enabled the brand to endure successfully for so long. First, a **focus on sustainability and biodiversity**, with family-owned domaines in France growing more than 30% of their plant-based raw materials. Second, **a focus on the product itself, not on marketing** – as the company has never used a brand ambassador in its advertising (instead simply featuring the actual product) – **which enables the business to invest in innovation and formulation as opposed to on celebrity endorsements.**

PATRICK TA

Patrick Ta (the founder of his eponymous makeup brand, which is currently a Top 10 brand at Sephora) told us that innovation for his brand was **less about the product itself and more about the application process.** Specifically, as a successful celebrity make-up artist, Ta discovered that applying a powder foundation first, followed by a cream (in contrast to the more common reverse order of application) led to a more natural and muted “glow”, which led his blush products to be a viral sensation when he debuted them on TikTok in 2020 and they remain the #1 blush at Sephora today.

Shark | NINJA

SharkNinja has grown their business from \$250M in sales in 2008 to more than \$6B in 2025, **entirely driven by innovation.** The company employs 1,300 engineers around the world whose focus is to identify and develop products that “create new mousetraps”. Their products range across a wide spectrum of price points – from \$50 to more than \$1,000 – depending on the product category and the specific product features. While the business started primarily in household categories (fans and vacuums) under the Shark brand, the launch of the Ninja brand helped the company expand into the kitchen with blenders and juicers. **The newest area of focus for the company is beauty**, including hair dryers and stylers as well as LED face masks. Today, the company competes in 39 different product categories.

AMORE PACIFIC

Amorepacific talked about how they have leveraged their Korean heritage to build their business globally. The company attributes the worldwide popularity of K-beauty to the basic principle that one’s outer appearance should reflect your inner health – such that **beauty is more than appearance, it is about ingredients and rituals that create an aesthetic experience for the consumer.** Korean beauty exports in 2025 reached nearly \$12B in retail sales, and Amorepacific holds a market-leading position in Korea in each of skin care, makeup and hair care. The company believes that a combination of continuous, high-quality innovation and a high degree of social media engagement (Korea has far higher social media activation rates than the rest of the world) have enabled it to reach its position as a top 10 prestige beauty company in the U.S. today.

# INNOVATION REQUIRES EXPANSIVE THINKING WHEN IT COMES TO MEETING THE SHOPPERS' NEEDS

BCG unveiled the results of a survey it did with 5K consumers over the last 12 months. The focus of this survey was to assess consumer behavior and preferences when it comes to beauty, and the bottom-line finding is that **beauty is no longer a routine comprised of a series of products, but rather beauty has evolved to be a "broader system of care"**.



- The new beauty consumer (termed "the optimizer" by BCG) is one that participates in a range of behaviors – from using traditional beauty products to undergoing a wide range of aesthetic procedures. 80% of survey respondents say that **beauty is about both physical and mental health**, and that finding solutions to promote "beauty from within" and adopt a holistic routine of self-care is paramount to them.
- The impact of social media has waned in recent years for this cohort, as while 40% of optimizers discover beauty offerings through social media, only 1 in 20 say that social media is their most trusted source, instead favoring **medical professionals as the most trusted source**, followed by friends and family. That said, despite a growing skepticism about information learned over social media channels, AI is an increasingly popular research tool for optimizers, especially with men.
- Multiple sources disclosed that beauty boundaries continue to blur, with data provider Yipit calling out increasingly relevant trends such as (i) **the skinification of makeup** (e.g. color makeup that also performs and treats), (ii) **face-grade bodycare**, and (iii) **holistic beauty** (such as ingestibles and topicals that co-exist in a beauty regimen).
- With regard to holistic beauty, the **beauty supplements category continues to grow 20% per year**, driven especially by consumers' focus on gut, longevity, sleep and stress. Of note, the #1 best selling beauty product on Amazon is not a cream, lotion or lipstick, but rather a pill - Nutrafol (which accounts for ~20% of the entire beauty supplements category today). The growing importance of Amazon to the beauty shopper is likely fueling the growth of the beauty supplements category, **as nearly 50% of all supplements sales in the U.S. are made on Amazon** (with Walmart and Target sharing another 40% combined).
- One dynamic that continues to evolve for beauty shoppers is the prevalence of GLP-1s. Currently, **12% of all American adults are taking the medications**, nearly double the level of one year ago. With increasing availability of these medications at a lower cost and in easier form factors (pills vs injections), there is an expectation that consumption of GLP-1s will continue to rise. Given that the typical consumer of GLP-1s is women (at 2x the rate of men) and aged 50-64 (a higher-income demographic with heightened focus on aging concerns), there seems to be a massive opportunity for beauty manufacturers to target this cohort with both ingestibles (to replace the nutrition intake that is lost) and products and services that address the needs of GLP-1 consumers (such as sagging and drier skin).

80%

of Respondents Say that  
Beauty is About Both Physical  
and Mental Health

Medical Professionals

Medical Professionals are the  
Most Trusted Source for Beauty  
and Wellness Offerings

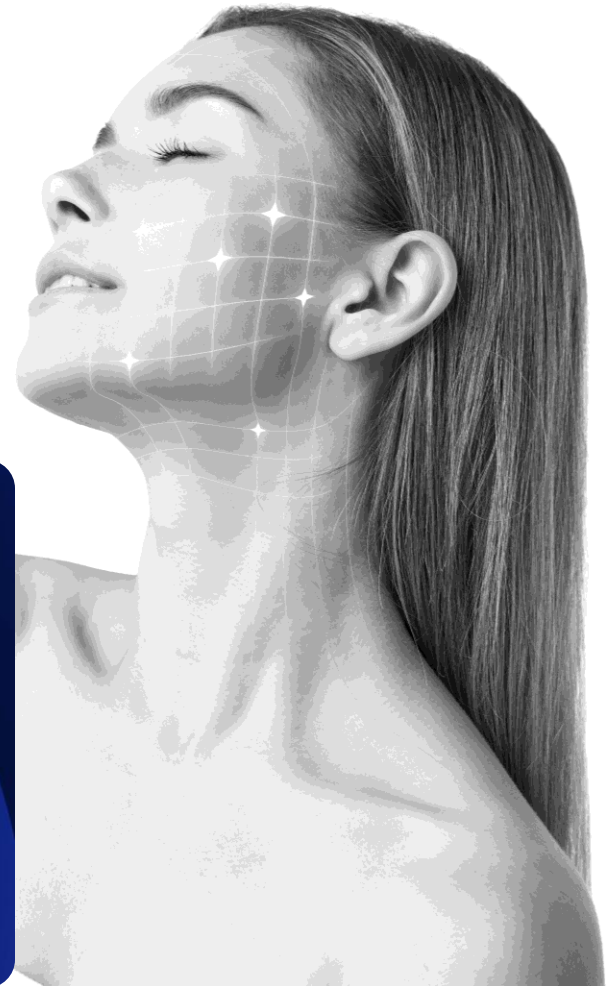
50%

of Supplement Sales  
in the U.S. are Made  
on Amazon

# INNOVATION REQUIRES OPEN-MINDEDNESS WHEN IT COMES TO ARTIFICIAL INTELLIGENCE

- Speakers from Perfect Corp, Pre and The Future Laboratory told us that while the beauty industry really became familiar with the concept of AI as a tool for virtual try-on for make-up products, the opportunity to leverage AI with the consumer has broadened significantly. More retailers and brands are now able to predict shopper decision making more accurately, and as such, they are able to shift things such as pricing and brand messaging to increase shopping conversions. We heard about how “[algorithmic amplification](#)” has enabled better analysis of why consumers buy what they buy, and how agentic AI is increasingly able to anticipate consumers’ moods, feelings and behaviors before they occur.
- GHD told us that while it has been relatively straight-forward using AI to drive efficiencies and cost savings in the business, [it has been more challenging to find ways to leverage AI to drive top line growth](#). Initially, with 50% of GHD’s sales generated online, the company used AI tools to make the website more friendly to shoppers, so that consumers were able to correctly select and purchase the product that would best serve their needs. More recently, GHD has introduced a product that is AI-enabled itself, as the “heat-adapt styler” is able to actually learn when a consumer uses the product, such that the temperature used minimizes hair damage.
- CVS is a retailer that prides itself on meeting the needs of a wide range of consumers in a wide range of categories and in a wide range of shopping experiences (from midday to late night, from larger formats in more rural locations to smaller formats in more urban locations). Using AI for demand planning is a massive opportunity, given the outsized frustration that shoppers feel when they come to a CVS store not so much as a destination but one of convenience. CVS is focused on leveraging [AI to eliminate out-of-stocks](#) not only in-store but also across its entire system.

While there are clearly massive opportunities for brands, retailers, manufacturers and service providers to leverage AI in multiple ways, there is obvious risk that algorithms and digital platforms are accelerating cultural homogenization by reinforcing familiar and repetitive ideals. Indeed, by definition, digital iteration (which is how AI works) is repetitive – not original. It is critically important for there to remain authenticity in the beauty industry – especially when it comes to the power of emotion, as noted by several speakers. There should be a “journey of beauty” – from discovery, to application and results – which needs to remain compelling and rewarding for the consumer. Brands stand for trust and connection, and all constituents should remember that the path to beauty is highly personal; one that can be augmented by AI, but not replaced.



# BAIRD'S BEAUTY & WELLNESS TEAM

Comprehensive sector coverage across products, services and contract manufacturing



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