PRESS RELEASE

With sales mixed and disruption rampant, what is the future of beauty?

Ipsos report highlights themes of inclusion, underserved markets, and the influence of Asia

New York, NY, August 26, 2019 — The North American beauty industry is facing seismic changes as consumers adopt elaborate skin care routines, shop more online and demand a more inclusive definition of beauty. The traditional big players are facing competition from a slew of upstart brands and new global companies to fill those needs.

While beauty companies are seeing these shifts in their sales, the underlying tensions are evident in the latest edition of the award-winning quarterly foresight report “What the Future” published by Ipsos, a world-leading market research firm.

The full report and related data can be downloaded now at the newly-launched future.ipsos.com. Ipsos’ beauty-industry experts are available for comment on the report and broader industry trends.

Data highlights from the report are available for download at future.ipsos.com and include:

- Pan-Asian culture and beauty products are taking hold in North America. Yet awareness is low among the broader survey population.
  - Just 18% of Americans surveyed are familiar with the 10-step South Korean beauty routines known as K-beauty while 11% of Canadians are familiar with it.
  - But younger respondents ages 18 to 34, say they take their beauty cues from K-pop (47%), like K-beauty products (50%) and like J-beauty products (58%).

- While beauty influencers James Charles and Kylie Jenner have millions of global followers, **mothers** are the most influential in shaping people’s beauty routines around the world.
  - About half (49%) of global respondents called their mother influential to their personal beauty routine.
  - Friends and family rounded out the top three influences with 48% and 45%, respectively. They ranked well ahead of online videos (34%), magazines and print media (33%) and Instagram (31%).
  - The same pattern followed for Canadians with their mother selected most at 47%, while among Americans, friends edged out Mom by one percentage point at 50%.

- Confidence, kindness and intelligence rank highest as traits that make a person beautiful, say respondents.

360 Park Avenue South, 17th Floor
New York, NY 10010
+1 212-265-3200

Contact: **Matt Carmichael**
Vice President, US, Ipsos
Email: matt.carmichael@ipsos.com
Tel: +1 312 526-4786

  - More than 19,000 people in 27 countries rated these qualities of inner beauty above external traits like facial and skin appearance, youthfulness, and body weight and shape. Yet external traits drive the $532 billion global beauty industry.
  - Survey respondents ranked these skin-deep attributes in the bottom half of a list of 19, which signals that long-held, narrow standards of beauty are ripe for disruption in the future.

- While about half of North Americans are loyal to their beauty care products, “natural” ingredients are a strong trigger for brand defection.
  - Among American respondents, 66% would try new products from other brands if they were natural. Among Canadians, 57% of respondents said this.

- Most Americans are still unsure of buying cosmetics that they’ve only tested virtually.
  - The products that the most respondents said would definitely buy after testing only virtually were false eyelashes (69%) nail polish (45%) or artificial nails (45%).
  - The products that the fewest respondents said would definitely buy after only testing virtually were foundation or tinted moisturizer (28%) hair dye (29%) or concealer (34%).

- In North America, about half of those surveyed say that seeing people who look like them portrayed positively in advertising and media makes them feel beautiful.
  - They especially agreed based on body size (49% U.S./46% Canada), and age (54% U.S./47% Canada.)
  - Race and ethnicity played a large factor, as well. In the U.S., 70% of black respondents agreed that they feel beautiful when they see people positively depicted with their race or ethnicity.

The What the Future (WTF) report focuses on market tensions shaping the cosmetics and personal care industries and their implications for the future, including:

- The pull between inclusive beauty and long-entrenched, narrow beauty ideals
- The challenge to scale to meet global demand for natural products in a sustainable way
- How Big Beauty is learning to become innovation disruptors alongside startups
- Where Big Beauty will find new strengths as social media crowns new beauty arbiters
- The two-edged sword when virtual beauty influences beauty in real life

The WTF includes the results of multiple global and domestic research surveys and studies. It also features interviews with c-suite executives from P&G, L’Oréal and other experts about the “big questions” companies should be asking themselves about the future of their industries. Ipsos experts also contribute research insights and advice for action.

PRESS RELEASE

The report delves into how today's opinions and trends will shape tomorrow's consumer landscape and points to several ways the beauty sector can align with consumer values and needs including: through "clean/free-from" ingredients and a greater shift toward natural, sustainable and responsibly produced products; creating and scaling products for historically underserved markets; embracing the products and the ethos from Asian influences; and better understanding the largely underserved consumers including the male beauty and grooming consumer, too.

The report shows a disconnect between shoppers who say family and friends most shape their beauty routines and purchases and how brands market through influencers. It also reveals how broader society and the advertising and media industries still have some catching up to do in reflecting these more inclusive beauty standards.

"How does it look when we eliminate the idea of the perfect body and begin to celebrate the wide range of the human form?" says Anastasia Garcia, a photographer and body positivity advocate interviewed in the issue.

About the Study

These are the findings of four separate Ipsos polls:

1. The first Ipsos poll was conducted between July 2-4, 2019. For this survey, a sample of roughly 1,208 adults age 18+ from the continental U.S., Alaska and Hawaii was interviewed online in English.
2. The third Ipsos poll was conducted between June 12-13, 2019. For this survey, a sample of roughly 1,005 adults age 18+ from the continental U.S., Alaska and Hawaii was interviewed online in English.
3. The second Ipsos poll was conducted between May 30-31, 2019. For this survey, a sample of roughly 1,004 adults age 18+ from the continental U.S., Alaska and Hawaii was interviewed online in English.
4. The first Ipsos poll was conducted between May 16-20, 2019. For this survey, a sample of roughly 1,201 adults age 18+ from the continental U.S., Alaska and Hawaii was interviewed online in English.

The samples for this study were randomly drawn from Ipsos' online panel (see link below for more info on "Access Panels and Recruitment"), partner online panel sources, and "river" sampling (see link below for more info on the Ipsos "Ampario Overview" sample method) and do not rely on a population frame in the traditional sense. Ipsos uses fixed sample targets, unique to each study, in drawing a sample. After a sample has been obtained from the Ipsos panel, Ipsos calibrates respondent characteristics to be representative of the U.S. Population using standard procedures such as raking ratio adjustments. The source of these population targets is U.S. Census 2016 American Community Survey data. The samples drawn for this study reflect fixed sample targets on demographics. Posthoc weights were made to the population characteristics on gender, age, race/ethnicity, region, and education.

360 Park Avenue South, 17th Floor
New York, NY 10010
+1 212-265-3200

Contact: **Matt Carmichael**
Vice President, US, Ipsos
Email: matt.carmichael@ipsos.com
Tel: +1 312 526-4786

PRESS RELEASE

Statistical margins of error are not applicable to online non-probability polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding. The precision of Ipsos online polls is measured using a credibility interval.

1. In this case, the July 2-4, 2019 poll has a credibility interval of plus or minus 3.2 percentage points for all respondents. Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following (n=1,208, DEFF=1.5, adjusted Confidence Interval=±4.7 percentage points).
2. In this case, the June 12-13, 2019 poll has a credibility interval of plus or minus 3.5 percentage points for all respondents. Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following (n=1,005, DEFF=1.5, adjusted Confidence Interval=±5.0 percentage points).
3. In this case, the May 30-31, 2019 poll has a credibility interval of plus or minus 3.5 percentage points for all respondents. Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following (n=1,004, DEFF=1.5, adjusted Confidence Interval=±5.0 percentage points).

In this case, the May 16-20, 2019 poll has a credibility interval of plus or minus 3.2 percentage points for all respondents. Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following (n=1,201, DEFF=1.5, adjusted Confidence Interval=±4.7 percentage points).

For more information on this news release, please contact:

Julia Clark
Head of Marketing and Communications, North America
+1 312 526-4919
julia.clark@ipsos.com

Matt Carmichael
Vice President, US
+1 312 526-4786
matt.carmichael@ipsos.com

PRESS RELEASE

About Ipsos

Ipsos is now the third largest market research company in the world, present in 90 markets and employing more than 18,000 people.

Our research professionals, analysts and scientists have built unique multi-specialist capabilities that provide powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees. Our 75 business solutions are based on primary data coming from our surveys, social media monitoring, and qualitative or observational techniques.

“Game Changers” — our tagline — summarizes our ambition to help our 5,000 clients to navigate more easily our deeply changing world.

Founded in France in 1975, Ipsos is listed on the Euronext Paris since July 1st, 1999. The company is part of the SBF 120 and the Mid-60 index and is eligible for the Deferred Settlement Service (SRD).

ISIN code FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP

www.ipsos.com

360 Park Avenue South, 17th Floor
New York, NY 10010
+1 212-265-3200

Contact: **Matt Carmichael**
Vice President, US, Ipsos
Email: matt.carmichael@ipsos.com
Tel: +1 312 526-4786