

# BW

## CONFIDENTIAL

### Comment

## Beyond beauty



A key talking point in the industry is the rise of small brands and their impact on the market. This is particularly evident in make-up and fragrance. In make-up, for example, new, small players are collectively taking share from some of the leading brands, and are often well ahead of their larger counterparts when it comes to social-media interactions.

This trend is not limited to beauty, and in other sectors is by no means new. Some of today's biggest names in business—Amazon, Google and Facebook, for example—were small start-ups just 20 years ago (or in Facebook's case, 12 years ago), but today are giving traditional retailers and media companies a run for their money. Analysts say that if beauty had analyzed these wider trends more closely it could have been better prepared for the onslaught of the new brands coming onto its market. They add that in light of this, industry players should take into account other changes that other industries are now undergoing, especially in terms of distribution and services, to see what is likely to hit their world just a few years down the line.

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- Esxence, Milan, March 23-26
- Duty Free Show of the Americas, Orlando, March 26-29

## News roundup

### At a glance...

- **Shiseido Americas acquires MatchCo**
- **L'Oréal's Agon confident for 2017, highlights digital**
- **Sisley launches new fragrance**

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## Strategy

**Shiseido Americas Corporation** has acquired **MatchCo**, a company that uses technology to provide consumers with customized foundation. Shiseido said that it expects to develop the model beyond foundation. MatchCo, founded in 2013, will become part of Shiseido's Global Makeup Center of Excellence in New York.

South Korea-based **Amorepacific** has signed a memorandum of understanding with Korean wireless telecommunications operator SK Telecom to improve the analysis of big data and to deliver internet of things-enabled smart beauty services.

At his New Year's address to the press in Paris on January 24, **L'Oréal** ceo Jean-Paul Agon said he expects the market in 2017 to be volatile, as it was in 2016, but underlined that he is confident and enthusiastic for the year ahead. He highlighted that the group would continue to work on adapting to today's fast-changing market, with a strong focus on digital. Agon outlined key areas of change as the trend for personalization and the need for brands to have direct relationships with their consumers. "Consumers want almost an individual relationship with brands and this changes how we communicate with them. Distribution is also changing with e-commerce and [branded] boutiques, as consumers want a direct contact with brands," he explained. Agon stated that e-commerce is now the group's fourth-largest subsidiary.

In other news, **L'Oréal** unveiled five beauty tech start-ups that made the cut for its accelerator program. The program is the result of L'Oréal's investment in Founders Factory, a UK-based digital accelerator and incubator. Each year L'Oréal and Founders Factory will support five early-stage start-ups and co-create two new businesses as part of the incubator program. From the 180 applications, the following five were selected for the six-month accelerator program:

**InsitU:** which offers personalized, natural skincare available through an online store.

**Preemadonna:** whose Nailbot device and app allows users to design and print art onto their nails, using their phone.

**Tailify:** a UK-based company that connects brands with social-media influencers to create campaigns, while enabling those influencers to track and monetize their content.

**Veleza:** an app-based community of beauty fans, providing advice and product reviews in real time.

**Cosmose:** which uses location technology to help retailers to target offline customers through online channels. ■ ■ ■



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## News roundup

Private-equity firm **L Catterton** has invested in US-based e-commerce beauty brand Kopari Beauty. Kopari Beauty markets a range of coconut oil-based beauty products and was launched in late 2015 as a direct-to-consumer brand. The brand subsequently launched on QVC, followed by Sephora.

LVMH-owned beauty brand **Guerlain** has signed up actress Angelina Jolie as spokesperson for its upcoming women's fragrance. The new fragrance, slated to hit the market in March, is set to be a major launch for the French brand.

French cosmetics industry cluster **Cosmetic Valley** is out to boost its critical mass, enhance its international profile and promote France's position in the global market in the face of growing competition from elsewhere, such as South Korea with the K-beauty trend. In a bid to do so, Cosmetic Valley president Marc-Antoine Jamet (pictured) unveiled a string of measures. They include: changing its status to allow companies from all regions in France to join the organization, in addition to those outside its cradle in the center of France, and the expansion of the Cosmetic Cluster International Network, which launched last October to provide common services to members for global development. Other measures include better coaching of small firms in international trade fairs, and efforts to increase the budget for these companies from French development agency Business France. To boost its soft power, the cluster will organize conventions and produce its own standards to avoid dependency on European regulations. Investments are planned in digital and big data projects and the next Cosmetic 360 show (which is organized by Cosmetic Valley and launched in 2015) in October 2017 in Paris will dedicate 800m<sup>2</sup> (8,611ft<sup>2</sup>) to start-ups. Cosmetic Valley totals 800 companies and €26bn in turnover.



## Retail

The joint venture between **Dufry** and **DFASS** has won the duty-free stores concession for El Dorado International Airport in Bogotá, Colombia. The 10-year concession agreement with airport operator Opain will comprise close to 2,200m<sup>2</sup> (23,680ft<sup>2</sup>) of retail space.

Dufry has also extended its World Duty Free concession in the airside departures lounge at Jersey Airport in the Channel Islands for a further 10 years. The new contract will increase retail space by 260m<sup>2</sup> (2,799ft<sup>2</sup>) to a total of 750m<sup>2</sup> (8,073ft<sup>2</sup>).

US-based **Walgreens Boots Alliance** and retail pharmacy chain **Rite Aid** Corporation have amended their merger agreement to reduce the acquisition price. Under the new agreement Walgreens Boots Alliance will pay a minimum of \$6.50 per share and a maximum of \$7.00 per share. Walgreens Boots Alliance will be required to divest up to 1,200 Rite Aid stores to obtain regulatory approval, 200 more than it had originally agreed to divest. The companies have also extended the closing date of the deal to July 31, 2017, to provide them with extra time to obtain regulatory approval.

US-based subscription beauty box service **Birchbox** is to open its second brick-and-mortar standalone store, located in Paris. Birchbox's first store opened in New York and the Paris boutique is the company's first outlet in Europe. The new 200m<sup>2</sup> (2,152ft<sup>2</sup>) Paris store is slated to open in April 2017. ■ ■ ■

## News roundup

■■■ Baltic ferry and short-cruise operator **Tallink** has introduced a two-floor store for the first time on its busiest route from Tallinn in Estonia to Helsinki in Finland, on a new vessel called Megastar. The new, two-deck 2,800m<sup>2</sup> (30,139ft<sup>2</sup>) shopping space is twice the size of the previous offer that was available on the fast ferry Superstar—and the core beauty category has a prime position on the main level. The beauty area covers about 350m<sup>2</sup> (3,767ft<sup>2</sup>).



## Results

French group **LVMH** reported what it called record results for 2016, with sales up 5% (+6% on an organic basis) to €37.6bn and an 11% increase in net profit to €3.98bn. Profit from recurring operations reached €7.03bn, an increase of 6%. The company said all divisions apart from selective retailing contributed to profit growth.

Sales in the perfumes and cosmetics division rose 6% (+8% on an organic basis) to €4.95bn. Profit from recurring operations was up 5% to €551m. The company said that Parfums Christian Dior grew its market share in all regions, driven by Sauvage, J'adore and Miss Dior. For selective retailing, sales were up 7% (+8% on an organic basis) to €11.97bn. Profit from recurring operations fell 2% to €919m. The company said travel retailer DFS continued to be impacted by a difficult environment in Hong Kong, while perfumery chain Sephora posted double-digit growth in both revenue and profits and gained market share across all regions. Sephora opened more than 100 stores in 2016.

France-based **Interparfums SA** posted sales of €365m in 2016, up 11.7% at current exchange rates. At constant exchange rates, sales increased 12.5% from the previous year. Sales of Montblanc fragrances grew 25% for the 2016 financial year to €110m. Interparfums said that Coach fragrances outperformed expectations for their launch, generating sales of more than €20m in six months. Sales for Jimmy Choo fell 2% to €81.7m, and those for Lanvin were down 13% to €56m. Rochas fragrances saw sales of €29.2m for 2016 (its first full year of activity having been acquired by Interparfums in 2015). Interparfums said that for 2017, sales could reach between €385m and €390m.

French brand **Lancôme** claims its La Vie est Belle fragrance was the top-selling prestige women's scent in France in 2016 for the third year running. ■■■



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## News roundup

### ■ ■ ■ Data

Sales of **prestige celebrity fragrances** in the UK fell by 22% to £44.21m (\$55m) in 2016, according to The NPD Group. In December 2016, sales of celebrity fragrance gift sets were down 42% in value compared to December 2015, while sales of fragrance juices fell by 18.6%. The decline in celebrity fragrance sales demonstrates a shift in consumer preferences and purchasing behavior, says NPD. Growth in the fragrance market is driven by premium brands in the niche and couture designer segments. Indeed, couture fragrances generated sales of £411m (\$511.7m) last year, up 6% on 2015. The prestige fragrance market as a whole saw sales increase 1.4% to £1.2bn (\$1.5bn) in 2016. Total prestige beauty sales stood at £2.5bn (\$3.1bn) in 2016, up 4.2% on 2015.

Almost half (48%) of **Chinese travelers** say they would still prefer to buy at departure airport duty-free shops on their return journey, despite the large number of new arrivals duty-free shops due to open in airports and borders stores in the coming months, according to a study by Swiss research company m1nd-set. The research showed that only 31% of Chinese travelers would prefer purchasing on arrival in China. One in five travelers claim they would favor the departure duty-free shop on their outbound trip.

### People

**L'Oréal** has appointed Eva Erdmann (pictured) as managing director of Lancôme France. She replaces Aline Cristiani, who has been named managing director France of L'Oréal's Professional Products division. Erdmann has worked at L'Oréal for nine years, and since 2013 has been head of international marketing at YSL Beauté for make-up and fragrance.



**YSL Beauté** has named French make-up artist Tom Pecheux as its new global beauty director. Pecheux will collaborate with YSL's ambassadors to create new looks for YSL Beauté's advertising and work with the brand's cosmetics creators to develop products.



### Launches

French brand **Sisley** is to launch a new fragrance called Izia this spring. Created by Amandine Clerc-Marie of Firmenich, the fragrance centers on rose. The fragrance bottle was created by Polish sculptor Bronislaw Krysztof. The niece of Sisley co-founder Isabelle d'Ornano stars in the ad campaign. Launching on March 1, Izia retails at €78 for the 30ml EdP, €106 for the 50ml EdP and €170 for the 100ml EdP.



### Trade shows

Paris-based trade show organizer Beauteam is looking to expand its reach in Asia by taking its **MakeUp in** show to one of three key Asian cities each year. Called MakeUp in Asia, the event will take place in Shanghai in 2018, Tokyo in 2019 and Seoul in 2020. The event replaces the MakeUp in Seoul show, the third edition of which took place in 2016. The company said it was putting its MakeUp in São Paulo show on hold. ■

## Social media monitor

*BW Confidential* reports on what's being said about beauty on social networks

**Aveda's** new Tulasara Wedding Eye Masque is liked for its clever marketing. The product is inspired by the pre-wedding tradition in India's Haldi ceremony, where tumeric paste is applied to the bride and groom to give a glowing look.

US-based department store **Nordstrom's move to open natural beauty sections** at its stores is deemed as a smart move by bloggers, which will give the retailer's beauty offering a new lease of life. Following the footsteps of the likes of Target and Ulta, other mainstream retailers could begin to pay more attention to natural beauty, thereby giving the category a boost.

Hailing from Asia, **solid cleansing sticks** are expected to take off this year. The products are liked for their portable, easy-to-use, space-saving and hygienic format. Cleansing is also predicted to be a hot category for innovation in 2017.



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## Perfumers 1870 (Penhaligon's and L'Artisan Parfumeur) ceo Lance Patterson

### Back to basics

Lance Patterson joined Cradle Holdings as ceo of the Penhaligon's and L'Artisan Parfumeur brands in May 2014, just months before they were acquired by Puig, in January 2015. He tells *BW Confidential* about what has changed for the brands since the acquisition and what's next on the agenda



#### What key changes have the brands seen since their acquisition by Puig?

We had historically been owned by private equity, and when you're owned by private equity there is a bit of a different business philosophy. When Puig purchased us in January 2015, it was a long-term commitment. That allows you to take a breath and ensure that you're looking at business in the right way and that the business model makes sense. Secondly, it allows you to have the capital to make some changes [and] take some risks. Thirdly, Puig is a creative powerhouse and that has impacted us quickly and positively.

#### What are your ambitions for the two brands today?

One of the things we've focused on is staying true to the founders' vision of both brands. Penhaligon's was founded 146 years ago by William Penhaligon, who loved to create unusual scents that were inspired by stories. Puig has enabled us to refine that and bring it forward with modernity. Last year we introduced Portraits [four fragrances that are a tribute to the English aristocracy], and it is additive to our portfolio.

On the L'Artisan side, the brand got very lost. It was one of the first true brands that was considered niche, and we lost that in the brand with the prior ownership. Jean Laporte's vision from 1976 broke ground, it shook up the industry with Mûre et Musc for example; we're going back there. We've completely revamped the brand. Penhaligon's I would say we renovated, but L'Artisan, we started over with the founder's vision again. The ambition is to continue to do this. It's not a race; we're in it for the long term.

If you look at data for what people categorize as niche, brands on the low side are [seeing growth of] around 10%, and the average is 20%. We are outpacing that and will continue to do so. It was much slower [before the acquisition]. L'Artisan hadn't grown in years and Penhaligon's was growing, but it was dated and losing relevance.

#### How can you make the brands more appealing to younger consumers?

I have never sat down with my team to say we are going to target millennials. What we want to do is stay true to who we are. So far we are seeing that we are not only appealing to our core customer base, but we are bringing in a new audience. Because of the communication channels today and because of our product creativity, we happen to be bringing in a younger consumer, while servicing a more loyal consumer. And our products are not inexpensive products, so it's quite exciting that that's happening without us having a "millennial" strategy. ■■■

#### Perfumers 1870

Penhaligon's

N° of standalone stores: 34

Business from standalone stores: around 50%

L'Artisan Parfumeur

N° of standalone stores: 6

Business from standalone stores: around 20-30%

## Perfumers 1870 (Penhaligon's and L'Artisan Parfumeur) ceo Lance Patterson

### ■■■ How are you developing distribution for the brands?

In 2015, L'Artisan Parfumeur had close to 1,000 doors. Today, we have less than 200 globally; we have cut 80% of our distribution. For Penhaligon's, even though the brand is significantly larger, it wasn't in that same level of distribution, mainly because our own stores are a much bigger part of the business. We have closed about 35% of our distribution in the past 24 months. We will maybe get back up slightly, but very slowly. It's picking the right locations, only in the most premium places and sticking to our model.

### How important are standalone stores to your business?

For Penhaligon's, we have 34 stores globally. Since Puig purchased the brand, we've opened 12. We will open two more this year and we have five slated for next year. For L'Artisan Parfumeur, we have five in Paris and one in Milan. Penhaligon's has a strong balance between our own stores and our wholesale partners. It is very focused, which puts us at a little less risk of some of the fallout that's happening in the department-store world, because we're only in the best stores. L'Artisan [is] more dependent on wholesale, but again it's [now] such a limited distribution.

### How are you redressing the domestic and international business balance?

[Domestic] is a significant portion of the business, [but] not more than 50%. It's very well-balanced. It wasn't like that three years ago, but we have worked hard at balancing it more, because we were dependent on our home markets, which is risky. Our home market for Penhaligon's is the UK, where we have a very strong business, and we will continue to build upon it. In [terms of] expansion, our top priority would be the US, where we have opened eight stores, and we have two more coming this year. The Middle East is another, and the rest of Europe. We also have stores in Asia.

For L'Artisan, our home market is France and Italy is very important. We've just re-entered the US and we'll continue to grow the business there. We closed everything and started over. The old brand was everywhere and not very well done, but now it's very focused. We're only in seven doors and this year maybe we'll be in 10; it's a slow and measured approach.

### How can you bring the fragrance business online?

Break the barrier of trial. How do you get a customer who has never tried one of your fragrances, or who has tried, but wants to try something new, to trial it online? In the fourth quarter last year with Penhaligon's, we launched fragrance profiling. It's been incredible. We've taken [our in-store] experience and brought it online. [Customers] pay £6 (\$7.49) and get samples delivered to their home, try them, and then they get £6 (\$7.49) back towards their purchase. Another thing we've done online is offered an unlimited number of guaranteed returns—you can return your product for any reason. You can open it, try it, and if you want to return it, we'll take it back, no questions asked—the customer appreciates that. ■

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For Penhaligon's I would say we renovated [the brand], but for L'Artisan, we started over with the founder's vision again. The ambition is to continue to do this. It's not a race; we're in it for the long term

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Perfumers 1870 ceo  
Lance Patterson



▲ The company says the Penhaligon's Portraits collection is a reinterpretation of the founder's vision of fragrance



## Malaysia

# Mining market growth

Malaysia's beauty market has been impacted by a slow economy and currency instability, but there are still many pockets of growth

While Malaysia remains one of Southeast Asia's most mature beauty markets, slowing GDP growth, inflation, political corruption scandals and the reliance of the country's economy on exports are all having an impact. Consumer confidence is low, and growth in the beauty and personal-care market has slowed—it came in at an estimated 2.3% in 2016, according to data from Euromonitor International, down from mid-single digit growth in previous years.

Yet, for the prestige segment, beauty players remain largely optimistic, highlighting savvy, digitally-focused consumers, and strong pockets of growth especially for niche brands and make-up. Overall, market players anticipate growth of around 3% to 4% for the prestige segment this year. Euromonitor, however, estimates that the premium segment fell 2.1% last year.

"The Malaysian luxury prestige beauty business is dynamic and has been enjoying strong single-digit growth year-on-year, fueled by new players, new retail spaces and strong growth in the make-up category," says ■■■

### Malaysia beauty sales by category 2016\*

Category	2016 sales \$m	% change 2016/2015
Skincare	618.4	+2.0
Haircare	309.6	+1.1
Men's grooming	202.1	+3.2
Color cosmetics	186.9	+1.5
Fragrance	115.6	+1.7
<b>Mass beauty &amp; personal care</b>	<b>1,188</b>	<b>+3.7</b>
<b>Premium beauty &amp; personal care</b>	<b>424.2</b>	<b>-2.1</b>
<b>Total beauty &amp; personal care</b>	<b>1,924</b>	<b>+2.3</b>

Source: Euromonitor International Retail sales price \*Estimate Total includes other categories not mentioned

## Malaysia

■ ■ ■ L'Oréal Luxe Malaysia general manager Sook Ping Lau. "I remain very optimistic about the market as a whole despite [the] consumer sentiment index being weighed down by the rising cost of living, as there are tremendous growth opportunities not only for new brands, but existing ones with the growing middle-income segment."

### Skincare strong, make-up booms

Skincare remains the largest beauty category in Malaysia, according to Euromonitor data, and as in many markets in the region, South Korean brands and others that have a focus on natural ingredients—Kiehl's has also been performing well, according to L'Oréal's Lau—have been making their mark. Amorepacific introduced its Mamonde brand to Malaysia in August 2016, and is building a new factory in the country, scheduled to open in 2020, to supply the whole of Southeast Asia.

"In general the Korean beauty brands are doing very well," explains Ken Lim, founder of niche beauty retailer Kens Apothecary. "Big conglomerate brands that were the hit of the 80s and 90s are losing market share, [except] those supported by fashion labels."

Prestige make-up is booming, meanwhile. "Make-up is growing three to four times faster than skincare," says Estée Lauder Companies Malaysia general manager Paul Slavin, who says that growth is boosted by tech-savvy consumers and a selfie culture. "Being selfie-ready and the instant gratification that make-up brings is really driving this growth. In keeping with this market trend, make-up is doing especially well across all of our brands." Lau adds: "Some 71% of adults in Malaysia own smartphone devices with 68% internet penetration. This has shaped how to access information about brands. Social media has given consumers a voice they never had and the path to purchase is no longer linear."

The performance of fragrance, on the other hand, is variable. Malaysian consumers are traditionally heavier users of fragrance than those in other Asian countries, but the market is changing, with niche brands performing much better than mainstream lines. "Fragrance in the low- to mid-tier is challenged in the market, but Malaysia is seeing huge growth in luxury, high-end fragrance, with an influx of ultra-prestige, niche fragrance [lines]," says Slavin, adding that the high-end fragrance market is expected to see growth of around 20% annually in years to come. "Our fragrances have some challenges to overcome as consumers have been spoiled by over-promotion in this category," admits Lau. "[This] is why niche luxury fragrance is showing more room for growth."

Lim agrees: "The perfume market is changing, more consumers are willing to spend more to buy specialty brands like Creed [and] Atelier Cologne, and this will be the future trend." Hand in hand with this, he says, is that department stores—which have focused heavily on promotions—are suffering as more brands open standalones. "It will be a struggle for department stores to keep the major brands because they are already finding their homes outside department stores," he observes.

### The rise of standalone stores

Parkson, Malaysia's largest department-store operator with 42 full-line outlets, said its same-store sales in the country declined 6.6% in the quarter ended September 30, 2016, as consumer sentiment remained low. It derives around a third of its total sales from cosmetics, all markets combined. In December 2015, the retailer introduced a new open-sell concept, called Play Up, with themed spaces where consumers can try out products. The store-in-store is currently in two of its doors. ■ ■ ■

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The Malaysian luxury prestige beauty business is dynamic and has been enjoying strong single-digit growth year-on-year, fueled by new players, new retail spaces and strong growth in the make-up category. I remain very optimistic about the market as a whole despite [the] consumer sentiment index being weighed down by the rising cost of living

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L'Oréal Luxe Malaysia general manager Sook Ping Lau

## Malaysia

■ ■ ■ Elsewhere in retail, says Slavin there has been an unprecedented increase in the number of freestanding stores. “Standalone boutiques are really the growth of beauty in the market. We’ve also seen Sephora expanding, which in part has supported the significant growth in make-up.”

L’Oréal opened two stores for Urban Decay, one of its fastest-growing brands in Malaysia, last year, Lau said, bringing the brand’s total store count to three. Kens Apothecary now has five stores, having opened one in January and one last year, and has two more planned for 2017. Sephora now has 16 stores in Malaysia.

Hong Kong-based retailer SaSa has also been upping its game in the country under new local management, and saw its Malaysia sales grow 19.1% in local currency in the six months to September 2016, outperforming the market as a whole. The company, which had 68 Malaysian doors at the end of last September, plans to continue expanding to high-traffic locations and new regions, improve staff training and introduce new and exclusive brands and products in the coming months. Expanding to less-saturated geographies outside the greater Kuala Lumpur area is seen as key for beauty retail. “Retailers remain bullish about [Malaysia’s] potential despite slowing GDP growth, a depreciating currency and recent corruption scandals,” wrote AT Kearney in its 2016 *Global Retail Development Index*, which classed Malaysia third for its retail development potential last year, the country’s highest-ever ranking since the index began 15 years ago.

### Online sales grow

E-commerce, meanwhile, is seen as offering strong growth opportunities due to the high level of internet penetration. “I would say the biggest challenge, and indeed the biggest opportunity, in the market is online,” says ELC’s Slavin. “Right now, e-commerce for beauty is small, and this is likely to change quickly.” Several pure players have entered the market, including Herno, Althea, which specializes in South Korean brands, and Zalora, which operates throughout southeast Asia.

“In 2017, the onslaught of online shopping will be a major factor in shaping the retail landscape,” says L’Oréal’s Lau. “As boundaries blur between the brick-and-mortar stores and the online platform, physical retail spaces need to establish a differentiated brand experience online and offline.”

While this can be a challenge for brick-and-mortar retailers, market players believe that by focusing on differentiating the in-store experience and on service, retail should not be too heavily impacted. “We believe that customers’ favorite hobby is shopping, so at the moment, we are still okay. However, we are also placing more attention on e-commerce and will be spending more in this department,” says Lim.

Currency instability, meanwhile, is impacting local consumers and businesses; however, it is also seen as benefiting tourist flows into the country, with the highly developed retail market a key driver. “With the devaluation of the ringgit, we’ve seen an upswing in tourist numbers, which is helping retail, and with it, the beauty category,” Slavin observes. “With Malaysia poised as a key shopping destination in Asia, the weakening ringgit has promised to bring in more tourist arrivals, which will help fuel our business,” Lau concurs.

The Malaysian market is changing. But despite a challenging economy and ongoing depressed consumer sentiment that continue to challenge the mid-market and mainstream brands, increasing consumer sophistication is opening up opportunities. Brands, and retailers, just have to be ready to adapt their strategies to seize these opportunities accordingly. ■

““ With the devaluation of the ringgit, we’ve seen an upswing in tourist numbers, which is helping retail, and with it, the beauty category

”

Estée Lauder Companies  
Malaysia general manager  
Paul Slavin

PCD

# Packs on show

*BW Confidential* highlights the innovations on show at packaging trade event PCD, which took place from January 18-19, 2017 in Paris



This year's PCD show was not only bigger, but also better, according to exhibitors. The show, which took place at the new venue of Paris' Porte de Versailles Expo center, welcomed 420 exhibitors. Final numbers were not available at press time, but show organizers were expecting 6,500 visitors. Figures relate to PCD and ADF (the Aerosol & Dispensing Forum), which run concurrently.

EFI (part of the Artexis Easyfairs group) acquired French company Oriex Communication, which organizes the PCD show, in 2016. The acquisition has accelerated the show's growth plans, with an even bigger event slated for Paris next year and a new version of the show to launch in Shanghai on March 27-28, 2018. Last year, PCD launched its first international edition with an event in New York.

Key trends at this year's show in Paris included small, travel-format products as well as innovations in digital packaging. Indeed, finding effective ways to use connected packaging to reach consumers was a key talking point. "Thanks to digitalization, packaging is becoming a multi-media salesman," noted Anne-Laure Bulliffon, packaging innovation leader at Profil'Pack (Canada) and Alpes Packaging (France).

## Seen in show

Belgian company **Selinko** teamed up with packaging specialist **Seram** to create a connected packaging solution for perfume. Called Maison Céleste, the gift box features four near field communication (NFC) chips. The chips can be found on the decorative ribbon around the bottle neck, on a ribbon binding the box, on a tag on the gift box (created by Araidena) and on a scent sampler card (MPack). By scanning these with an NFC-equipped smartphone, the user can check that the product is authentic, buy other products from the brand and share information and content on the item. If the product is a gift, they can also create a personalized message (such as "happy birthday, mom"), which will display when scanned with a smartphone. Each time a connected product is scanned, data is sent to a secure platform, where it is stored and can be viewed by the brand.

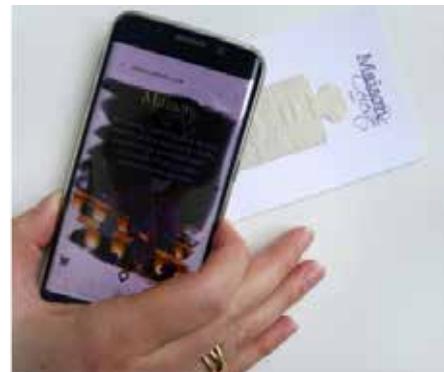
Packaging company **Texen** collaborated with electronic paper display company (and provider to the eBook market) E Ink, to present a digital packaging innovation using near field ■■■

## PCD & ADF

**Took place:** January 18-19 in Paris

**Exhibitors:** 420

**Visitors:** 6,500 (expected)



## Making connections with digital packs

**When it comes to digital, conference speakers at the PCD show revealed that the industry should focus on:**

- Personalization through custom printing or digital messages.
- Using packaging to collect data on clients (for example, with machines that distribute free samples in exchange for information).
- Ensuring that packaging showcases products' immediate benefits.
- Creating packaging that simplifies the consumer experience (for example, by allowing them to order refills, look at tutorials or check stock using a smartphone).
- Building consumer confidence by allowing users to scan products to check that they are not counterfeit.
- Using technology to accelerate time to market.

## PCD

■■■ communication (NFC) technology. The display on the beauty product can be changed retrospectively by the brand via smartphone. It is designed to be versatile, and can show ingredient information, logos or tutorials. Battery power is not required to display the image. This technology could help reduce wasted stock (for example, by changing text displayed on products originally designed for sale in one region, to allow them to be sold in another).

Texen also highlighted its new 3D digital printing technology. This has resulted in new mascara brushes (said to have gentle bristles and designed to achieve a faster time to market). The company also showcased a new range of make-up sponges, which are made using the Mucel molding technique and claim to be soft on the skin.

German company **Bomo Trendline** unveiled its new airless dispenser. Called Airlessio, the dispenser comes in five sizes (50ml, 75ml, 100ml, 150ml and 200ml). The company says the dispenser responds to brands' increasing needs for packs that protect sensitive formulas. Airlessio has a new patented nozzle closure system, which reduces product dry out.

France-based company **Saabelis** showcased Capscent, a small capsule for sampling fragrances. The capsules are made from a supple material that releases the fragrance when pressure is applied, meaning the scent can be tried directly on the skin. The capsules come in a range of shapes and can be personalized by brands. The company also revealed that it has begun using the capsules for sampling other cosmetic products, such as creams, serums, essential oils and even nail polish. In addition, Capscent can be used for mono-dose products, promotional items, gift sets, discovery boxes and testers.

Glassmaker **Verescence** showcased its unbreakable glass jars, which it says are ideal for make-up use. The glass does not fracture even if dropped from a height. Verescence says that the unbreakable glass is a response to three key trends: demand for more portable on-the-go products and items for travel; the premiumization of make-up, and e-commerce—unbreakable glass means that products sent through the post require less padding and results in less wastage.

**Groupe Pochet** presented In'Pressive Nails, a nail polish bottle produced in collaboration with the Centdegrés design agency. The project aims to show how companies can be creative with the inner shape of the bottle as well as the outer shape. The inside of the bottle features a raspberry sculpted into a block of glass, which is said to magnify the color of the formula inside. The bottle was first presented at the Cosmoprof Asia show in Hong Kong.

UAE-based company **Identiscents** showed a collection of caps that combine different materials. The collection, called Neu Edge, is a standard range, but offers an element of differentiation as the caps can be made from zamak with wood or zamak with stone. ■





## Color pop

Maybelline opens its second French store with a focus on education and digital

L'Oréal-owned Maybelline opened its second standalone store in France at the end of January. The 40m<sup>2</sup> (470ft<sup>2</sup>) store is located in the Belle Epine shopping center near Paris.

The move to open another boutique is part of L'Oréal's strategy to get closer to its consumers through its own stores. In addition to these new boutiques from Maybelline, the group has also opened stores for L'Oréal Paris, and is fast expanding its boutique network for brands such as Urban Decay and NYX. In his New Year's address to the press, L'Oréal ceo Jean Paul Agon said that consumers want almost an individual relationship with brands, which is changing distribution and making direct-to-consumer through boutiques and e-commerce more important. However, he underlined that these new channels are complementary to traditional distribution and not a replacement.

The new Maybelline store boasts a brow bar as well as a Face Studio/Face Artistry area, which features educational tools for techniques such as contouring and strobing. Also at the store are three color walls dedicated to products for nails, lips and eyes.

There is also a selfie booth, through which consumers can share make-up looks on social media, and a make-up space where shoppers can test products and the latest trends. Each month a new 'It Look' will be unveiled, with a dedicated space to show consumers how to apply the corresponding products.

The boutique, which features neon lighting and electro-pop music, stocks some 500 products, 135 of which are store exclusives. Some of these exclusives are from the US and other countries and include Color Blur and Master Fix. In addition, some 24 shades of the Fit Me foundation are offered at the boutique, the widest range available in France. Throughout the year, limited editions created specifically for Maybelline's French stores will be on sale. ■

### Maybelline

- **Location:** Belle Epine shopping center, near Paris, France
- **Opened:** January 2017
- **Size:** 40m<sup>2</sup> (470ft<sup>2</sup>)
- **Special features:** Exclusive products including limited editions created specifically for Maybelline's French stores; selfie booth; make-up space to test products and the latest trends; Face Studio/Face Artistry area with educational tools

