What is Your Brand Destiny?
Omnichannel may not be right for all beauty brands[1]

Study Synopsis

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.

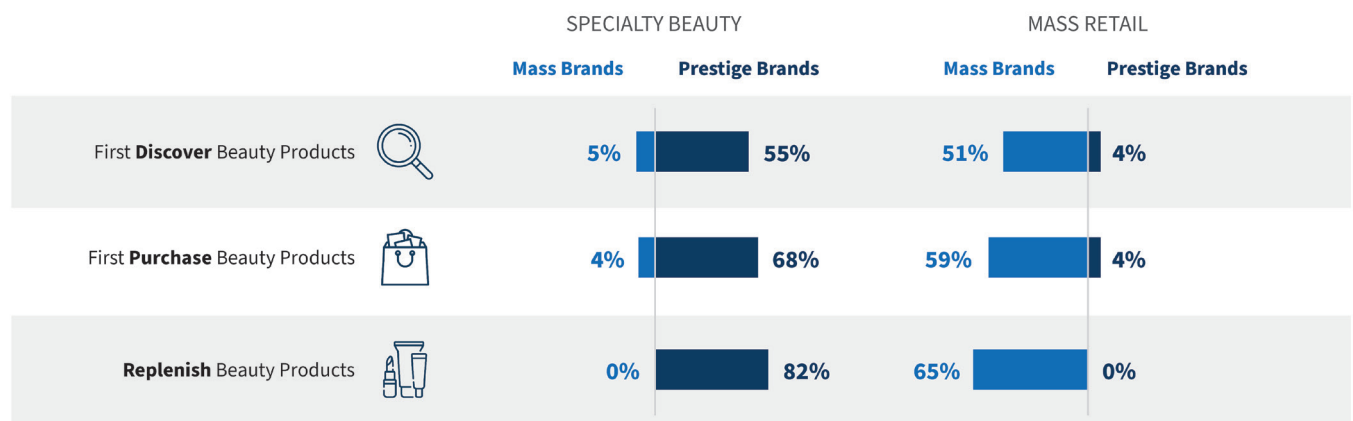**Channel of discovery isn't transactional – "Channel stickiness" increases over time**

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 drops 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**.
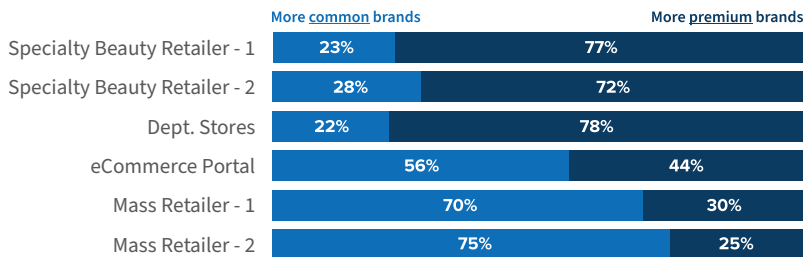
		SPECIALTY BEAUTY		MASS RETAIL	
		Mass Brands	**Prestige Brands**	**Mass Brands**	**Prestige Brands**
First **Discover** Beauty Products		5%	55%	51%	4%
First **Purchase** Beauty Products		4%	68%	59%	4%
Replenish Beauty Products		0%	82%	65%	0%

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Channel Choice Becomes Brand Destiny

What makes a brand PRESTIGE? Consumers' perspective:

55% Ingredients

53% Clinical Efficacy / Proven Results
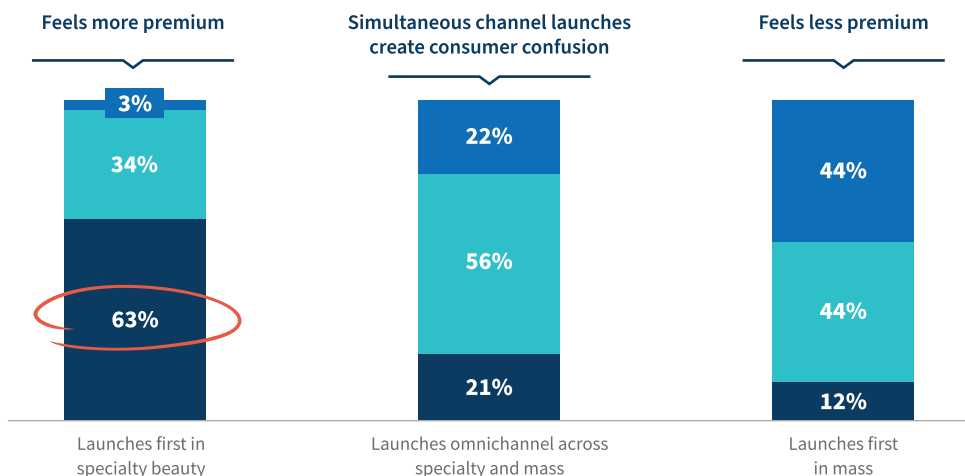
44% Exclusive Retail Channels

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

More common brands / More premium brands

Channel	More common brands	More premium brands
Specialty Beauty Retailer - 1	23%	77%
Specialty Beauty Retailer - 2	28%	72%
Dept. Stores	22%	78%
eCommerce Portal	56%	44%
Mass Retailer - 1	70%	30%
Mass Retailer - 2	75%	25%

Trust to offer the best price / Trust to offer the best brands

Channel	Trust to offer the best price	Trust to offer the best brands
Specialty Beauty Retailer - 1	25%	75%
Specialty Beauty Retailer - 2	37%	63%
Dept. Stores	22%	78%
eCommerce Portal	68%	32%
Mass Retailer - 1	67%	33%
Mass Retailer - 2	80%	20%

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

Feels more premium

Launches first in specialty beauty
- 3%
- 34%
- 63%

Simultaneous channel launches create consumer confusion

Launches omnichannel across specialty and mass
- 22%
- 56%
- 21%

Feels less premium

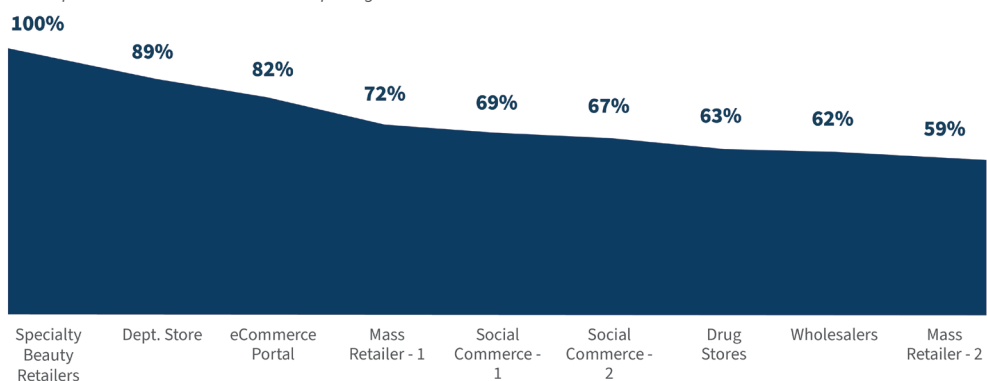Launches first in mass
- 44%
- 44%
- 12%

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

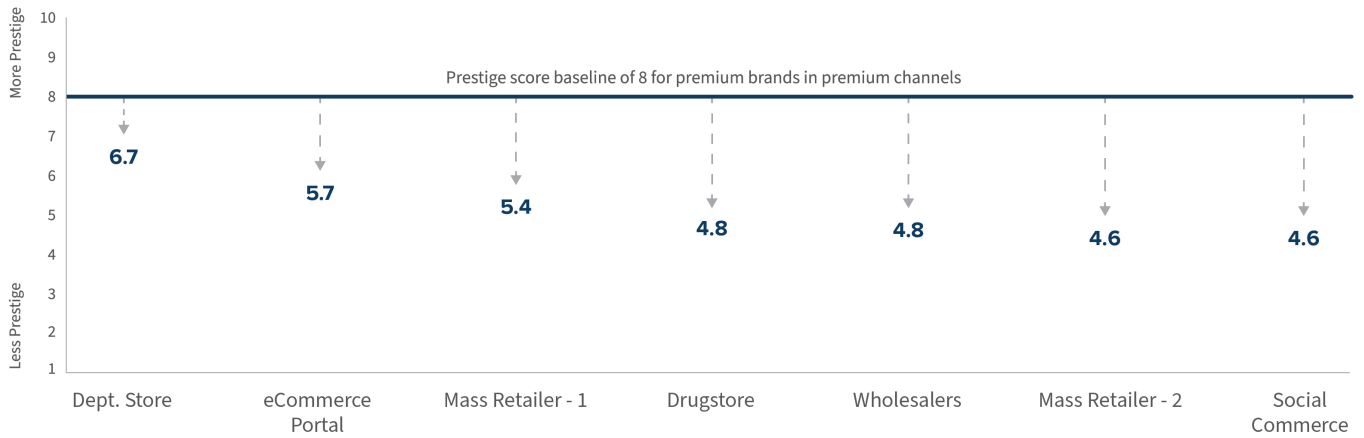## Retail Expansion Beyond Specialty Beauty: Impact on Brand Perception

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

Channel	%
Specialty Beauty Retailers	100%
Dept. Store	89%
eCommerce Portal	82%
Mass Retailer - 1	72%
Social Commerce - 1	69%
Social Commerce - 2	67%
Drug Stores	63%
Wholesalers	62%
Mass Retailer - 2	59%

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**

Prestige score baseline of 8 for premium brands in premium channels

Dept. Store	eCommerce Portal	Mass Retailer - 1	Drugstore	Wholesalers	Mass Retailer - 2	Social Commerce
6.7	5.7	5.4	4.8	4.8	4.6	4.6

More Prestige / Less Prestige

CHANGE IN CHANNEL PERCEPTION **IF MASS BRANDS EXPAND INTO PREMIUM RETAILERS**

Prestige score baseline of 3 for mass brands in mass channels

Specialty Beauty Retailer - 2 (store-in-store)	Specialty Beauty Retailer - 1 (store-in-store)	Specialty Beauty Retailer - 2	Specialty Beauty Retailer - 1	Dept. Store
5.5	5.9	6.0	6.2	6.4

More Prestige / Less Prestige

Retailer Confirmation: Channels Drive Brand Positioning

Specialty Beauty Retailers use disciplined, multi-gate frameworks with four fundamental pillars to select brands for shelf space.[2]

STRATEGIC FIT White space analysis, founder story and brand purpose	**OPERATIONAL READINESS** "Fast Beauty" responsiveness, OTIF requirements, field enablement, dist. network	**COMMERCIAL ATTRACTIVENESS** Minimum in-store hurdle, market momentum	**ESG CONSIDERATIONS** DEI, Retailer Certifications

Endnotes

[1] Results from an FTI Consulting General Population survey of 1,512 respondents conducted in June 2025.

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