



# What is Your Brand Destiny?

Omnichannel may not be right for all beauty brands<sup>1</sup>

## Channel positioning often defines brand positioning

77% of respondents perceived brands as “prestige” at a premium specialty beauty retailer, compared to approximately **25% - 30%** at mass retailers.

## Channel positioning is a quality and selectivity signal of brands to consumers

**More than 80%** of respondents believe prestige channels offer high-quality, authentic products.

## Channel of discovery isn't transactional – “Channel stickiness” increases over time

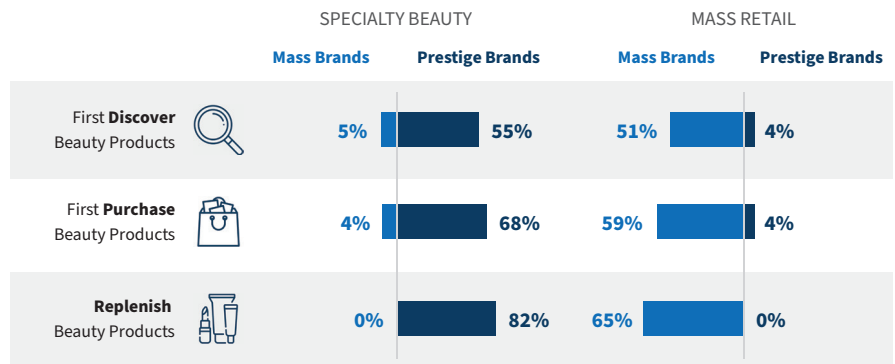
**50%** of prestige brand users discovered brands at prestige channels, rising to approximately **70%** for first purchase and approximately **80%** for repurchase.

## Prestige brands lose prestige simply by expanding into mass retailers

Brand prestige score drop by nearly **50%** when brands expand beyond prestige channels to mass channels.

## Channel loyalty intensifies from discovery to replenishment

Successful beauty brands must align their distribution strategy with their positioning — **prestige brands require premium retail environments to maintain their prestige perception, while mass brands leverage accessible channels to maximize reach and value positioning.**<sup>2</sup>



## Retailer Confirmation: Channels Drive Brand Positioning

Specialty Beauty Retailers use disciplined, multi-gate frameworks with four fundamental pillars to select brands for shelf space.

 <b>STRATEGIC FIT</b> White space analysis, founder story and brand purpose	 <b>OPERATIONAL READINESS</b> "Fast Beauty" responsiveness, OTIF requirements, field enablement, dist. network	 <b>COMMERCIAL ATTRACTIVENESS</b> Minimum in-store hurdle, market momentum	 <b>ESG CONSIDERATIONS</b> DEI, Retailer Certifications
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## Channel Choice Becomes Brand Destiny

What makes a brand PRESTIGE? Consumers' perspective:

**55%**

Ingredients

**53%**

Clinical Efficacy /  
Proven Results

**44%**

Exclusive Retail  
Channels

What makes a brand MASS? Consumers' perspective:

**63%**

Price Point

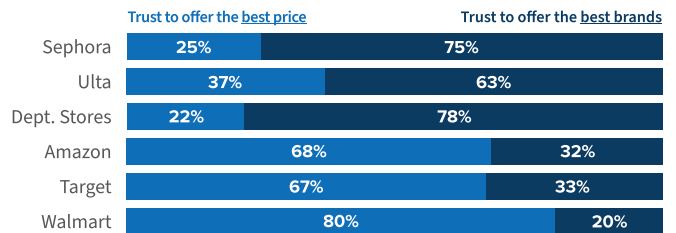
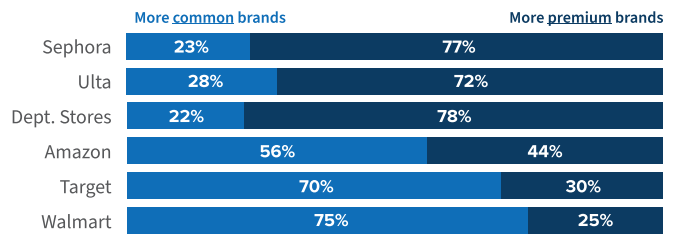
**57%**

Retail Channel from  
Which the Product was  
Purchased

**46%**

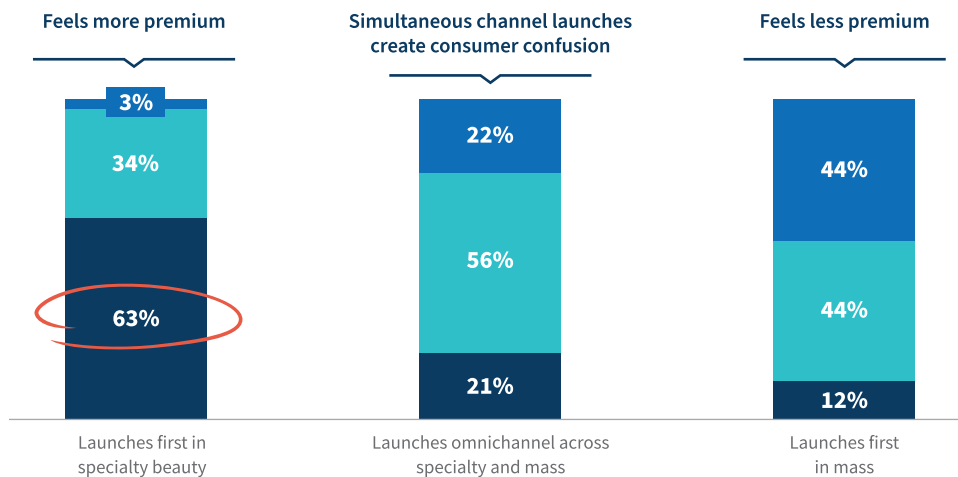
Brand Association  
/ Brand Family

BRAND PERCEPTION ACROSS CHANNELS



## Channel Launch has Direct Impact on Brand Prestige

■ The brand would feel more premium ■ No impact on brand perception ■ The brand would feel less premium

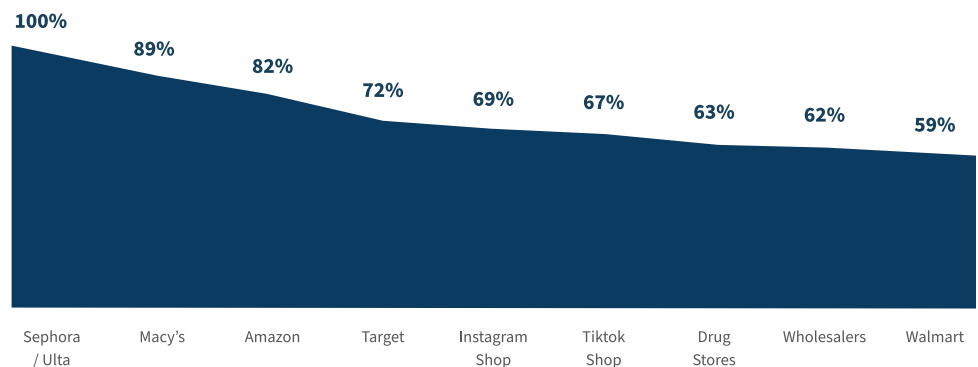


Simultaneous multi-channel launches can dilute brand prestige perception, **forcing consumers to rely on brand's messaging rather than channel cues to determine positioning.**

## Retail Expansion Beyond Specialty Beauty: Impact on Brand Perception

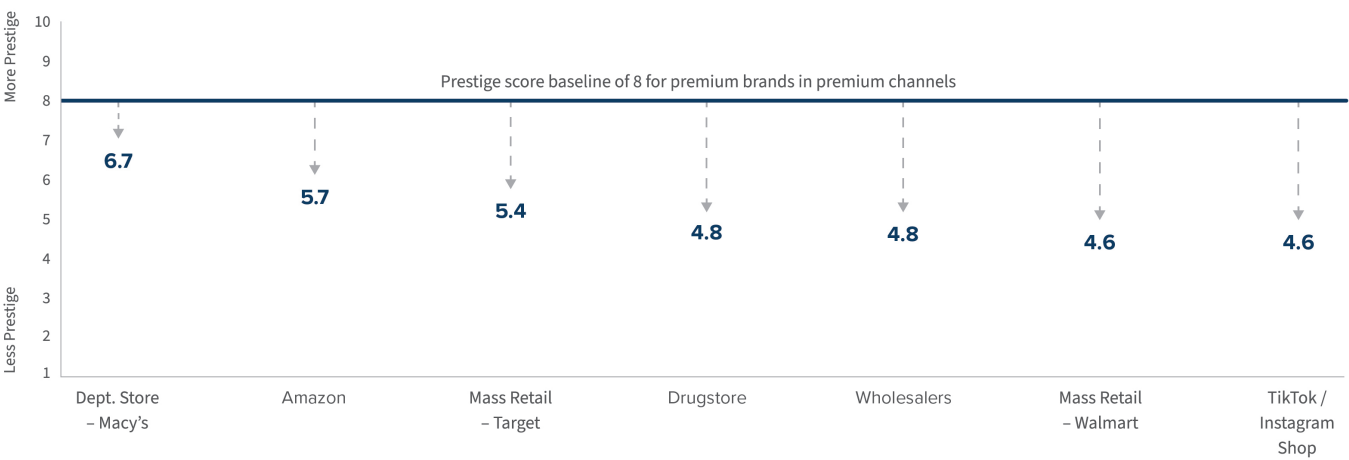
Expanding prestige brands into mass retail channels **progressively diminishes brand prestige and consumer perception**, creating lasting damage to brand equity.

# of respondents who feel brand remains prestigious

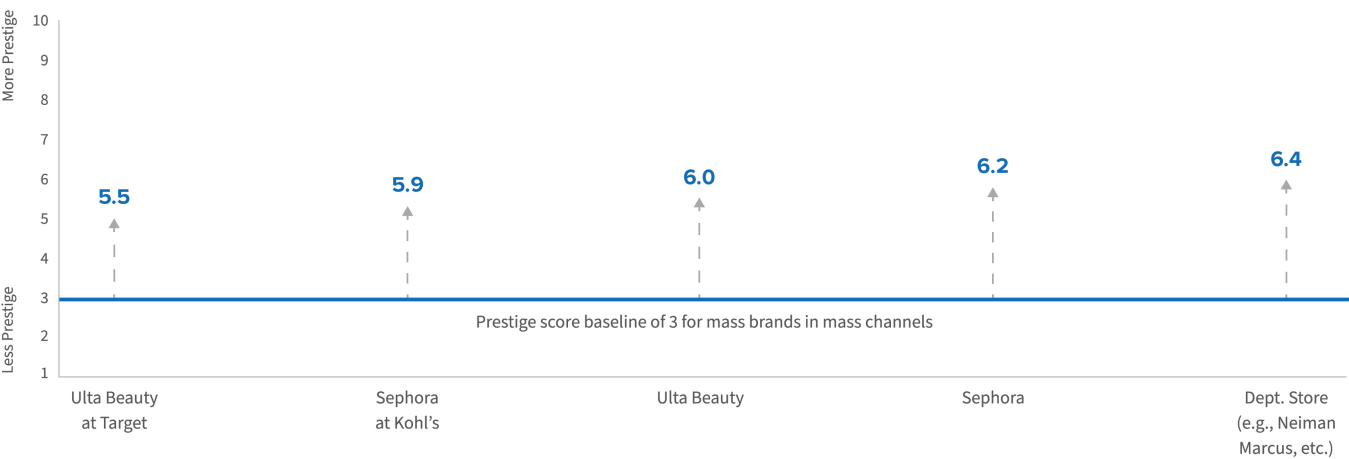


Prestige Brands Lose Prestige in Lower-tier Channels, Making Channel Strategy Essential to Brand Equity

CHANGE IN CHANNEL PERCEPTION IF PREMIUM BRANDS EXPAND INTO NON-PREMIUM RETAILERS



CHANGE IN CHANNEL PERCEPTION IF MASS BRANDS EXPAND INTO PREMIUM RETAILERS



Should a prestige brand consider expansion into mass channels (and vice versa)?  
Our point of view: No

**Endnotes**

<sup>1</sup> Results from an FTI Consulting General Population survey of 1,512 respondents conducted in June 2025.

<sup>2</sup> FTI Consulting expert interviews and analysis

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