

ADVERTISING SUPPLEMENT

ASHLEIGH BARKER, ELLIOT Z. CHEN AND ERIC PERLMUTTER-GUMBINER SHARE INSIGHTS ON THE BUSINESS OF BEAUTY, FASHION AND CONSUMER GOODS

The **Beauty, Fashion and Consumer Goods** roundtable is produced by the LA Times Studios team in conjunction with Ervin Cohen & Jessup LLP; Greenberg Glusker LLP; and Stout.



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When it comes to the ever-evolving beauty, fashion and consumer goods industries, Southern California remains a prominent global leader in terms of trends, innovation, sustainability and protocols.

Many of the leading products and services behind keeping people living well while looking and feeling good are from businesses and organizations that were started and continue to thrive here in Los Angeles and the surrounding areas. In fact, successful beauty and self-care companies are catalysts for significant economic growth in the region.

As the legal and financial landscape around fashion, beauty and consumer products continues to adjust and shift, an increasing number of consumers, businesses and investors are tasked with navigating an often-complex set of rules and best practices. As with any consumer-facing industry, learning about the ins and outs of the sector can be overwhelming.

To take a closer look at the latest developments and trends in the business of beauty, fashion and consumer goods, we have turned to three of the region’s leading authorities, who graciously weighed in for a discussion and shared insights.

Q: WHAT ARE THE BIGGEST BUSINESS OPPORTUNITIES FOR SOUTHERN CALIFORNIA’S BEAUTY, FASHION, AND CONSUMER GOODS COMPANIES OVER THE NEXT THREE TO FIVE YEARS?

A: PERLMUTTER-GUMBINER
The biggest opportunity is turning strong brands into durable businesses. Southern California has always been unusually good at creating brands, communities and cultural relevance. The next step is building the infrastructure around those strengths: disciplined omnichannel distribution, thoughtful international expansion, strategic partnerships and access to the right growth capital. I also expect continued convergence between consumer products, media and the creator economy. The companies that win will not simply have great products. They will understand how to turn customer affinity into multiple revenue streams while maintaining the authenticity that made consumers care about the brand in the first place.

Q: ARE THERE ANY NEW TRENDS IN PROTECTING IP IN THE FASHION AND BEAUTY SECTORS TODAY?

A: CHEN
We have seen a rise in overseas companies targeting local brands with knock-off products and cheaper “dupes,” putting their own brand name on cropped or modified versions of our clients’ imagery and boosting their visibility with influencer marketing. Fashion designs are notoriously difficult to protect with copyright but product photographs are protectable. We have had success with implementing AI-assisted automated reviews of online marketplaces to find and report new instances of infringement of my client’s imagery, including at the international source. Though these strategies are effective in the more blatant instances, I always advise my fashion and beauty clients to seek design patent protection for their most important designs at the time of launch.

Q: HOW IS ARTIFICIAL INTELLIGENCE CHANGING EVERYTHING FROM PRODUCT DEVELOPMENT AND TREND FORECASTING TO MARKETING, CUSTOMER SERVICE AND SUPPLY CHAIN MANAGEMENT?

A: BARKER
AI is evolving from a tool that improves individual functions into one that can connect the entire

organization. For consumer brands, it can identify emerging trends, personalize marketing and optimize spending while using those same demand signals to inform purchasing, inventory allocation and supply chain decisions. Some of the most transformative applications I’ve seen are brands that effectively use AI as an extension of their internal finance function, integrating sales, inventory, marketing and operational data to provide real-time visibility into performance and inform decision-making. The real opportunity is not simply greater efficiency; it is connecting decisions that have historically been made in silos and giving management teams better information, faster, to drive more proactive and profitable growth.

A: CHEN
I have been shocked at the speed of AI adoption, even in “low-tech” industries. Most of my clients are using AI in some form. We have seen extremely powerful examples of AI-assisted trend forecasting in the fast fashion space. Though it is very exciting technology, I advise my clients caution in replacing their employees with AI, particularly for product development. Companies should be aware that fully AI-generated works are not entitled to

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— ERIC PERLMUTTER-GUMBINER

copyright protection. At least for the time being, human design is the safest route. In addition, insurance companies are beginning to include AI exclusions in their CGL Policies. In the near future, small brands may need to consider specialty insurance products to protect against risks from AI customer service mishaps.

A: PERLMUTTER-GUMBINER
AI is quickly becoming less of a discrete initiative and more of a basic operating tool. The near-term opportunity is not replacing the judgment that makes great consumer companies successful. It is giving teams better information and allowing them to move faster. That can mean identifying demand signals earlier, producing and testing creative more efficiently, improving customer service or making inventory decisions with better data. From a business and legal perspective, the companies using AI most effectively are also being deliberate about governance, intellectual property, consumer data and vendor risk. Moving quickly and

building the right guardrails are not mutually exclusive.

Q: SOUTHERN CALIFORNIA HAS LONG BEEN A GLOBAL TRENDSETTER. WHAT GIVES COMPANIES HERE A COMPETITIVE ADVANTAGE OVER BRANDS HEADQUARTERED ELSEWHERE?

A: BARKER
Southern California sits at the intersection of wellness, beauty, fashion, entertainment and technology, giving brands immediate exposure to many of the cultural forces shaping consumer behavior globally. The region’s influence is increasingly attracting international brands as well. A leading K-beauty retailer recently chose Los Angeles as the launchpad for its U.S. expansion, opening its first two stores here as it looks to build a presence beyond its core international market. That decision reinforces Southern California’s position as both an incubator and proving ground for trends that can ultimately move into the mainstream.

Q: LOOKING AHEAD TO MAJOR GLOBAL EVENTS LIKE THE 2028 SUMMER GAMES, HOW SHOULD CONSUMER BRANDS BE PREPARING THEIR MARKETING, PARTNERSHIPS AND PRODUCT STRATEGIES?

A: CHEN
My advice for consumer brands is to start thinking about this now. The 2028 Summer Games are a huge marketing opportunity, and with influencer marketing and viral stars, I expect that individual athlete sponsorships will be highly relevant, even for smaller brands. One thing to keep in mind: There is a specific Federal statute that established the United States Summer Games Committee and gives it exclusive rights to the name and the logo. Though similar, unlike ordinary trademark rights, the Committee has the ability to enforce its rights without a showing of a likelihood of confusion. Companies must be careful to avoid infringement when planning their marketing campaigns. Events that capitalize on the energy, which may seem harmless, may draw cease-and-desist letters at the worst possible time.

Q: HOW ARE BRANDS BALANCING PREMIUM POSITIONING WITH GROWING CONSUMER PRICE SENSITIVITY AND ECONOMIC UNCERTAINTY?

A: PERLMUTTER-GUMBINER

Premium positioning has to be earned. Consumers may be more price-conscious, but they will still pay for products they believe are differentiated, high quality and meaningful to them. The mistake is assuming a premium brand can simply pass through every cost increase without affecting demand. The strongest companies are protecting the elements that make the brand special while becoming much more rigorous about product mix, margins, promotions and distribution. There is also a strategic component: where you sell, how often you discount and which partnerships you pursue can affect brand value just as much as the price on the product.

A: BARKER

Consumers may be more value-conscious, but value does not necessarily mean inexpensive. When it comes to beauty and wellness and products that are part of our everyday routines, consumers have proven they remain willing to pay a premium when they believe a product delivers superior quality, efficacy or an experience they cannot easily replicate elsewhere. At the same time, the proliferation of lower cost “dupe” alternatives has put pressure on the fight for consumers’ wallet share. Successful brands are protecting their core positioning while creating thoughtful entry points through smaller formats, sets or differentiated price tiers. Brands should avoid becoming overly promotional, something that is prevalently seen across social media, which can train consumers to wait for discounts and ultimately dilute brand equity. Premium positioning must be supported by a clear and defensible value proposition in the eyes of consumers.

Q: WHAT ROLE ARE INFLUENCERS AND CONTENT CREATORS PLAYING TODAY COMPARED TO FIVE YEARS AGO? HAS THE INFLUENCER MARKETING MODEL FUNDAMENTALLY CHANGED?

A: PERLMUTTER-GUMBINER

Absolutely. Five years ago, creators were often treated primarily as a marketing channel. Today, the most sophisticated brands increasingly view them as business partners, distribution partners, and, in some cases, entrepreneurs capable of building meaningful companies themselves. The economics are also becoming more sophisticated. Brands are thinking beyond one-time sponsored posts and looking at longer-term relationships, performance economics, licensing, equity and co-created products. At the same time, creators have become much more selective about the brands they associate with. The best partnerships work because the economic incentives and the audience relationship are genuinely aligned.

A: CHEN

Influencer marketing has exploded in the last five years. It has also become quite a bit more professional and regimented. I worked with several beauty and fashion brands who were early adopters of influencer marketing. Just a few years ago, it was the wild west. My clients ended up getting complaints from record labels, after the influencers used copyrighted songs in their videos. From what I’ve seen recently, agencies are building in safeguards against this, even for smaller creators. Though, brands still need to be cognizant that sponsorships are adequately disclosed and that these safeguards are covered in their creator agreements. Previously, my clients would send samples to celebrities in the hopes that their products would be worn publicly. Now, seeding products with niche creators is delivering more personal and measurable results.

Q: DIRECT-TO-CONSUMER STRATEGIES HAVE MATURED. WHAT IS THE RIGHT BALANCE TODAY BETWEEN DTC, RETAIL PARTNERSHIPS, MARKETPLACES AND PHYSICAL STORES?

A: BARKER

There is no universal channel mix, but increasingly each channel needs to serve a specific purpose. DTC provides valuable consumer data and control of brand experience, often serving as the first point of customer acquisition, while retail drives discovery, trial and scale. Online marketplaces provide real reach and convenience for replenishment, while physical stores create experiential touchpoints that digital channels cannot fully replicate. The objective should not be to maximize the number

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of channels or even customers within a single channel but to build an omnichannel ecosystem where each channel is economically attractive, reinforces the brand across all channels and creates a seamless experience for consumers across all points of distribution.

Q: HOW ARE BRANDS NAVIGATING CALIFORNIA’S INCREASINGLY COMPLEX REGULATORY ENVIRONMENT WHILE REMAINING INNOVATIVE AND COMPETITIVE?

A: CHEN

For my clients, the biggest pressure point has been online privacy. The CCPA applies once a company crosses certain revenue or data-volume thresholds, so the requirements can sneak up on a growing brand. Companies should be cautious when adding what seem like “fun” website features, like virtual try-on tools. I advise clients to build a robust privacy compliance framework sooner rather than later. Penalties are assessed per violation, and recent regulatory settlements have reached eight figures. The CCPA’s private right of action is currently limited to data breaches, but that could change. I also advise clients to invest in strong cyber and privacy liability insurance. A viable policy can give brands a lot of freedom to innovate. These policies are not standardized and vary widely in their exclusions, so work with a broker to make sure the policy fits the brand’s risks.

A: PERLMUTTER-GUMBINER

The best companies treat legal and regulatory issues as part of the business strategy, not something addressed after a decision has already been made. That is particularly important in California, where consumer protection, privacy, employment and marketing rules can intersect with virtually every part of a growing consumer business. My advice is usually to identify the areas of real risk early, build sensible guardrails and then let the business operate within them. Good legal advice should help a management team make better decisions and move faster. It should not become a substitute for business judgment or an unnecessary obstacle to growth.

Q: HOW CAN ESTABLISHED BRANDS STAY CULTURALLY RELEVANT WHEN TRENDS MOVE AT LIGHTNING SPEED AND NEW COMPETITORS EMERGE ALMOST DAILY?

A: BARKER

Established brands need to balance consistency with agility. Chasing every emerging trend can dilute what made a brand distinctive in the first place, but ignoring changing consumer behavior creates an equally significant risk. The strongest brands remain anchored in a clear core identity, understanding that they can’t be everything to everyone, while continuously listening to consumers, experimenting with new formats and engaging authentically with emerging communities and creators to broaden their appeal across consumer audiences.

Q: WHAT DO INVESTORS LOOK FOR IN A HEALTH, BEAUTY OR CONSUMER GOODS COMPANY THESE DAYS?

A: PERLMUTTER-GUMBINER

Investors have become much more focused on the quality of growth. A compelling brand and strong topline growth still matter, but sophisticated investors are also asking how efficiently that growth is being generated,

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— ELLIOT Z. CHEN

whether customers return, whether margins improve with scale and whether the company has multiple credible paths to distribution. They also pay close attention to management teams. The best founders understand their customer intuitively but are equally willing to build the financial and operational discipline required for

the next stage of the business. Great consumer companies combine brand magic with very unglamorous execution.

A: BARKER

Investors are increasingly focused on durable rather than purely rapid growth. They want to see genuine consumer demand, strong repeat behavior, attractive gross margins and evidence that growth can translate into sustainable profitability. Omnichannel distribution and healthy retail productivity are important, as is diversification away from dependence on any single customer, product or acquisition channel. Ultimately, investors are asking whether a brand has true product differentiation and consumer relevance to endure, the financial discipline to scale efficiently and a management team capable of executing the next phase of growth.

Q: IF YOU WERE ADVISING THE CEO OF AN EMERGING SOUTHERN CALIFORNIA BEAUTY, FASHION OR CONSUMER GOODS COMPANY TODAY, WHAT ONE STRATEGIC INVESTMENT OR BUSINESS DECISION WOULD YOU PRIORITIZE OVER THE NEXT 12 MONTHS?

A: CHEN

Balance AI enthusiasm with a realistic understanding of what AI can and cannot do. AI is one of the most exciting advancements of my lifetime. At the same time, it is not a replacement for judgment (at least not yet). These tools tend to tell you what you want to hear, and

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— ASHLEIGH BARKER

customers are starting to push back on “AI slop” in marketing and in customer service. I have seen at least one misunderstanding between brand and manufacturer spiral into a full-blown dispute, based on what I strongly believe was both sides using AI to respond to each other’s emails. I expect to see more. AI is a great tool, but sometimes you need to step outside of the echo chamber.

A: PERLMUTTER-GUMBINER

I would invest in building the company for the business you expect to have three years from now, not just the business you have today. That does not mean adding unnecessary overhead. It means making sure the management team, financial reporting, intellectual property, contracts, capitalization and governance can support the next stage of growth. I see companies create enormous value very quickly and then lose time or leverage because the infrastructure did not keep pace. A little discipline early makes financing, strategic partnerships and ultimately M&A significantly easier, while allowing the founders to remain focused on building the business.

A: BARKER

I would prioritize building the infrastructure required for profitable, repeatable growth before aggressively pursuing scale. That means understanding the true economics of every SKU, customer and channel; investing in the right data and operating capabilities; and being disciplined about where incremental capital is deployed. Emerging brands face enormous pressure to grow quickly, but scale without strong underlying economics can create more problems rather than solve them. The companies best positioned for long-term success will build the foundation first and accelerate from a position of strength.