



Beauty Trending Insights:

Beauty Dupes: Friend or Foe?

Forget what you've heard about beauty dupes, the reality is that beauty dupes are...

- ✓ Growing the beauty category
- ✓ Offering affordable alternatives to beauty enthusiasts on a budget
- ✓ Providing a point of entry to more niche categories

What is a dupe?

A product is considered a dupe when it is a less expensive alternative to a high-end item that still gives the user similar results.

In beauty, the categories where we see the most dupes are in face, eye, & lip cosmetics, but other popular categories are facial skin care, perfume & cologne, and hair treatments.

Social media has had a huge influence on the spread of dupes with influencers calling out their favorite dupes to the widely viewed hashtags that make it easy for viewers to find dupe products.

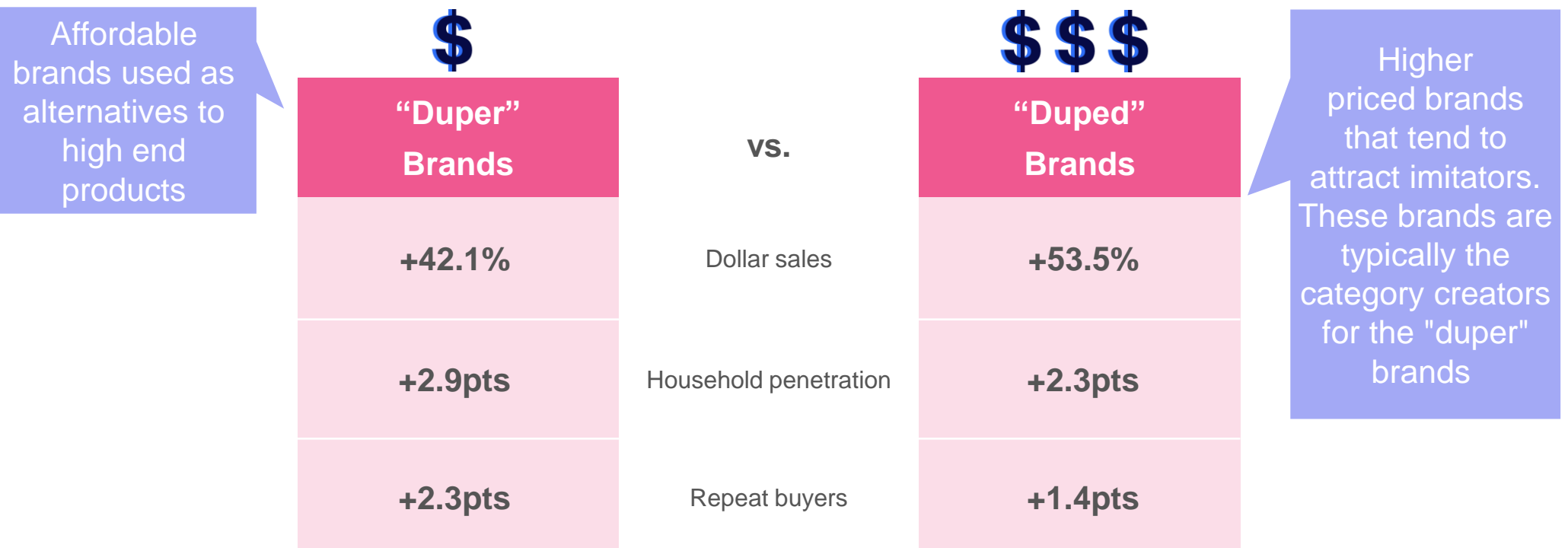


Case study: The Impact of Dupes on Cosmetics



\$21.5B	3.1B	<i>Total</i>
+14.9%	+6.4%	<i>Cosmetics & Nail</i>
Dollars	Units	

Both "duper" and "duped" brands are seeing strong dollar and buyer growth, translating to growing sales for the cosmetics category



Source: 1. NielsenIQ Omnishoper Panel Total US latest 52 weeks ending 7/15/2023.

"Duper" is a custom sum of 4 cosmetic brands known to have dupe products. "Duped" is a custom sum of 5 cosmetic brands that are often duped

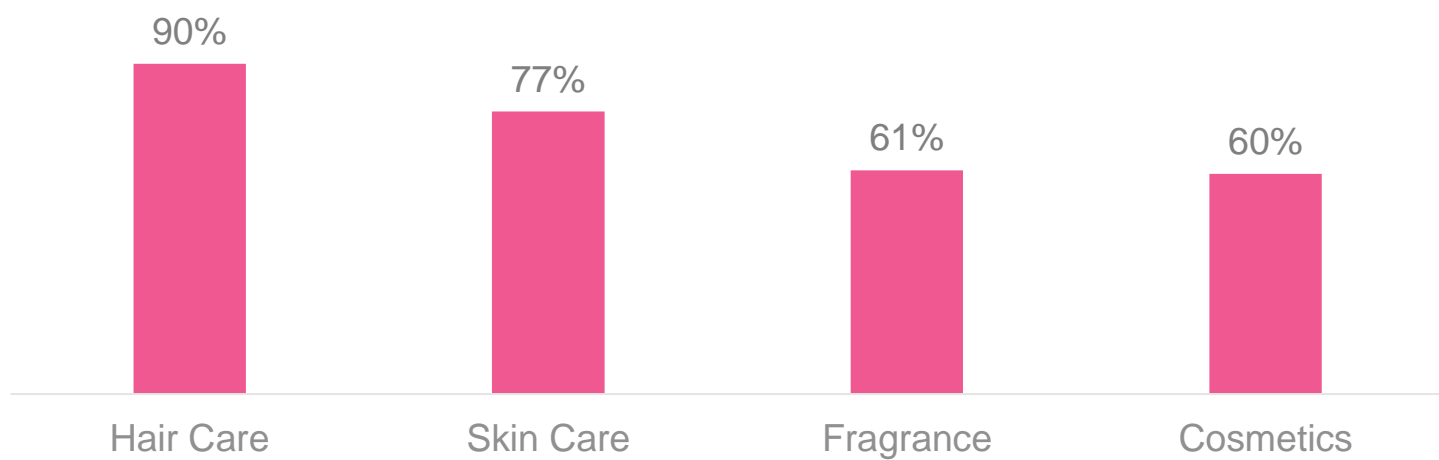


Beauty Dupes: Offering affordable alternatives

Dupes offer affordable alternatives that keep consumers in the category despite rising prices and tough economic times

Beauty is non-negotiable

Percent of consumers who will NEVER stop buying these beauty categories



46% of consumers state that they will purchase **less expensive products** as a strategy to spend less on beauty

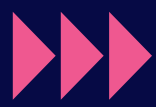
Source: NielsenIQ 2023 BASES survey data

The U.S. economy

Consumer Price Index
+3.7%

Gas price/gallon
\$3.96
+\$0.14 vs YA

Consumer Confidence
103.0
-4.8pts vs YA



Total CPG unit price growth is **+5.2%**

70%-85% of Department Store and Beauty Supply shifting dollar loss is to **Mass**

U.S. consumers are feeling the effects of the increase in prices. Many consumers now must make choiceful decisions when spending their money and are looking for ways to save.

Source: 1. U.S. Bureau of Labor Statistics 12 months ending 9/30/2023. 2. U.S. Energy Information Administration Sep 2023 3. The Conference Board Sep 2023 4. NielsenIQ Total US xAOC 4 weekly periods ending 7/29/2023. 5. NielsenIQ Omnishopper Panel Total US latest 52 weeks ending 7/15/2023

Dupeshop.

Affordability is the main driver of consumers purchasing dupes. Consumers are looking for ways to make their dollars stretch farther, and less expensive alternatives is an appealing option.

44%

Bought dupes because they could not afford the high-end products.

27%

Bought dupes because of dupes' high value for money, even though they can afford the high-end products.

23%

Bought dupes because they don't believe purchasing high-end or designer beauty products are worth the high prices.

Source: Dupeshop survey 2023



Beauty Dupes: Encouraging Trial

Dupes encourage trial of new categories by lowering the cost of entry and encouraging experimentation

+1.4pts
Face primer

+0.9pts
Setting spray

+0.5pts
Lip stain

+0.2pts
Bronzer

Penetration pt change

Dupeshop.



98% of shoppers stated that discovering dupes has expanded their regular beauty routine

Source: 1. NielsenIQ Omnishoper Panel Total US latest 52 weeks ending 7/15/2023. 2. Dupeshop Survey 2023

There is more than one way for a brand to explore duping, from direct brand imitation, to category creation that inspires competition.

Category Innovators

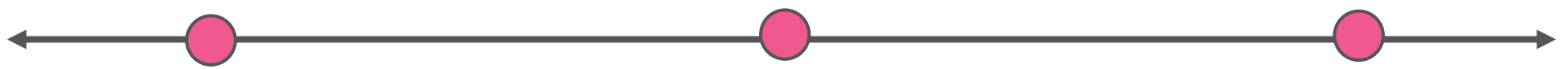
These brands are first to market with a product that later serves as inspiration to others

Influencer duping

Influencers share these brands' products on social media as alternatives to their more expensive counterpart

Purposeful duping

These brands make direct claims to the product they are duping



OLAPLEX

e.l.f.

Milani

NYX

Dupeshop.

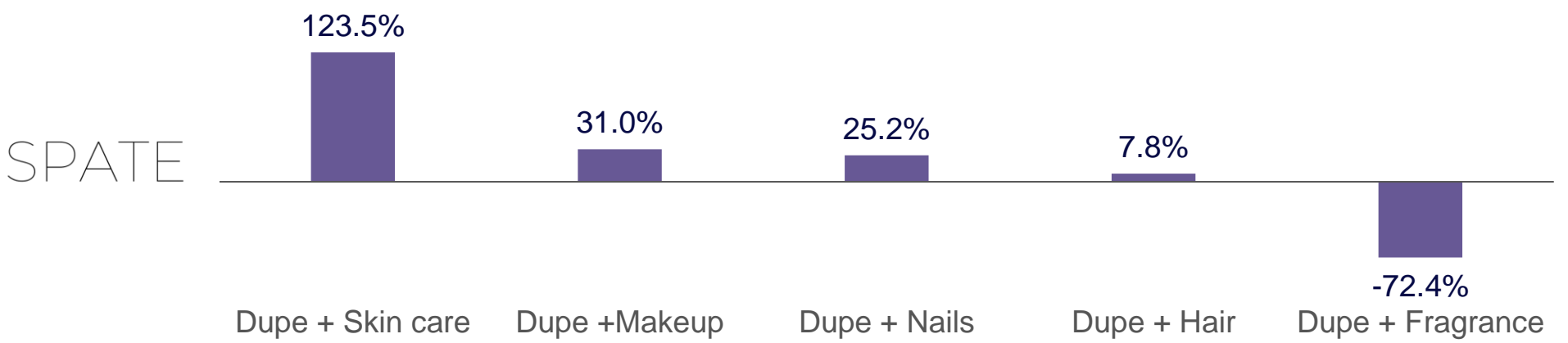
dossier

Beauty Dupes: Driven by Social Engagement



Search and social are key avenues for discovering dupe products

Search growth YoY



Source: Google Search Data comparing the past 12 months ending August 2023 vs. the 12 months prior. (US)



#makeupdupes
1.1B views

#beautydupe
59.5MM views

#highenddupes
49.4MM views



Case Study: How one category creator and often duped brand addressed copycats in the hair care category



- OLAPLEX created the bond-building category in hair care and has over 160 patents for their innovative technology
- Brands have released similar products and #Olaplexdupe has 58.6M views on TikTok



OLAPLEX launched an unboxing campaign with social media influencers to promote OLADUPÉ No. 160, showcasing how the only brand who can dupe OLAPLEX is OLAPLEX itself

The campaign had over 53M views, 377K engagements, and over 545 posts from creators and industry peers around the campaign

"OLAPLEX is the real deal, a brand that is truly "undupable," and the foundation of this is our underlying technology, which is peerless in the industry," – Charlotte Watson, Chief Marketing Officer of OLAPLEX