

FRAGRANCE AND PERSONAL CARE

# Mass-market, premium beauty brands outpacing luxury: Launchmetrics

December 4, 2024



*While spending among younger audiences is on the rise, prestige maisons gain less ground than their less expensive competitors. Image courtesy of Launchmetrics*

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By ZACH JAMES

Luxury beauty sales are falling behind lower-priced options, according to new findings from cloud technology platform Launchmetrics.

The report, titled "[Beauty Marketing Trends of Q3 2024 and Beyond](#)," details the industry's trajectory leading into the new year. Notably, revenues from high-end brands in the space are growing at slower rates than more accessible alternatives, affecting Media Impact Value (MIV).

"Amid a challenging economic climate, luxury beauty brands must focus on strategies that bolster brand equity and resonance among consumers," said Alison Bring, chief marketing officer at Launchmetrics, New York.

"Making smart, data-driven decisions about the right channel mix and voices to leverage is more critical than ever," Ms. Bring said. "Our industry rankings show that several luxury brands continue to achieve positive brand performance growth, demonstrating that the right approach can sustain consumer engagement and keep the buzz alive for long-term success."

The report measured brand performances from July 1 to Sept. 30, 2024. Figures are drawn from brand financial disclosures and internal data, including Launchmetrics' proprietary metric of MIV, which assigns a monetary value to every post, interaction and article by overall global engagement.

## **Navigating the market**

During Q3, luxury beauty brands garnered \$4.2 billion in MIV, up 17 percent year-over-year.



The industry is growing at a slower rate than the competition. Image courtesy of Launchmetrics

Meanwhile, the MIVs of premium and mass-market brands reached \$5.5 billion and \$4.6 billion, respectively, up 23 percent and 25 percent compared to the third quarter of 2023. Last year, these labels still had slightly higher MIVs than luxury beauty players, but the gap is widening.

Despite this, some brands are on the rise, with the MIVs of Italy’s Armani Beauty and France’s YSL Beauty rising 33 percent and 16 percent, respectively, compared to Q2 2024, with both landing in the top 12 cosmetics companies overall.

French fashion house Dior’s makeup and fragrance arm declined in MIV by 5 percent, losing the top spot among all brands operating in the space. French premium label L’Oréal Paris overtook the prestige staple, driven by a strong appearance at Paris Fashion Week and social media content starring brand ambassadors Kendall Jenner and Alia Bhatt, among other famous faces.



Dior Beauty has been on a downward trend since early 2024, while L’Oréal Paris maintained strong momentum. Image courtesy of Launchmetrics

Fellow luxury brands in the top 20 in MIV, Chanel and Shiseido, both lost ground as well, with their metrics slipping by low single-digit percentages in Q3.

### Areas of opportunity

Three trends are set to guide the industry in the coming months: Middle Eastern expansion, natural beauty products and Gen Alpha entering the marketplace.

Growth in MIV in the Middle East outpaced the United States, the United Kingdom, France and China in Q3 2024, sustaining positive momentum gathered in the early months of the year. Since 2023, the region has averaged a 21 percent MIV surge each quarter, with Launchmetrics stating that its potential as a high-spending market remains overlooked despite the gains.

Luxury beauty has yet to gain a large presence in the Middle East, with only one brand, YSL Beauty, ranked in the top 10 in MIV within the market to close Q3 2024.



Young consumers are opening their wallets for beauty to end the year. Image courtesy of Launchmetrics

According to recent findings from global management consulting firm Kearney, India is poised for similar success, as its cosmetics sector is set to quadruple in valuation in the coming decade ([see story](#)).

As luxury loses ground among younger consumers seeking better value propositions ([see story](#)), Gen Z is still driving industry trends. The demographic is behind the push for natural and clean skincare and makeup, with interest in the niche gaining 6 percent more mentions each quarter of 2024.

Meanwhile, Gen Alpha, those born beginning in 2010, are beginning to enter the wider beauty market this year as they become teenagers. Launchmetrics points to luxury adopting a “digitally native” mindset when marketing to the group, which is more educated than most due to their time spent researching products on social media.

“Gen Alpha’s entry into the beauty market presents a unique opportunity for brands to build early connections and secure long-term business,” said Ms. Bring.

“As the first generation to grow up fully immersed in digital culture, Gen Alpha turns to influencers and engaging content to stay up-to-date,” she said. “With its strong social media presence and Instagrammable packaging, Drunk Elephant has successfully captured their attention, driving 13% of Gen Alpha’s total MIV in 2024.”