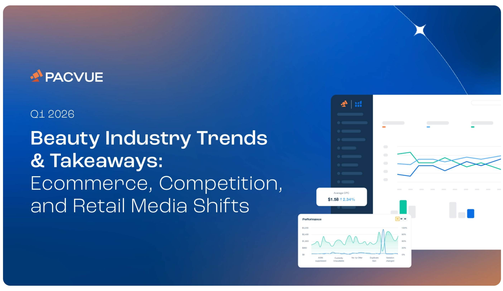
Seizing the CPG Moment: Discover how leading brands are winning Grocery and Health & Household with multi-platform strategies and precision targeting in H2 2026. Download the Playbook

Q1 Beauty Industry Trends & Takeaways: Ecommerce, Competition, and Retail Media Shifts

Data & Insights Strategy & Trends • Pacvue • April 21, 2026



Reading time: 10 minutes

On Amazon, Beauty & Personal Care saw positive year-over-year movement across most top-line metrics, as the category continued to expand during Q1 2026.

But while Beauty is a burgeoning category, it's also increasingly complex and competitive.

As more brands enter the space and consumer demand evolves, success hinges on differentiation, strategic media investment, and full-funnel execution—capturing and nurturing demand from inspiration to conversion.

Beauty Industry Trends 2026: What's Shaping Growth in Q1

Increased Competition and Category Saturation

We've seen rapid seller growth over the past several quarters, with both legacy brands and emerging DTC players fighting to win Amazon's Beauty category.

In Q1 2026, brand average daily spend for the vertical increased 7.8% year-over-year on Amazon, driving Beauty's CPC 4.5% higher during the same period.

Unsurprisingly, this heightened interest led to an explosion of SKUs across key segments like skincare, haircare, and supplements, which intensified competition for paid placements and organic visibility.

Faster Innovation Cycles and Product Launch Velocity

As brands race to capitalize on emerging trends, viral ingredients, and seasonal routines, Beauty product innovation cycles are accelerating in turn.

This brisker launch velocity is also shortening product lifecycles. Increasingly, brands need to prioritize speed-to-market and early-stage visibility to secure a foothold in the vertical before their competitors can saturate demand.

The Growing Importance of Brand Differentiation

As new entrants and established brands crowd the category, brand differentiation is becoming a key driver of success.

Clear positioning is a crucial part of that—whether through ingredient transparency, sustainability, clinical efficacy, or niche targeting. Brands that effectively communicate their unique value proposition across PDPs, ads, and off-platform channels are strongly positioned to convert and retain customers.

Beauty Ecommerce Trends: Demand Shifts and Discovery Dynamics

Keyword Demand Volatility Across Categories

Search demand in Beauty is more volatile than ever, as social trends, influencer content, and seasonal routines shape what customers look for—and ultimately purchase.

To capture emerging demand while defending evergreen terms, brands need to monitor and adapt their keyword strategies. Keywords related to trending ingredients (e.g., peptides, biotin, collagen) and problem-solution searches (e.g., "acne scars," "hair thinning") are seeing particularly rapid fluctuations and may require special proactive attention.

Influencer, Social, and Search Converging in Product Discovery

Consumer discovery journeys are increasingly non-linear, with discovery commerce platforms like TikTok and Instagram directly influencing Amazon search behavior. Products that trend off-platform often see immediate lifts in branded and non-branded search volume on Amazon.

As a result, brands need to align their retail media and SEO strategies with social momentum to ensure upstream inspiration trickles down to drive on-platform conversions.

Fragmentation Across Retail Media and Ecommerce Channels

While Amazon remains dominant, Beauty shoppers are increasingly exploring multiple channels—including brand sites, specialty retailers, and discovery commerce platforms.

This fragmentation requires brands to take a more holistic approach to media investment and measurement, ensuring consistent messaging and efficient budget allocation across every touchpoint.

Beauty Consumer Trends: From Awareness to New-to-Brand Conversion

Influence-Led Purchase Behavior and Social Proof

Influencer endorsements and user-generated content continue to play a major role in driving purchase decisions.

Consumers place greater trust in peer validation and creator recommendations, particularly for new or emerging brands, which is why external validation is a key lever for driving new-to-brand acquisitions for Beauty brands on Amazon.

The Role of Reviews, Ratings, and Content in Conversion

High-quality reviews and strong ratings remain critical conversion drivers in Beauty, where product efficacy and safety are top concerns.

In addition, enhanced content—such as A+ pages, comparison charts, and educational visuals—helps reduce purchase friction by clearly communicating benefits and usage.

Brands that invest in content quality enjoy stronger conversion rates and improved retail performance.

Trial, Loyalty, and Repeat Purchase Shifts

Consumers are increasingly willing to experiment with new brands, especially in skincare and haircare, leading to higher trial rates but lower inherent loyalty.

Product performance, subscription offerings, and post-purchase engagement can drive repeat purchase behavior, which is why brands should actively nurture retention through both superior product experience and targeted remarketing strategies.

Beauty Retail Trends: Rising Costs and Intensifying Competition for Visibility

Increased Competition on High-Value Keywords

Competition for high-intent, high-volume keywords has intensified, particularly in core subcategories like skincare and supplements.

While new entrants bid up to improve visibility, established brands are defending their positions more aggressively than ever, spiking costs and sinking efficiency on many of the most valuable search terms.

Conquesting and Competitive Bidding Strategies

Many Beauty brands deploy conquesting campaigns—targeting competitor brand terms and adjacent category keywords—to capture incremental demand for Beauty products.

While effective for driving new-to-brand growth, these strategies require careful optimization to balance cost and conversion efficiency.

Rising CPCs and Pressure on ROAS Efficiency

Cost-per-click (CPC) continues to rise across Beauty, driven by increased advertiser density and competition.

In Q1 2026, CPC for Beauty on Amazon was $1.39—the fifth-most expensive across Amazon's top 15 categories.

The high cost of advertising Beauty products is beginning to impact return on ad spend (ROAS) too, which improved just 1.6% year-over-year in an otherwise burgeoning category.

To maintain efficiency, brands need to refine targeting, improve conversion rates, and optimize creative as auction pressure intensifies.

Content and Creative Trends in Beauty Retail Media

PDP Content as a Conversion Driver

Product detail pages play a central role in driving Beauty revenue.

As recent data shows that conversion rates were effectively flat year-over-year in the Beauty category, high-quality imagery, clear benefit-driven messaging, and educational content are more essential than ever for converting traffic.

In particular, beauty shoppers are very receptive to lifestyle-focused creative and before-and-after visuals, along with user-generated content.

But ultimately, the critical takeaway is that brands that treat PDPs as a strategic asset—not just a static listing—will see measurable gains in both conversion and organic ranking.

Visual Differentiation Across Sponsored Ads and Retail Placements

With more brands competing for attention, ads need to be visually striking and distinct to perform well.

Leverage bold (but compliant) claims, strong value propositions, and lifestyle imagery to stand out in crowded search results.

Ensure ad creative and PDP content are consistent, too, for a superior shopping experience and a uniform brand identity.

Aligning Creative with Consumer Intent and Search Behavior

The more closely creative aligns with the intent behind specific search queries, the more effective it will be.

Problem-solution searches, for instance, are best served benefit-focused messaging, while branded searches perform better with trust signals and social proof.

One of the most proven strategies for improving ad and listing performance—and not just in the Beauty category either—is tailoring creative to search intent.

Key Q1 Performance Signals Beauty Brands Should Monitor

Keyword Performance and Share of Voice Trends

To fully understand competitive positioning, brands need to track keyword rankings and share of voice.

Abrupt changes in either can signal new competitors, heavier bidding activity, or shifts in consumer demand.

Brands that keep their finger on the pulse of these key metrics can move swiftly and intelligently to protect their market share—or capitalize on emerging opportunities before their rivals seize them.

Pricing and Promotional Pressure Signals

Discounting and price competition are becoming more common, particularly in saturated subcategories, and Beauty isn't exempt from this trend.

That's why successful brands monitor pricing and promotional activity to prevent margin erosion, which can occur suddenly as price-sensitive customers are swayed by steep, limited-time discounts.

Review, Rating, and Content Quality Signals

Review velocity, average rating, and content quality have a direct impact on conversion and ranking, often serving as early indicators of lagging or surging performance.

In Beauty, where trust and product efficacy are paramount, shoppers closely evaluate feedback and on-page information before purchasing. Brands that actively manage review generation, respond to customer feedback, and regularly optimize content are better positioned to drive strong conversion rates and protect their organic rankings over time.

How Leading Beauty Brands Are Winning in a Competitive Landscape

Refining Targeting and Keyword Strategy for Efficiency

As CPCs rise, top-performing brands rely more on keyword strategy optimization than higher spend to turn a profit.

Prioritize high-converting terms, pursue long-tail opportunities, and tailor bids to customer intent and conversion probability to remain efficient as competition intensifies.

Ultimately, continuous testing and optimization are the key to scaling in the Beauty category without sacrificing performance.

Driving New-to-Brand Growth Through Full-Funnel Activation

New-to-brand growth increasingly depends on how well brands execute across the entire buyer journey.

In a competitive category like Beauty, that means expanding beyond lower-funnel tactics to build a broader, more holistic media strategy.

By leveraging top-of-funnel, awareness-driving placements like Sponsored Brands and DSP alongside bottom-of-funnel campaigns (e.g. Sponsored Products), brands can guide shoppers from discovery through conversion to drive incremental growth.

Balancing Visibility, Efficiency, and Profitability

To succeed in the Beauty category, brands must do more than just maximize reach; they need to strike a strategic balance between visibility, efficiency, and profitability.

Top performers support short-term performance and long-term growth by refining targeting, dynamically adjusting bids and budgets, improving conversion rates, and making data-driven investment decisions.

This measured approach allows them to stay competitive without overextending spend.

Turning Q1 Beauty Trends into Action for Q2 and Beyond

While challenging, the Beauty category still offers a wealth of opportunity.

Beauty brands just need to embrace flexible, integrated strategies to protect their margins and drive incremental growth, particularly as competition intensifies and costs rise.

The most successful players will have a strategic, full-funnel approach that aligns media, content, and targeting with search intent and shopper behavior.

They'll also put special emphasis on capturing demand upstream—especially when it's off-platform—and nurturing it all the way to check-out, as discovery commerce transforms how consumers find, engage with, and ultimately purchase Beauty products.

Set your brand up for success with trusted, actionable data on Beauty—alongside other Amazon categories and retailers like Walmart, Target, and Instacart—in Pacvue's Q1 2026 Retail Media Benchmark Report.

AUTHOR

Pacvue

SHARE

Stay up to date and accelerate your business with tips, tricks, and the latest commerce news.

nicholas.grizzell@helium10.com

Subscribe

I agree to Pacvue's privacy policy.*

Yes, I agree to the terms.

Awards & Recognitions

AdAge

PARIS RETAIL AWARDS WINNER

amazon ads Advanced partner

Amazon Marketing Cloud services and software provider

Amazon Ads

AdTech reseller

Amazon Ads

MARTECH BREAKTHROUGH AWARD 2024

Premium+ Walmart Connect

Subscribe To Our Newsletter

Stay up to date and accelerate your business with tips, tricks, and the latest commerce news.

nicholas.grizzell@helium10.com

I agree to Pacvue's privacy policy.*

Yes, I agree to the terms.

Subscribe

By clicking subscribe, you consent to receive email communication from Pacvue about news, events and product updates. You may opt out at any time by clicking unsubscribe at the bottom of each communication.

© 2026 Pacvue. All rights reserved. Privacy and Terms Opt out of sale of personal data and Targeted Advertising Website and Cookie Policy