



Building resilient beauty businesses in Australia's competitive retail landscape

Description

With evolving consumer habits and increasing competition in the nation's retail landscape, the fast-moving consumer goods (FMCG) industry accounted for [77% of all retail growth](#) during September last year. The beauty and personal care industry has also been making significant gains, standing at a value of [\\$17.25 billion AUD this year](#), and is largely attributed to its constant evolution through new trends, such as eco-consciousness, the search for convenience, and professional-grade results by at-home product solutions for consumers.

The beauty preferences of Australian consumers have evidently become increasingly more sophisticated and complex. As such, it is important that in a fast-moving beauty retail landscape like Australia's, having a resilient business in the industry is often dependent on an array of things, such as flexible partnerships, which also include working with [surplus stock buyers in Australia](#), to adapt quickly, protect cash flow, maintain competitive advantage, and respond quickly to changing consumer demands and habits.

At A Glance: The Australian Beauty and Personal Care Market

While Australia has a comparatively smaller market when placed with the giants overseas, it actually boasts one of the [highest per-capita spending rates](#) of beauty and personal care products in the world, with the most recent number showing that the everyday Australian consumer spends an average of over \$400 AUD per person on beauty products, which can include skincare, haircare, fragrances, make-up, sun care, and other cosmetic products.

Unsurprisingly, as a [sun-baked country](#), sun-care and SPF products are the most widely purchased products, with 86% of Aussies being reported to spend an average of \$128 AUD per year on them, which is a positive sign given the harsh ultraviolet (UV) rays that define the country's climate. Other skincare products, such as cleansers, serums, and moisturisers, are almost as popular, with 85% reporting that they spend \$208 AUD per year, which reveals that many Aussies do like a solid skincare routine. Makeup and supplements remain popular,

with more than half of Australians buying them on a regular basis. And while premium treatment solutions naturally attract fewer customers overall, there is still notable uptake and spending, with around one in three expressing that they invest in facials, and more than one in four in cosmetic dental work, and one in seven in skin volumisation and rejuvenation treatment products and services.

The Australian beauty market is a highly developed one, and it works on an equal plane with premium markets as well. This is inevitably tied to the country's one-of-a-kind climate, dermatological culture, and stringent government regulatory standards and ingredient safety guidelines. And [the Aussie giants](#) such as Aesop and Bondi Sands are making big strides not only domestically but internationally is a significant testament to this. Therefore, to build not just a resilient but a successful competitive beauty and cosmetics business in Australia, there are a variety of things to consider.



Beauty with Wellness

Increasingly, the modern Australian consumer has become more wellness-oriented, seeking products and services that do not just provide the immediate gain but also enhance overall well-being, which is far more long-term. A new category of wellness-beauty hybrids, which combine beauty formulas with physical and mental health benefits, has emerged in the market. [Brands such as](#) Mkti Organics, which specialises in moisturisers, the Beauty Chef, which creates ingestible beauty supplements and elixirs, and many more have blended their beauty formulas with the provision of tangible health benefits, and these have been highly successful in appealing to health-conscious consumers.

Eco-Consciousness: Clean, Natural, and Sustainable

Today, [96% of Australian consumers](#) engage in sustainable practices, and nearly half are willing to pay a premium for eco-friendly products; moreover, Australian wholesalers are reporting that clean, sustainable formulations [account for 60%](#) of new product inquiries.

Eco-consciousness has evidently become ingrained extensively in the everyday views and practices of Australian consumers, along with being deeply embedded in the Australian market and modern industry workings as well. Obviously, then, beauty businesses need to pay attention to this, and leading Australian skincare brands have placed sustainability at the heart of their business strategies and operations. These can range from sustainable packaging, which has moved from a marketing advantage to a [baseline expectation](#), to using sustainable sourcing of ingredients, carbon-neutral operations, such as the way of [esmi](#), or cruelty-free formulations like [Original Source](#). Other practices for sustainable business practices emerging in the industry include refillable packaging systems, post-consumer recycled (PCR) materials, plastic-free materials and concentrated formulas, which require less packaging overall.

Australian consumers clearly see sustainability as an important consumer value in the products and services being used, even amidst the high cost-of-living pressures in the country. Of course, jargon creates confusion and may erode brand value, but the fastest growth in beauty products is that which combines clean formulations with sustainable packaging and authentic storytelling – having this [tripartite of elements](#) can greatly boost your business’s competitive advantage in the Australian market.

Be Locally-Sourced Minded

Australia is already an extremely ecologically diverse country of native materials and ingredients to source for formulas. Tea Tree, Kakadu Plum, Emu Apple, Eucalyptus, Macadamia Oil, Lemon Myrtle and a whole garden of [native botanicals](#) can be used for sourcing, and the possibilities are endless in this practice, which has gained huge traction for many Australian beauty businesses; brands such as Sukin, Jurlique, and Jojoba are notable ones. Local sourcing of materials and ingredients ensures potent skincare benefits, along with making a minimal environmental footprint. Moreover, it supports local farmers and communities while reducing additional carbon footprints that come from importing raw materials overseas. At the same time, the exports of Australian beauty products (or [any product in general](#)) made from native ingredients have also been an extremely lucrative

opportunity, particularly for Asia-Pacific consumers who view Australian products as bearing a premium reputation.



Multi-Functional Products and Value for Money

Skinalism, derived from minimalism and beginning as a Pinterest trend, refers to a “less is more” philosophy towards skincare by using simple yet consistent regimens with simple products that serve multiple functions for skincare, and it has been one of the main forces in driving increasing demand for these “multi-tasking” products. Some of these include products that combine moisture with protection (e.g. SPF moisturisers) or cleansing with exfoliation. In fact, these products have been revolutionising how Aussies are approaching skincare and beauty routines while ensuring their value. According to a report [done by Euromonitor](#) last year, 41% of Australian consumers prioritise value for money in the skincare products bought, which is a reflection towards a broader trend towards conscious consumerism, and the rise of skinalism and multi-tasking, multi-functional products are an

indication of this.

Inclusivity and Greater Range

Shade diversity is absolutely necessary for a place as climatically and demographically diverse as Australia; many brands today have 30+ and even 40+ shades for their products. Genderless brands are also gaining traction in Australia, where packaging designs, marketing presentations, as well as ingredients and materials components are suited for unisex, and these are most popular for urban markets.

Conclusion

The Australian beauty market will continue to evolve as the years go by, and if you want to start a beauty brand and business in the country, it is crucial to be closely aligned with these aspects in order to succeed. Of course, partnering with wholesalers and established brands that understand the complex nuances that constitute the Australian market can provide you with a great competitive advantage, allowing you to truly make a foray into the industry.

Category

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