

# BW

## CONFIDENTIAL

### Comment

## The pricing game



There may be worries about deflation in certain European markets, but perfumery retailers continue to complain that brands are suggesting prices for their products that are simply too high. They add that with increased competition for shoppers' spend from a range of industries, such as electronics, consumers will begin to view beauty as not offering enough value for money.

Already, there is little volume growth in Europe and some retailers say that in the past few months, they have been forced to discount or offer some sort of promotion to bring in traffic and sales.

This doesn't bode well for the upcoming holiday season and some analysts foresee a particularly price-focused and promotion-filled Christmas this year.

#### Oonagh Phillips

Editor in Chief

ophillips@bwconfidential.com

### Inside

The buzz News roundup	2
Netwatch Beauty blogger review	5
Interview Puig chief operating officer Javier Bach	6
Insight US Drugstores	8
Show review Luxe Pack Monaco	11
Store visit Marionnaud, Champs Elysées, Paris	14

Meet the *BW Confidential* team at:

- Intercharm Moscow, November 27-30

Stay informed with our  
daily news service at

[www.bwconfidential.com](http://www.bwconfidential.com)

## News roundup

French group **L'Oréal** is to close its mail order business, Beauté Créateurs, in the first half of 2014, due to the weakness of the mail-order business model and difficulties at the division over the past several years. The group's mail-order business was created in the late 1980s and reported sales of €87m in the past 12 months. Beauté Créateurs sells the Agnès b, Cosmence and Professeur Christine Poelman brands, and operates in France, Germany and Japan. France accounts for the majority of its business.

Employees at Beauté Créateurs will be offered alternative employment at L'Oréal.



**Coty** has created a subsidiary in South Africa to manage its business in the country and in 13 other African countries, in a bid to boost its presence in emerging markets. The company has signed an agreement with Indigo Proprietary, a subsidiary of AVI, to become the exclusive manufacturer, distributor and marketer of Coty brands. Indigo was the exclusive licensee of Coty's mass brands in South Africa.

Coty also reported that net sales fell 3% to \$1.18bn and adjusted net income was down by 8% to \$108.3m for its first fiscal quarter

2014, due to slowdown in the mass nail and fragrance categories, particularly in the US, which resulted in retailer destocking.

The company said that it was pleased with its growth in the prestige channel and in emerging markets, which saw sales increase by 8%.

US-based **Interparfums Inc** saw net sales for the third quarter 2013 fall 23.8% to \$126.8m, due to the discontinuation of the Burberry license. Excluding Burberry, sales were up 45%. Net income attributable to Interparfums fell 21% to \$7.9m.

The company said it had a strong launch schedule for 2014, with new fragrances slated for Oscar de la Renta, Alfred Dunhill, Agent Provocateur, Karl Lagerfeld and Shanghai Tang. Interparfums Inc chairman and ceo Jean Madar added that Karl Lagerfeld has the potential to be a brand that will do "over \$50m or close to \$100m" in 2014 to 2015.

Madar said that Asia, especially China, will be an important part of the group's future and that sales in the region are growing rapidly, due in part to the Anna Sui franchise. The company also recently established a subsidiary in Hong Kong to manage global operations for the Shanghai Tang brand.

**China's Food & Drug Administration** (CFDA) plans to remove its mandatory animal testing requirements for cosmetics products manufactured in China from June 2014. As of next year, companies producing 'non-special use cosmetics', such as shampoo or fragrance, will be able to substantiate product safety using existing data for raw ingredients or EU-validated non-animal tests, instead of having to submit product samples to the government for animal testing.

Initially, the new rules will only apply to cosmetics manufactured in China. However, CFDA has stated that once the new system has been established, it may be expanded to include imported products and certain "special-use" cosmetics as well. The Humane Society International, which has lobbied the Chinese government on the issue, said that such a move would be a major step towards removing trade barriers between China and the EU, and would enable cruelty-free companies worldwide to sell their products in China without compromising their 'no animal testing' policies. ■■■

US department store **Macy's** has unveiled a new 24,000ft<sup>2</sup> (2,230m<sup>2</sup>) beauty department at its Herald Square flagship store in New York. The retailer has added luxury brands to its assortment and salon services for nails, brows and hair. The new department also hosts the retailer's concept for niche brands, Impulse Beauty. For more information on the revamped beauty department, see an upcoming issue of *BW Confidential*.

Hong Kong department-store retailer **Lane Crawford** opened a new store in Shanghai in November, with a 2,000m<sup>2</sup> (22,000ft<sup>2</sup>) beauty floor. A 370m<sup>2</sup> (4,000ft<sup>2</sup>) space, called Beauty + Services, puts the focus on personalized services. See our next issue for more details.

Walgreens-owned **Alliance Boots** has appointed Richard Ashworth, Walgreens corporate operations vp for the western United States, to the role of director of healthcare, health and beauty UK and Republic of Ireland for Alliance Boots. Ashworth will report to Simon Roberts, md health and beauty UK and Republic of Ireland.

Spain-based **Puig** has signed a global fragrance license with Italian fashion brand Benetton, to come into effect January 2014. The first fragrance for the brand under Puig will be a masstige women's line. Italian company Perfume Holding previously held the Benetton fragrance license.

## News roundup

■■■ **Procter & Gamble** has made a string of executive changes. Dimitri Panayotopoulos, vice chairman and advisor to the chairman and ceo, is to leave the company. Bruce Brown, chief technology officer, will also leave and will be replaced by Kathleen Fish, currently vice president research & development, global fabric care. Robert Fregolle, global customer business development officer, will retire next June and will be replaced by Carolyn Tastad, currently vice president global market strategy & planning and one go-to-market optimization.

Italian brand **Collistar** has begun rolling out to Karstadt department stores in Germany. The brand will be sold in around 50 Karstadt doors with personalized counters by the end of this year, rolling out to 80 stores in all. "Karstadt is in most major cities around the country, so their geographical presence gives us great visibility," comments Collistar export director Paolo Bevegni. Also on the international front, Collistar plans to begin selling its suncare line in China next year; the company first launched in China in 2012. Collistar's international business is up 27% so far this year, largely due to expansion in China and Germany, but also as a result of solid increases in Poland, Asia, Russia and the Netherlands. International business currently represents 40% of the brand's sales.



Israeli brand **Ahava**, which celebrated its 25th anniversary this year, is looking to expand its offer beyond skincare and bodycare, and enter the prestige haircare and make-up categories. In terms of expansion, Ahava is set to launch in Taiwan by the end of this year and is looking at distribution options to enter China. Ceo Elana Drell Szyfer tells *BW Confidential* that management is considering the possibility of selling the company. "There comes a point in a company's development when you need to take a step up. We may be approaching that time," she says.

In terms of new products, in October, Avaha launched Dead Sea Osmoter Concentrate, a "universal detoxifying product", according to the brand. Containing the brand's proprietary blend of Dead Sea minerals, the product will retail for \$60.

Some 43% of **consumers in mainland China** who earn more than \$48,000 per year purchased beauty products in 2012, according to *China Luxury Forecast 2014*, a new report by public relations specialist Ruder-Finn and market researcher Ipsos. This figure is forecast to reach 50% this year, as consumers reduce their spend on "expensive" categories, such as watches. Over the next 12 months, consumers plan to increase their spend on cosmetics. The majority of consumers polled purchased their cosmetics in Hong Kong this year, versus mainland China in 2012.

The report polled consumers from Hong Kong and tier-one, tier-two and tier-three cities in mainland China. ■■■

**Prestige beauty sales in US department stores** rose 3% to \$2.3bn in the third quarter of 2013, according to NPD Group. Skincare saw the strongest growth, with sales up 5% to \$831.5m; make-up sales rose 4% to \$932.7m; and fragrance remained flat at \$518.8m. In make-up, the eye and lip segments performed best, while sales of skincare sets and kits saw a 14% increase.

**Estée Lauder Companies** (ELC) has appointed Ayaz Furniturewalla vice president, general manager, Aramis & Designer Fragrances, Origins and Beautybank, travel retail worldwide. Furniturewalla was previously vice president global travel retail & Southeast Asia/India distributors for Elizabeth Arden.

### BW Confidential

4 avenue de la Marne  
92600 Asnières sur Seine, France  
contact@bwconfidential.com  
Tel: +33 (0)1 74 63 49 61  
Fax: +33 (0)1 53 01 09 79  
www.bwconfidential.com

ISSN: 2104-3302

**Publisher:** Nicolas Grob

**Editorial Director:** Oonagh Phillips  
ophillips@bwconfidential.com

**Deputy Editor:** Alissa Demorest  
ademorest@bwconfidential.com

**Editorial Coordinator & Assistant:**

Darlene Lim  
dlim@bwconfidential.com

**Contributors:** Tina Clark, Louise Dury,  
Alex Wynne, Renata Ashcar, Mayu Saini,  
Raphaëlle Choël, Corinne Blanché,  
Nadia Di Martino

### Subscriptions

1 year: electronic publication (20 issues) +  
print magazine (4 issues): €499 or US\$699  
subscribe@bwconfidential.com

### Advertising

advertise@bwconfidential.com  
BW Confidential is published by Noon Media  
513 746 297 RCS Nanterre  
Copyright © 2013. All rights reserved.  
Reproduction in whole or in part without  
permission is strictly prohibited.

## News roundup

■ ■ ■ *BW Confidential's* editor in chief Oonagh Phillips moderated a panel discussion on digital marketing trends at the **Beauty 2.0** summit on November 12 in Paris. The discussion looked at how brands can innovate in social media, better build relationships with shoppers online and analyze trends in digital marketing and online sales in the BRIC countries. Speakers participating in the panel discussion included Laure De Carayon, founder of China Connect, Alexandra Soubrier, Unilever digital marketing services general manager marketing analytics and former L'Oréal executive Georges Edouard Dias.

The Beauty 2.0 summit is organized by the Global Cosmetics Community, which hosts the annual InnoCos conferences.

New York-based brand **Bond N°9** founder Laurice Rahmé is to launch a new fragrance brand in 2015. "The niche business is becoming more competitive and consumers are spending less on fragrance. Retail buyers are becoming more selective in their assortment, so brands need to be vigilant and creative," she tells *BW Confidential*.

Beauty brand **By Terry** launched three-axe counters (skincare/make-up/fragrance) at Printemps department stores in Paris, Toulon and Lille in October, with another slated for Lyon in 2014. The brand is revamping its Paris flagship in the coming months and opening a counter at Harrods White Hall location in the UK this fall. By Terry has 1,500 doors in 25 markets.

French company **Sarbec** is launching a new brand with an accessible price positioning called Inessance this fall. For Inessance's first line, the company inked an agreement with the Miss France brand (France's national beauty contest) and will come out with two fragrances in the range: Beauté and Elégance.

Beauté is a floral fruity oriental by Emilie Bouge of Charabot and Elégance is a floral woody oriental by Serge Majoullier from Mane. Both fragrances come in tall glass bottles topped with a decorative ribbon. "The aim of these fragrances is to have the same codes as selective perfume—a good juice, presentation and packaging—but at an affordable price," Sarbec president Eric Jacquemet told *BW Confidential*. "The fragrances will launch in France and abroad, and the collaboration with Miss France will link the scents to the idea of Paris and the image of French femininity

internationally," he continued.

The 50ml EdTs will retail at €12 in France and will be sold in mass distribution outlets in the market. Sarbec will sell the fragrances exclusively at supermarket chains Leclerc and Intermarché in France until the end of the year, before rolling out to other retailers. The company is in negotiations with distributors for the international rollout.

Italian company **Beauty San**, owner of the Costume National brand, is launching a new scent called Cyber Garden this fall. Composed by Takasago senior perfumer Antoine Lie, the scent is green and fresh—a departure from the brand's traditionally woody amber fragrances. It comes in a green bottle with a chrome lacquer effect.

This is Costume National's ninth fragrance. ■



## BW JUST GOT BETTER

Now news headlines daily on [www.bwconfidential.com](http://www.bwconfidential.com)

- All major news on the industry now published every day on our website
- News headlines complement analysis and interviews in our electronic publication and print magazine
- BW Confidential becomes a destination for keeping up-to-date with what's going on in the industry and staying ahead of the competition

The inside view on the international beauty industry

- The website - daily news
- The electronic publication - every two weeks
- The print magazine - four times a year



## Beauty blogger review

The products they're talking about



### **Tarina Tarantino Floriculture Eyeshadow Palette.**

The Floriculture Eyeshadow Palette, which offers eight eyeshadow shades inspired by flowers, is described as having soft and finely milled formulas with strong pigments that are long-wearing. According to this blogger, the eyeshadows last for nine hours without creasing or fading. She also points to the quality texture of the brand's powder products. The eyeshadows in the

palette are also twice the size of average eyeshadows, providing more value for money.

[From: [www.temptalia.com](http://www.temptalia.com) ]

**Kevin Murphy Color.Bug.** Presented in a hand-held pod design, the Color.Bug hair color powder by hair stylist Kevin Murphy is praised for its simplicity and the fact that the color can be washed out. This blogger remarks that the product is easily applied, allows for different degrees of color and washes out without leaving a mess. On the downside, a trace of color is said to stay on the hair after it has been washed.

[From: [www.babillages.net](http://www.babillages.net) ]

**Koh Gen Do Aqua Foundation.** This foundation is said to give the skin a smooth and even skin tone. It goes on evenly and feels "like nothing", says this blogger. The foundation does not give the skin a cakey look, thanks to the product's pigments. Applied with the Pearl White make-up base, the foundation is also said to illuminate the face and give it a "backlit glow".

[From: [www.snobessentials.com](http://www.snobessentials.com) ]



**Kimberly Sayer Ultra Light Facial Moisturizer SPF30.** This facial moisturizer was recommended for its non-toxic, light moisturizing properties, and natural mineral sun-protection formula. The formula is said to be easily absorbed and is ideal for everyday use. The writer also said that she enjoyed the strong, citrusy scent. The product also comes in a 120ml pump bottle, which is twice the size of most other moisturizers.

[From: [www.beautylovin.com](http://www.beautylovin.com) ]

### Their comments & conversations

- **Halloween looks and tutorials** have popped up online, as bloggers tested themed products and looks. Along with black, smoky looks and horror-inspired make-up effects, hairstyles and nails are a much-discussed topic. Innovative product picks include glow-in-the-dark products like Make Up For Ever's Fluo Night translucent powder and Claire's Glow in the Dark nail polish. Another favorite for autumn is the Pumpkin bubble bar by Lush, which turns the bathwater a vivid orange color and is scented with ylang ylang oil and orange flower absolute.
- The effectiveness of **natural haircare products** has been much talked about with sulfate-free and silicone-free formulas being recommended to promote shiny hair and reduce irritation in sensitive scalps. Bloggers praise the quality of natural brands like Weleda and Desert Essence. However, the higher cost of natural and organic haircare is a concern, as well as the fact that these items are not always suitable for daily use or all hair types.

## Puig chief operating officer Javier Bach

### On the up and up

Spain-based Puig coo Javier Bach tells *BW Confidential* about the group's plans for its brands and emerging markets



#### Are you on track to achieve your target of having a 10% share of the global prestige fragrance market?

Yes, we have been consistently gaining market share in the past nine years. In terms of sell out for prestige fragrances, we expect to grow at more than twice the rate of the market and land at around 8.5% value market share by the end of this year. So we are on track to meet the 10% objective and become a top-five player in the coming years.

#### Given the crisis in Europe, will you look at a more promotional strategy?

Our position in Europe has strengthened in recent years. We aim to approach 9% value market share by the end of next year. We have a strong position in France, Spain and the UK, and have seen great development in markets like Germany and Italy. The market is obviously challenging, with very poor growth. The point is, how do you react to that? There are some dynamics that may affect the attractiveness of the category that worry us, but we try to innovate, to bring products with a bit of risk and emotion, and to communicate their stories at the pos, rather than get drawn into promotional madness. This is a model that is working for us, as we are gaining share. A great example has been the launch of Invictus by Paco Rabanne. In key markets like France or the UK, it is the number-one launch with very high shares, and thanks to that, in the UK [October year-to-date], Paco Rabanne is the number-one brand in the men's market.

#### Can you sustain this growth after the initial launch period?

Look at 1 Million—it is six years old and still growing. We have a new ad campaign and new animations every year to anniversary the brand and boost awareness.

#### Will you look to bigger marketing investments to sustain growth?

We are number six in the global prestige fragrance industry, so we are not the biggest group, nor the biggest investor. Our size forces us to be focused and choose our battles carefully. Not everything is about big marketing investments; it's also about having the right mix, innovative strategies and a great team.

#### How can you build your position in the US?

We are a small player in the US, but we have the fastest growth rate [in the fragrance market] year-to-date. Last year, our US business grew by 31% and we have doubled our market share there in the past three years. The retailers in the US do not see Puig as a big company, but as a generator of growth. In the US, Prada's Luna Rossa is in the top 10 in men's fragrances, 1 Million is in the top 17, and we have a good base in women's with Prada and Valentino. We are forecasting high growth there for the coming years, with our target brands for the US being Prada, Paco Rabanne and Valentino. ■■■

“ We are strong in Latin America and have a stronger-than-average share in the Middle East, Russia and African markets

”

Puig chief operating officer  
Javier Bach

#### Puig

- **Key prestige brands:**  
Paco Rabanne, Prada, Valentino, Nina Ricci, Carolina Herrera
- **Net sales fiscal 2012:**  
€1.49bn, +11% vs 2011
- **Net income fiscal 2012:**  
€173m, +12% vs 2011
- **International sales:**  
83% of total
- **Share of global prestige fragrance market:**  
8.5% (end 2013)

## Puig chief operating officer Javier Bach

### ■■■ How can you boost your position in emerging markets, especially Asia?

Emerging markets are our main focus. When I compare the weight of emerging markets for our industry and for Puig, we are 10 points above the industry average. We are strong in Latin America and have a stronger-than-average share in the Middle East, Russia and African markets. In Asia, we need to differentiate, since there are many markets in the region that have a strong affinity for fragrance, like Malaysia and Indonesia. We follow a different approach market by market, with different time horizons in mind.

As for China, the fragrance market is still quite small, although we are seeing significant growth rates. And when we look at China we don't just look at the local market, but at the Chinese consumer and traveler and the impact that has on travel retail. One of the challenges in some emerging markets is distribution and how to reach consumers with an underdeveloped retail network. This is the case in China, where retail is still developing and we are building on that base. The barriers to entry were lower a few years ago and doing business there was less expensive in the past than it is now; it will clearly be more expensive in the future, so the sooner you build your base there the better. The big battle in China is among three-axe brands, especially in skincare. But in fragrance, the name of the game is still distribution and how you are positioned at the point-of-sale. Media cost is high, so you have to go to the market in a targeted way with digital playing a big role.

### How can you build your prestige portfolio in Brazil?

In Brazil, we are the biggest company in prestige fragrances and Carolina Herrera ranks number one. We have a portfolio of our own brands and we also distribute other brands there; this is an important part of our strategy, as you need critical mass. Prestige is a small part of the market, but we see a trend of consumers upgrading and retail is developing, with strong operators like Renner, Sephora and O'Boticario accelerating expansion in the country. Retail will continue to develop, even if there is an important price differential between the local market, the rest of the world and travel retail.

As for our masstige and lifestyle brands, like Antonio Banderas, Shakira and Juliana Paes, we are looking at other possibilities for distribution, such as the pharmacy channel. There is an opportunity in this channel and it is something that we have seen working very well in other countries in Latin America, like in Chile or Argentina.

The "Brazil cost" is a challenge. We cope with it by increasing our critical mass, being more efficient and becoming more of a local player. We also look at the impact our local business has on travel retail when assessing the overall situation.

### How do you see beauty retail evolving in general?

The digital challenge both for brands and retailers will be transformational for the industry. It is changing how consumers reach brands, how consumers buy and how the industry provides service to the consumer. We all will need to master how to reach consumers in different ways and at any time. Physical pos will always be critical, not only as selling points, but also as touch-points where the consumer can experience the brands and the products, even if sales happen through the web. These changes will give also other players the opportunity to enter markets where they are not present today. Take for instance Amazon in the US and how they could challenge the retail landscape in many categories. ■

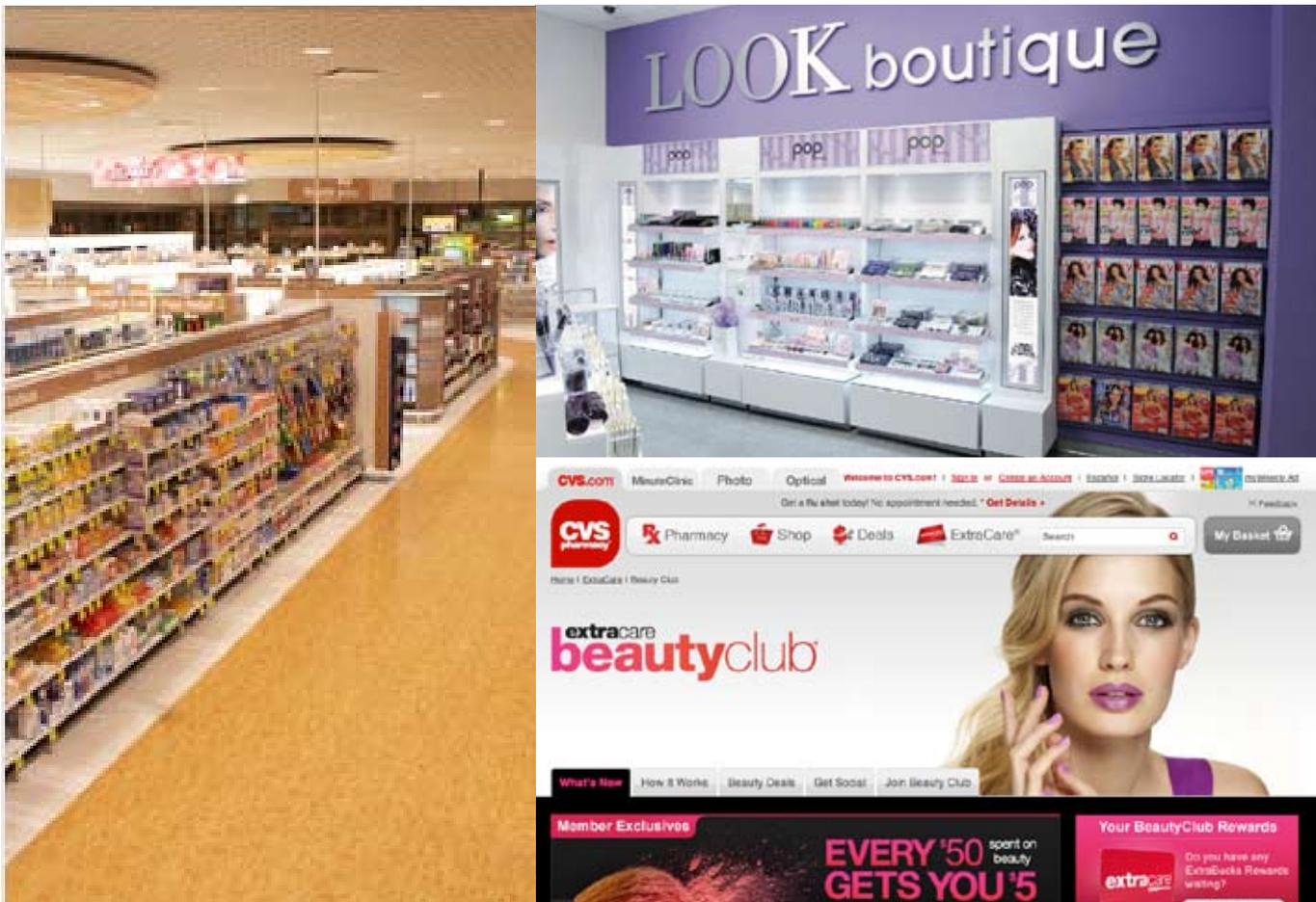
“ The digital challenge both for brands and retailers will be transformational for the industry. It is changing how consumers reach brands, how consumers buy and how industries provide service

”

Puig chief operating officer  
Javier Bach



▲ Paco Rabanne's new launch Invictus claims high market shares in France and the UK, according to Puig, while Prada's Luna Rossa is in the top-10 men's fragrance ranking in the US



▲ Rite Aid's Wellness store (above), Duane Reade's Look Boutique (top right), CVS' Beauty Club website (bottom right)

## US drugstores

### Beauty in focus

Drugstore operators in the US are getting more creative on the beauty front. *BW Confidential* analyzes beauty's role in the channel

The drugstore channel accounts for 18% of total beauty sales in the US, according to Kline & Company's *Beauty Retailing USA 2012* report. The top-three drugstore chains account for 16% of beauty sales in the channel, and their share is set to grow as they continue to acquire smaller regional chains in the country. "US drugstores are an incredibly shrinking space [in terms of the number of players], but the channel is holding its own and is picking up a certain share of beauty," comments retail consultancy WSL Strategic Retail ceo Wendy Liebmann.

Beauty has become more of a priority for these retailers, due both to the adverse effect of generic drugs on their bottom line and the need to attract younger consumers. "Drug chains are looking to cosmetics and toiletries as a key area for expansion, devoting more floor space to personal care, and expanding product and brand assortment," comments Kline & Company industry manager consumer products Nancy Mills. According to Euromonitor, ■■■

“ The big message is that retailers are now looking at data and becoming more discriminating with services, customizing them to the location

”

WSL Strategic Retail ceo  
Wendy Liebmann

## US drugstores

■■■ drugstores accounted for 16.2% of US beauty and personal-care sales in 2012, versus 14.2% in 2007. Retail sales through the channel came to \$11.2bn last year, an increase of 9.1% on 2011.

### Banking on differentiation

This focus on beauty has led to a range of new concepts and several attempts from drugstores to upgrade their offer. In November, Rite Aid launched Beauty Vision in a handful of its wellness stores, a concept that offers a mix of prestige and niche brands, such as Senna Cosmetics and Beautyblender, as well as a nail bar and dedicated beauty advisors.

On the whole, drugstores are looking more to stocking trendy or niche brands to create a point of difference, rather than courting classic prestige brands where they often are unable to get supply—CVS tried this approach, and failed, through its now defunct Beauty 360 concept. “With department stores doing better in today’s economy, there is less reason for traditional prestige brands to court the middle market,” explains WSL’s Liebmann.

However, drugstores continue to push beauty services. Walgreens-owned Duane Reade offers brow, nail and blow-dry bars in its Look Boutiques, while CVS introduced a nailcare kiosk, called Nail HQ, in more than 2,000 locations last year. The display showcases items that include nail polish from Essie and CVS house brand Nuance Salma Hayek, as well as gel kits for home use from Sally Hansen. “The big message is that retailers are now looking at data and becoming more discriminating with services, customizing them to the location,” Liebmann notes.

Private-label beauty is also a focus, as consumers seek out value-added commodity products. CVS, for example, rebranded its private-label brand, Essence of Beauty, this year; it now offers more than 100 bath, body and fragrance skus. The retailer launched a dedicated website for the range, which features a series of video interviews with the “master perfumers” who created the line’s fragrances.

As drugstores continue to fine-tune their offer and buy smaller chains, competition in the channel is set to heat up. “In the future we’ll see beauty delivered in different drugstore chains in slightly different incarnations,” explains WSL’s Liebmann. This is good news for what was once considered a run-of-the-mill shopping experience.

The Alliance Boots deal saw Walgreens launch Boots’ No 7 line in its stores last year, and Boots No 7 Men in June 2013

## US drugstores at a glance

### Walgreens

**N° of doors: 8,131**

**Recent initiatives and strategy:** The big news at Walgreens last year was its merger with UK-based Alliance Boots. The Alliance Boots deal saw Walgreens launch Boots’ No 7 line in its stores last year, and Boots No 7 Men in June 2013. It also sells the No 7 brand online at Beauty.com and Drugstore.com. (In 2011, Walgreens purchased online health and beauty retailer Drugstore.com, which also included the sites Beauty.com and Skinstore.com).

Last year, Walgreens also purchased a regional drugstore chain in the southern US that included 144 stores under the nameplates USA Drug, Super D Drug, May’s Drug, Med-X and Drug Warehouse. This year, Walgreens acquired Kerr Drug, a 72-door chain based in North Carolina. ■■■

## US drugstores

■ ■ ■ Walgreens is integrating Duane Reade's Look Boutique beauty stores, which offer a mix of mass, masstige and niche brands, and a wide range of services, into its large-format and flagship stores. It opened a west coast flagship store in Los Angeles in November 2012 that features a Look Boutique, and its store in New York's Empire State Building also houses the concept, as well as a brow bar and "dozens of prestige and niche cosmetic, skincare and haircare brands not typically found in drugstores," according to Walgreens. Duane Reade opened a store in downtown New York City in 2012 that does not feature the Look Boutique, but has a nail bar, a make-up brush bar and a fragrance bar in partnership with niche brand Demeter. It is thought that Duane Reade will have some competition from Rite Aid's newly launched Beauty Vision concept.

### CVS

**N° of doors: more than 7,500**

**Recent initiatives and strategy:** CVS closed its Beauty 360 concept in May 2012. Launched in 2008, the concept had 25 locations and an e-commerce site, and featured high-end merchandising with a brand portfolio that included Ahava, Zirh and Strivectin, as well as services like express make-up application. The retailer was said to have trouble securing deals with major prestige brands. In addition, the Beauty 360 stores were adjacent to CVS stores, and some brands felt there was not enough separation between the high-end concept and the traditional drugstore offer. Today, however, CVS is said to be gaining on its competitors in beauty. It has dedicated beauty advisors in 900 stores nationwide and features Healthy Skincare Centers in its beauty departments where BAs perform skin analyses.

CVS is said to be more aggressive online than its rivals, thanks to its Beauty Club, which offers members \$5 off beauty purchases for every \$50 cumulatively spent on the category, and gives beauty tips and advice via its Beauty Club Facebook and Twitter pages. On Facebook, fans can communicate with CVS celebrity make-up artist Mikey Williams, who is also part of CVS's Beauty Board, a panel of "beauty experts".

In terms of exclusive brands, CVS launched a line in collaboration with actress Salma Hayek in 2011 called Nuance Salma Hayek, which includes make-up, skincare, haircare and toiletries; the brand launched a nail polish collection last year. The retailer's own brand, Essence of Beauty (bath, body and fragrance), was rebranded this year and now includes around 100 skus.

### Rite Aid

**N° of doors: more than 4,600**

**Recent initiatives and strategy:** Rite Aid is rolling out an ambitious new in-store concept called Beauty Vision, which features a mix of niche and prestige brands and has dedicated beauty advisors. The concept launched in several stores and includes a nail bar with brands such as Essie and Julie G. "Niche brands, in this instance, are setting the tone and making the beauty department look just a bit different. The area creates a nice entrance into the mass offer. However, these are not high-volume brands," warns WSL's Liebmann. ■

## Luxe Pack Monaco Packs on show

*BW Confidential* reports on what was seen and heard at packaging trade show, Luxe Pack Monaco, which took place from October 23 -25, 2013



Suppliers may have complained about the state of market in 2013, but for the most part, they were positive about this year's edition of packaging trade show Luxe Pack Monaco. The show welcomed 7,439 visitors, up 6% from 2012. Exhibitors hope this turnout is an indicator that business will improve next year. Most suppliers said that 2013 had been a difficult year, but added that there were some signs that the market was shaping up to be a little better for 2014.

Packagers stated that brands are still averse to taking risks and making big investments when it comes to new products, and that in fragrance, for example, the focus is still on flankers rather than bringing out major new launches. Some glassmakers also pointed out that brands looking for innovation need to pay for it. "Glassmaking is a heavy industry with fixed costs and brands need to give us the means to innovate. The future of the glassmaking profession is in the hands of our clients," commented Bormioli Luigi marketing director Frédéric Montali.

One positive point for glassmakers in the West, according to exhibiting companies, is that brands are beginning to move away from sourcing bottles and jars in China and returning to companies in Europe, given the shipping costs from Asia and the need to be closer to their suppliers.

Another trend that suppliers noted is mass brands' move into more premium territory with their packaging, whether in terms of the materials used or decoration techniques.

Next year Luxe Pack Monaco will be held from October 27-29.

### Seen in show

German company **Awantys** showcased its range of porcelain primary packaging, which includes bottles and jars in 30ml, 50ml and 100ml formats. "Porcelain packaging conveys an image of luxury and is also an original option for brands to differentiate their products," comments Awantys ceo

Carsten Wolansky. The company claims that the porcelain packs also have technical benefits: they are durable, as well as heat and scratch resistant, meaning the brand name does not wear off. The porcelain items can be decorated with customized designs in all colors.



French group **Dupont** showcased a new decoration technology called Surlyn 3D textile overmoulding, which uses Surlyn to encapsulate textiles in bottles and caps. Dupont partnered with Oriol & Fontanel, a specialist in luxury woven ribbons, to create the technique. The process involves over-moulding Surlyn resin on a bottle or cap dressed with textile. The technique enables the textile to be protected, and so can be used for even fragile fabrics, such as lace. ■■■

### Luxe Pack Monaco

**Held:** October 23-25, 2013

**Exhibitors:** 400

**Visitors:** 7,439, +6% vs 2012

## Luxe Pack Monaco

■ ■ ■ Glassmaker **SGD** put the focus on travel-sized items, given the growth in global traveler numbers and the importance of the duty-free channel. SGD teamed up with Alkos, Bioplan and Technicaps to present the First Class Beauty Set, three small-format items adapted to traveling. The kit's Micellar Water cleanser comes in a plastic-coated bottle, which protects the glass against shock and so is said to be "travel-proof". The Moisturising Elixir Serum is an example of a travel-friendly roll-on applicator, which can be used for trial kits or travel sets. It is a 7ml molded glass bottle, which can be paired with a roll-on ball or spray pump, and can be used for skincare, fragrance or make-up. The Creamy Pearly Eyeshadow showcases SGD's expertise in pad printing, a technique used to decorate non-screen printable areas, such as the bottom or shoulders of a jar.



Dispensing company **Aptar** presented Precious, a spray that claims to combine gentle actuation with a gradual diffusion of liquid. The spray is actuated using gentle pressure and the liquid is dispensed gradually and continually, delivering a mist-like effect. The company says the spray offers a softer and more feminine gesture for dispensing fragrance. For skincare, Aptar showcased Sermony (pictured), a pen-like product that claims to deliver a precise dose of formula by clicking once on the button at the top. It is designed for high-end serums, where there is a need to apply only a small quantity of formula. The airless system protects concentrated formulas and the metal components of the pump do not come into contact with the cream.



German company **Geka** presented two new mascara brushes and a lip applicator as part of its We love Neon collection. Runway Star is a new molded brush where the bristles are in the shape of curved hooks to provide a volume effect; there are also four-edged bristles at the tip to separate the lashes and to give a push up effect. Sweet Twist is a twisted wire extra large brush to provide volume for the lashes. It has spiral-shape bristles for combing and curling effects. The lip product on show, called Lip Magnifier, is a diamond-shaped applicator that allows for precise application.



**Albéa** presented its Artist Bubble (pictured), a tube with a sponge applicator. The applicator can be used for concealers, eyeshadows or lip glosses, and the compact size of the tube is said to meet the needs of consumers on the go. It also showcased a range of volumizing mascara brushes that are intended to style the lashes. The range includes XXL, whose bristles are organized in staggered rows meant to hold the formula for a quick load to the lashes; HD, which has vertical curved bristles to help comb each lash, and Curl, a curved comb that claims to curl the lashes.



Packaging company **MWV** showcased its Emotions of Spray Collection, a range of pumps that claim to tailor the spray experience to the personality of the fragrance. The company added three new sprays to the collection (there are now a total of six in the range). Melodie Pure provides a prolonged, soft spray, fine atomization and controlled actuation and is said to be adapted to water-based formulas. Melodie Delicate is a small and focused spray, which the company describes as soft and soundless, corresponding to a "feminine" spray experience. Maestro Extravagant offers a voluminous spray mist with a long and sustained spray pattern. ■ ■ ■



## Luxe Pack Monaco

■■■ Glassmaker **Pochet du Courval** presented Texture 2, which expands the company's Texture technology, a technique that enables it to micro-engrave tactile dimensions on glass surfaces. With Texture 2, Pochet can now include textured effects on all parts of glass bottles and jars, including the shoulders and sides.

**Solev** (part of the Pochet Group) presented a decorative metallization technology that creates a vintage effect on bottles and jars. Using metallization, laser and color techniques, the company can produce a range of patina and used effects for a wide range of colors. At the show, Solev illustrated this using colors and designs from Indian culture (pictured).

**Topline** presented what it calls a new generation of sponges that adapt to different types of make-up products and different parts of the face. The sponges have different densities, offering rigid or flexible options, with shapes adapted for application to the eye contour area and the sides of the nose. The sponges are fitted with aluminum handles. The company also unveiled Pile 'n Apply, a 3-in-1 stackable applicator designed for consumers on the go, which features three different applicators that click together to form one stick.

Sampling supplier **Bioplan** (Ileos group), showed The Chameleon, which it describes as 'invisible sampling'. Designed to be stuck to a paper medium, it can be precisely inserted into a print ad, for example, and is thereby integrated into the overall visual design. ■



In-depth coverage of the global beauty market

Distribution at all the industry's major international events

...TFWA World Exhibition Cannes • Beauty World Middle East Dubai • PCD Paris Cosmoprof Worldwide Bologna • China Beauty Expo Shanghai • In Cosmetics Paris Duty Free Show of the Americas Orlando • Intercharm Moscow • Esxence Milan Luxe Pack Monaco • Beyond Beauty Paris • TFWA Asia Pacific Singapore Luxe Pack New York • Cosmoprof Asia Hong Kong • Pitti Fragranze Florence Elements Showcase New York • Mondial Spa Beauté Paris • Luxe Pack Shanghai Make Up in Paris • HBA Global Expo New York...





## Brand building

Marionnaud looks to enhance its image and showcase French luxury at its revamped flagship store on Paris' Champs Elysées

Perfumery retailer Marionnaud's newly renovated French flagship store on Paris' Champs Elysées is intended to boost the company's brand image, both at home and internationally.

The store, which closed for renovation on May 26 and re-opened on November 8, puts the spotlight on showcasing French luxury in a bid to cater to the strong tourist traffic at the boutique—some 54% of customers at Marionnaud's Champs Elysées outlet are foreigners.

"We have invested several million euros in revamping the store, and while we need to make a return on this investment, but the return I'm also looking for has to do with the Marionnaud brand renewal. The store is important internationally and for enhancing the brand, and should embody what we stand for in terms of service," Marionnaud ceo William Koeberlé tells *BW Confidential*. It is hoped that the revamp will enable the store to quickly double its sales.

Koeberlé adds that the Champs Elysées store renovation symbolizes work that has been done at the chain—more than 200 stores in France have been revamped since 2011 and the chain's full store network should be completely renovated by the end of 2015.

Prestige French brands such as Hermès, Dior, Chanel and Yves Saint Laurent can be found at the revamped flagship's entrance; the brands' signage has been designed to stand out. The main part of the store is devoted to fragrance and, in addition to well-known names, there are a selection of high-end niche collections, such as Armani Privé, Penhaligon's and Serge Lutens.

To help shoppers find out more about fragrance and the brands on offer, the store developed a Scentlab, in association with the L'Oréal Group, which allows shoppers to smell a fragrance's top, heart and base notes. In the fragrance area, there is also a library of curio cabinets, which four brands can customize with objects, images and videos, and thematic tables with new items or cult fragrances, as well as gift boxes and miniature perfume sets, aimed at tourists.

The store gained an additional 100m<sup>2</sup> (1,076ft<sup>2</sup>) (the total store now covers 600m<sup>2</sup> or 6,458ft<sup>2</sup>) through the installation of a mezzanine, which houses the make-up area. The area is designed to reflect the backstage atmosphere of a fashion show, and a range of services are offered, including flash makeovers and manicures. There is also a digital mirror where shoppers can take pictures of themselves and upload them to social networks.

At the back is the skincare area, which features two skin diagnostic tools: one from Marionnaud-exclusive brand Ioma and another for other skincare brands at the store.

In addition to diagnostic tools, makeovers and nails bars, Marionnaud has sought to put the focus on service by doubling the number of its BAs at the store from 40 to 80. ■

### Marionnaud Champs Elysées

- **Location:**

Champs Elysées,  
Paris, France

- **Opened:**

November 8, 2013

- **Size:** 600m<sup>2</sup>

(6,458ft<sup>2</sup>)

- **Special features:**

Scentlab for learning about fragrance, makeover services, nail bar, skincare diagnostic tools, digital mirror

# Store visit



▲ The revamped store is dotted with thematic tables featuring new items and cult fragrances, as well as gift boxes and miniature perfume sets



▲ The store aims to showcase French luxury and major brands' signage is designed to stand out. The make-up area has been designed to evoke the atmosphere of a backstage fashion show

