

# BW

## CONFIDENTIAL

### Comment

## The human factor



Augmented reality to test products, intelligent shopping baskets, checkout-free stores—new technologies are becoming an integral part of retailers' strategies. The hope is that these new tools will provide a more enjoyable, interactive, informative and hassle-free shopping experience.

However, analysts warn that retailers need to be careful that a focus on technology does not come at the expense of training and motivating their staff. They add that the growing presence of technology is likely to see the role of in-store staff become more, rather than less, important. If a consumer can get all the

information she needs, compare prices and even test what a make-up shade will look like on her skin online, she will need a good reason to go to the store. Often, this good reason is to get what she can't over the internet: the opportunity to have a quality, face-to-face conversation with a human—the store assistant.

This is leading to much discussion in the industry about the new role of in-store staff: a role that should see personnel move away from being just a seller to becoming an advisor or a coach. And with technology freeing them up from certain everyday tasks, the theory is that staff will have more time to focus on cultivating their product knowledge and providing better service to consumers. This would also mean that retailers would need to empower their staff, give them more responsibility and even, say some, make them feel that they are running their own micro-company. That really would be a retail revolution.

*BW Confidential* is taking a short break for the summer. Our next electronic publication will be published on August 24. In the meantime, stay up to date with the latest industry news through our website: [www.bwconfidential.com](http://www.bwconfidential.com).

**Oonagh Phillips**

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## News roundup

### At a glance...

- **Walgreens Boots Alliance inks new deal with Rite Aid**
- **Intercos to acquire Cosmint**
- **Kenzo to launch roll-on mask**

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## Strategy

**Walgreens Boots Alliance** has put an end to its merger deal with Rite Aid Corporation and will instead buy half of Rite Aid's stores for \$5.18bn. The initial merger, first announced in October 2015, involved acquiring Rite Aid's 4,600 stores. However, Walgreens ran into difficulties in gaining anti-trust clearance. The agreement was amended in January 2017 and another agreement was announced in December 2016 to divest certain Rite Aid stores to Fred's Pharmacy. Both of these agreements have now been terminated, and Walgreens Boots Alliance will pay Rite Aid the \$325m termination fee. The new deal will see Walgreens Boots Alliance purchase 2,186 stores, three distribution centers and related inventory from Rite Aid. Walgreens Boots Alliance will also assume the related real-estate leases and grant Rite Aid with an option to become a member of its group purchasing organization, Walgreens Boots Alliance Development GmbH. The transaction is expected to close by the end of the year. Walgreens Boots Alliance expects to generate more than \$400m of savings from the new deal.



Color cosmetics and skincare manufacturer **Intercos** has signed a preliminary agreement with Futura and the Masu family to acquire fellow Italian company Cosmint Group, a maker of skincare, haircare and bodycare products. The deal will create one of the largest B2B beauty groups in the world, with estimated revenues of €700m in 2017. The two companies will have 5,000 employees globally, with 11 research centers and 15 factories in Europe, Asia and America. The deal is expected to close in the second half. As per the agreement, Cosmint's current owner, the Masu family, will have the opportunity to purchase a minority stake in Intercos. The Masu family will continue to manage Cosmint and sit on the company's board of directors. Decia Masu will become a member of the board of directors of Intercos. Intercos posted consolidated turnover of €449m in 2016, while Cosmint reported revenues of €140m.

French investment company **Eurazeo** has acquired a 70% stake in Spanish flavor and fragrance company Iberchem for €270m. Iberchem's management will continue to hold the remaining 30%. The deal is intended to help Iberchem expand its workforce, R&D facilities and production plant, as well as extending into new markets, the company said. The transaction, which is expected

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## News roundup

■■■ to close later this month, gives Iberchem an enterprise value of €405m. Iberchem was founded in 1985. The company saw annual sales growth of 18% from 2012 to 2016. Iberchem generated sales of €117m in the twelve months to May 2017.

Tapping into the demand for personalized products, **Shiseido Americas Corporation** has launched a new iPhone beauty app for its bareMinerals brand that enables customers to order custom-blended foundation. The bareMinerals MADE-2-FIT app is the first product that Shiseido has launched using technology from Match Co, the company that it acquired in January.

Using Customized by MatchCo technology, the app tailors the foundation shade to the user's skin tone by analyzing six scans performed with the help of a virtual make-up artist with voice guidance. The app is free to download and the resulting bareMinerals Fresh Faced Foundation, which is individually blended and delivered directly to the consumer, will retail at \$49 for a 30ml bottle.



German group **Beiersdorf** is to invest €230m in new headquarters and a research center in the Hamburg district of Eimsbüttel. Work is set to start this year, and is scheduled for completion in 2021. The new location will cover 100,000m<sup>2</sup> (1.08m ft<sup>2</sup>). With the new research facility, set to be completed in early 2020, Beiersdorf will expand its R&D capacities in Hamburg by 11,000m<sup>2</sup> (118,403ft<sup>2</sup>) to reach a total size of 45,000m<sup>2</sup> (484,376ft<sup>2</sup>). Beiersdorf currently occupies three neighboring sites in Eimsbüttel with a total area of around 170,000m<sup>2</sup> (1.8m ft<sup>2</sup>).

**Texen**, the Luxury and Beauty division of France-based packaging company PSB Industries, has signed a sales partnership agreement with make-up applicator manufacturer CPI. New Jersey-headquartered CPI is owned by a Korean family firm and has a production facility in China. The company has particular strengths in micro bi-injection, according to Texen. The move is part of Texen's strategy to build a network of partner companies to consolidate its global offer for brands, and enables it to expand its make-up offer.

## Retail

LVMH-owned **Sephora** has entered the German market through a shop-in-shop with Galeria Kaufhof (see Store Visit on p.15)

L'Oréal Travel Retail has unveiled a new store for the **Giorgio Armani** brand at the Lotte Hotel in Seoul, South Korea. The 23m<sup>2</sup> (246ft<sup>2</sup>) store is the first in travel retail to showcase the brand's new retail identity. The space is designed with curved lines, and features touches of red inspired by Giorgio Armani's Rouge #400 lipstick color. Screens on the back wall showcase the brand's latest advertisements, while fabric swatches above the foundation bar evoke Armani's runway shows. The store also offers the opportunity for shoppers to find out about the brand's beauty dress code in make-up, skincare and fragrance— ■■■



## News roundup

■■■ playing on Giorgio Armani Fragrances & Beauty’s signature ‘from fashion dress code to beauty dress code’. Giorgio Armani Face Designers are on hand to provide consumers with personalized advice.

## Data

Despite strong growth in the online channel, consumers in the UK still like to **shop for beauty products in brick-and-mortar stores**, according to market-research company The NPD Group. Sales of prestige beauty products in the UK in brick-and-mortar retail reached £2.2bn (\$2.8bn) in 2016, according to NPD, up 2% on 2015. Online sales of prestige beauty products, meanwhile, grew 28% to £379m (\$482m) in 2016. Online accounts for 14% of the total prestige beauty market in the UK, states NPD.

In terms of category, the highest growth both in-store and online was seen in make-up, which grew 7% in-store to reach £668m (\$850m) last year, and increased 45% online to £120m (\$153m). Fragrance sales, meanwhile, saw minimal growth in-store, said NPD, with sales standing at £1.1bn (\$1.4bn) in 2016. Online fragrance sales grew 20% to £162m (\$206m) for the year. Skincare sales remained stagnant in store, NPD said, at £465m (\$592m) in 2016. Online skincare sales grew 25% to £98m (\$125m) during the period. NPD UK Beauty director June Jensen highlighted the continuing importance of brick-and-mortar retail in the UK prestige beauty market. “While there are more impressive growth figures for online sales, this is starting from a lower base,” she said. “Customers will always be drawn to retail stores because they want to touch, feel and try the products first. Now that retailers are adding value to the in-store experience with road shows, loyalty programs, personalized customer advice and special events, the future of brick and mortar remains very positive.”

## People

Beauty retailer **Marionnaud Group** has appointed Gabriele Betti managing director of Marionnaud France, replacing Eileen Yeo, who will leave the company. The appointment is effective September 1, 2017.

Betti is currently general manager of Marionnaud Italy. Yeo will oversee the handover to Betti in the next ■■■



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## News roundup

■■■ two months and will remain as an advisor of Marionnaud France until the end of 2017.

Arianna Di Prospero, currently finance director of Marionnaud Italy, will succeed Betti as general manager of Marionnaud Italy from September.

Italy-based **Kiko**, which owns cosmetics brands Kiko Milano, Madina, Womo and Bullfrog, has appointed Cristina Scocchia ceo. Scocchia was most recently chairman and ceo of L'Oréal Italy, and previously worked at Procter & Gamble. Scocchia replaces Stefano Percassi, who controls the company. Percassi will become vice president.

Percassi said that the appointment will help the development of Madina, Womo and Bullfrog, as well as the international expansion of Kiko Milano.

Kiko Milano has 1,007 stores in 20 countries and e-commerce operations in 36 markets. The brand posted turnover of more than €600m in 2016.

## Launches

LVMH-owned **Kenzo** is to launch SOS Roll-On Mask as part of its Kenzoki skincare line this month. The mask contains ginger plant essence, which is claimed to have detoxifying, toning and revitalizing properties. It also contains what the brand calls a 'multi-mineral cocktail' of zinc, copper and magnesium that is said to revitalize tired skin. The mask, which features a metal applicator and is designed for both the face and eye contour area, can be rinsed off or left on the skin. Launching on July 3, it retails at €29 for 50ml.



French fragrance brand **Annick Goutal** (AmorePacific) is to launch a new fragrance this fall called Nuit et Confidences. The fragrance forms part of a collection named Oiseaux de Nuit, which includes the brand's Tenue de Soirée scent that launched last year. The fragrance was created by Camille Goutal and perfumer Mathieu Nardin of Robertet. It contains notes of bergamot, pepper, tonka bean, incense, vanilla and musk. The scent's bottle design mirrors that of Tenue de Soirée, and features an indigo pompom. Nuit et Confidences is set to launch in September. The fragrance is priced at €65 for the 30ml EdP, €96 for the 50ml EdP and at €135 for the 100ml EdP.



French fragrance brand **Atelier Cologne** is to add a new fragrance to its Avant Garde collection this fall. Called Café Tuberosa, the fragrance contains notes of tuberose, bergamot and an espresso coffee accord. It also features rose absolute, cardamom and vanilla. Café Tuberosa is priced at €70 for 30ml, €125 for 100ml and €175 for 200ml. The scent is set to launch in September.



Atelier Cologne continues to expand its network of freestanding stores. In July 2016, prior to its acquisition by L'Oréal, the brand had six standalone stores, and has since opened a further four, including one in Shanghai that opened in June 2017.

The brand plans to continue opening new stores, in the US (the West Coast), Europe and Asia. ■

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## Social media monitor

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

There has been much talk about the range of Korean skincare at UK-based department store **Selfridges**. The assortment is said to offer a more 'serious' level of products. Brands include The Oozoo, which sells a Face-in-Shot mask, and Neogen, whose offering includes a Green Tea Fresh Foam.

Bloggers have been raving about a new brand called **Spacemasks**. The brand markets a mask that it says enables the user to relax by taking a break from "worldly pressures". The single-use masks are placed over the eyes, forcing the user to close their eyes and relax for five minutes, according to commentators. The masks are infused with jasmine and heat up when iron filings in the product come into contact with oxygen.



Hailing from Japan, **exfoliating waters** have been described as 'big news'. The water exfoliator formula is liked for its light or melting texture, which is said to be more gentle on the skin than traditional exfoliators.

**Urban Decay** has captured attention with its Meltdown Makeup Remover Collection, which comprises a make-up removal lip oil stick, cleansing oil stick and a dissolving spray. The products are liked for their stick and spray formats.



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## L'Oréal travel retail Asia Pacific deputy general manager Morgan Cohen

### Full speed ahead

L'Oréal travel retail Asia Pacific deputy general manager Morgan Cohen tells *BW Confidential* about what's driving business in the region and how the industry needs to do more in digital



#### How is Asia Pacific travel retail performing?

The first quarter has been extremely dynamic for travel retail in the APAC region—it's been one of the most dynamic quarters we have seen in the past five years. This is due to many factors: first, traffic is still very positive, up by around 6% to 7%; second, there are very intense in-store activities in Korea, but also in China and Greater China. Retailers in Hong Kong have been extremely aggressive and this has been followed by other retailers in the region. It creates a hive of activity that has driven the market. Today, the Hong Kong market is almost at the same level as before the crisis. The third factor is the Korean brand effect, which is waning and this is helping international brands. The last point is the changes in our retailer environment [...] there is a lot happening in the region and this shows us how complex, how uncertain, how ambiguous and volatile the market is. We have to be very agile.

#### What is the impact of China's ban on group travel to Korea?

Korea is the biggest market in travel retail in Asia. It was the fastest-growing market in the past few years, mainly driven by Korean brands and Chinese tourists. But Korea is also a very resilient and reactive market. Despite a big drop in Chinese traffic, the market remained positive, with a big switch from Korean brands, which are very affected, to international brands, which are very dynamic. Korean retailers focused on other nationalities to compensate for the loss. The Japanese business has doubled over the past few months. They are very commercially-driven with a lot of offers, even for the traveling Koreans. This ban might bring good to Korea by diversifying the source of revenue.

#### How are you developing your Chinese travel-retail business?

Chinese travelers are everywhere. You have Chinese in China, Korea, Hong Kong, Thailand and Taiwan. Japan is [seeing] double-digit growth thanks to the Chinese, so [the question] is how to address this target. We have a dedicated team tracking the Chinese global shoppers to better know them and understand their habits so we can address them based on their profile. Our marketing teams work to make sure that wherever [the Chinese] travel in the region they can find their favorite product or the latest launch they have just seen in the domestic market. They also make sure that all our communications are in Mandarin.

#### How do you see online sales for travel retail in Asia developing?

Over the past three years, the online business has been the most dynamic sector in travel retail, growing much faster than downtown stores, airports and the airlines. It ■■■

“  
What Tmall achieved during 11/11 should be considered a wake-up call for our industry. Tmall did \$18bn in one day in China [compared to] the total P&C travel-retail market being around \$20bn

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L'Oréal travel retail Asia Pacific  
deputy general manager  
Morgan Cohen

## L'Oréal travel retail Asia Pacific deputy general manager Morgan Cohen

■■■ is mostly driven by Korea. We estimate the pre-ordering business to represent more than one third of the total Korea duty-free market. It is a great service for consumers as they can pre-order before leaving their country or anytime during their trip, up to three hours before departure time. It is very flexible and very efficient. Other retailers are just starting their transformation in digital and the first results are quite convincing. The change will be big and fast. The opportunity is too big to miss. It's a very strategic question and we want to tackle it with our partners and build a plan for the future.

### Can travel retail and [Chinese online platform] Tmall work together?

What Tmall achieved during 11/11 should be considered a wake-up call for our industry. Tmall did \$18bn in one day in China [compared to] the total P&C travel-retail market being around \$20bn. Tmall offers big promotions delivered right to your door, so [the question is] what can we offer in travel retail that is different from just the price? This is a critical question for duty free and we have to start working on it with retailers. Part of the answer is through data sharing to enable us to do better precision marketing, and offer different promotions and services that [travelers] won't find in their local market. We must look at what we offer that is different from domestic retailers.

### Will that be key to a future digital strategy for travel retail?

When you look at what's happening in the digital world, we haven't tackled the trend fully in travel retail. At the airport everybody is on their mobile phones, these are moments that we should use to bring [travelers] into the shop, or have them buy online. It's quite urgent that we sit down with all our retailers and the airports to find a solution to make sure we don't miss a big trend. The biggest risk in the digital world is not to move, so we should tackle that immediately. Social media is also one of the key channels that we need to address a bit better.

### How are Asian travel retailers responding to the need for differentiation?

The retail experience, service offer and the size and quality of the store has improved over the past few years. But we are often limited by size and sometimes there are security constraints in the airports that make the job harder. Asia is way ahead in terms of retail experience. It's interesting to see how the new airport concepts are much more retail oriented; retail has really become part of the way airports are being built.

### What about emerging markets in the region?

Apart from Korea, which remains very dynamic, we see three big trends emerging regionally. First, China is seeing a strong momentum, thanks to government policies to [boost internal] consumption and the development of all the secondary cities.

Second, southeast Asia is enjoying very dynamic growth, especially Vietnam, driven by an increasing number of Chinese tourists. Lastly, is Japan, which is getting ready for the Olympic Games and where we witnessed the arrival of international players like Vinci in Kansai airport. Overall, we estimate the region should continue growing by double digits. ■

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L'Oréal travel retail Asia Pacific deputy general manager Morgan Cohen



▲ L'Oréal sees strong momentum in China and southeast Asia

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## Heinemann's strategy

### Category before brand

While beauty suppliers try to convince more travel retailers to develop bigger branded spaces, Heinemann is committed to doing things its own way.

*BW Confidential* analyzes the operator's views on the beauty business

**T**ravel retailer Gebr Heinemann is a rather unique entity among the top players in the \$63.5bn duty-free market, where beauty has a disproportionate \$25.43bn slice of the cake (source: 2016 preliminary data from Generation Research).

Being an independent, family-owned company, Hamburg-based Heinemann has more flexibility to act, which is useful in a time of increasing volatility in the travel-retail channel. It also has a distribution, supply and logistics arm that is the envy of some of its rivals.

Last year, Heinemann generated group sales (retail and distribution) of €3.8bn (€2.9bn consolidated), an increase of +5.6%, helped by its strong Asian business, and a return to form in Russia/CIS countries. The distribution side (accounting for 24% of sales) grew fastest at +13%, while retail (with a 75% share) was up just +4%, as two of its top markets—Germany and Turkey—saw contractions, while another, Norway, was flat. Beauty accounts for a 31% share of the operator's retail sales making it the most important product category for the company. Commenting on the performance of the category, Heinemann executive director of purchasing & logistics Kay Spanger says: "In general the P&C category has been performing well, driven by promotions and commercial niche fragrances."

#### **A powerful distributor**

Heinemann has all the key beauty brands in its portfolio, and as a major distributor in the market it also supplies these brands to other entities the travel-retail channel. As such the company is powerful, but it is also frustrated by the continual chorus from brands ■■■

## Heinemann's strategy

■■■ for more space to fully display their three product axes (perfumes, skincare, make-up).

For Spanger, such an approach does not necessarily translate into the right level of incremental sales. He points out that only 4% of customers buy across all three axes of a brand, no matter how big or well-considered it is. Spanger stresses that brands tend to have portfolios that are stronger in certain axes than others and, from a revenue stance, this is what needs to be built. "That's why we believe in category before brand," he says.

This mantra—which brands tend to dislike—has led to accusations in some quarters of utilitarian looking stores that are functional, but not necessarily inviting. Spanger counters: "It's our way of presenting brands and we do it because the category approach works. The brands need to ask themselves: 'Why aren't they personalized in Sephora or in Douglas?' They are in Galeries Lafayette, yes, and in Sydney because the stores are big enough."

His reference is to Sydney Airport where Heinemann won the duty-free and travel-retail concession last year and has a large 7,000m<sup>2</sup> (75,347ft<sup>2</sup>) space. As a result there are spaces for the brand universes of key houses such as Chanel and Dior. "That's a very big shop, but at Hamburg Airport the store is not large enough for personalized corners," says Spanger. He adds: "Yes, we can give brands more space, but will they then give us more margin and more turnover? Good luck with that! When we changed the first concession to the second at Copenhagen Airport we doubled the space for many of the perfume houses, but that didn't even get a 10% increase in turnover."

Despite that, Heinemann's current priority retail project—at Istanbul New Airport (INA)—is likely to see beauty houses taking prominent positions. The company has a lot of retail space to play with: it will manage 50,000m<sup>2</sup> (538,195ft<sup>2</sup>) with local partner Unifree and will have two core duty-free stores and five themed 'villages'. It says that some 50 well-known international and domestic brands will have high-profile positions at the airport.

A large proportion of the €100m Heinemann has earmarked for investment in 2017 will end up at INA (scheduled to open in the first quarter of 2018). The retailer hopes that the present tourism slump in Turkey—due to terrorism and political volatility following last summer's coup attempt—will turn itself around before the new airport opens. Air travel by Russians—a key nation driving airport spending—fell by 22.1% to Istanbul's current main airport, Ataturk (IST), in the five-months to February 2017, according to duty-free and travel retail analyst CiR.

### Crowding out newcomers

Heinemann takes a pragmatic approach when bowing to beauty brands' requests for more areas to showcase their brands. Not only is it a space consideration, but one of investment by the brand, and also a question of the perceived offer.

One issue is that too much personalization for the big brands 'crowds out' newcomers, leading to the often-heard charge that duty free and travel retail is boring because travelers see the same brands wherever they go.

Spanger is aware of such pitfalls and says: "It is not only about personalization—we must consider how well we can show the variety of the assortment in the most effective way." This means maximizing revenue and not simply acting as a vehicle for advertising a brand's portfolio.

However, it is a fine balance as niche fragrances—a growing segment in ■■■

“

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Heinemann executive  
director of purchasing &  
logistics Kay Spanger

## Heinemann's strategy

■■■ domestic markets—shows. He notes that several fragrance brands which were niche a few years ago have now become commercial. "We are looking for new niche, but it has to make sense."

He says that at Istanbul Ataturk airport, after a revamp, the company and its partners "put in about 15 niche brands but three are doing 95% of the turnover". Does that matter if the store can show it has some variety and excitement to offer the passengers? "Yes it matters," says Spanger. "[But] at a certain point it doesn't make sense to keep some of those lines."

The company is keen to stress that this judgment, and others to do with presentation, is down to the retailer, not the beauty brand. In no uncertain terms Spanger says: "You don't need to tell us what we should do in our own stores [...] we are the retailer, and distributor. If you want the same space as someone else, you must also invest."

Heinemann can afford to be this direct: it is often cited as having best-in-class retail and logistics in duty free and travel, but the quid pro quo is an expectation for suppliers to step up, with more innovation and new categories. There are possibilities do more, especially in emerging categories like haircare and dermacare, as well as in travel-retail exclusives, particularly in skincare and make-up. Spanger believes that such developments are setting beauty up for a good year ahead—supplier space demands aside. ■

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Heinemann executive director of purchasing & logistics Kay Spanger

### Heinemann factfile

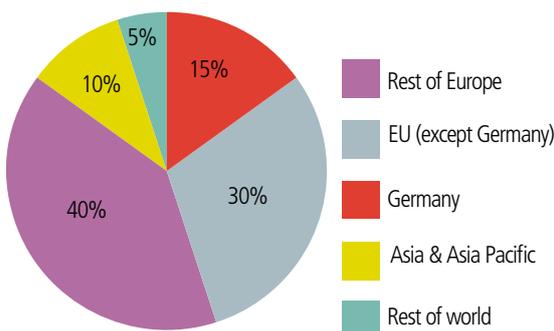
#### Heinemann beauty sales by subcategory 2016

Category	% of sales
Women's fragrances	11.2
Men's fragrances	6.1
Children's fragrances	0.1
<b>Total fragrances</b>	<b>17.4</b>
Skincare	8.6
Color cosmetics	4.7
<b>Total cosmetics</b>	<b>13.3</b>
Drugstore products	0.3
<b>Total beauty</b>	<b>31</b>

Source: Gebr Heinemann

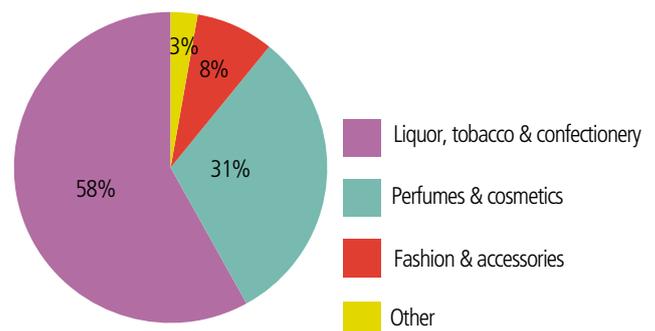
● **Group sales 2016:**  
 €3.8bn, +5.6% vs 2015

#### Heinemann sales by region 2016



Source: Gebr Heinemann

#### Heinemann sales by category 2016



## MakeUp in Paris

# Color explosion

*BW Confidential* reports on the trends from the MakeUp in Paris show, which took place from June 22-23

**M**akeUp in Paris, the trade show for the color-cosmetics industry, proved to be a rich source of new ideas in formulas and packs. Key trends seen at the show included the growing demand for metallic colors and effects, as well as for bright, neon shades. The importance of showing these vibrant colors through the packaging was also an important theme.

Liquid formulas, which continue to be popular for lips, but are also becoming more common in eyeshadows were also a strong trend. Formulas with transforming properties—for example that change from liquid to powder upon application—were also on show, as were a range of new textures, from soft, creamy crayons to gel eyeshadows. While shiny, liquid or wet-look products were much in evidence, industry players said there is still a strong demand for matte items. They added that one of the main requests from clients, especially in relation to wet-look products, are long-lasting formulas.

This year's event was described by organizers as the best to date. It attracted 160 exhibitors and 3,977 visitors. Highlights of the show included the Innovation Tree, which displayed 36 innovations presented by exhibitors at the show and selected by a committee of experts, make-up demonstrations using new products and the MakeUPigments area, designed as a showcase for make-up ingredients. The event also hosted the second MakeUp in Digital area, devoted to companies focusing on digital innovations in cosmetics. Exhibitors in this area included Provaine La Nail Revolution, which allows users to create personalized nail colors using an app, and AR make-up try-on app company Perfect Corp.

### Seen in show

France-based make-up subcontractor **IL Cosmetics** presented a range of eye and lip formulas, which it says are at the forefront of new trends. In eyes, Christophe Delas, director of Luxcos, the lips and eyes division of IL Cosmetics, said that there is still strong demand for liquid or cream eye shadow, while in both eyes and lips the metallic trend continues to be strong. "We are seeing more metallic shades for lips. This metallic trend is also evolving to include glitter in lip formulas, which is set to be big in 2018." He continues: "Liquid lipstick is also still sought after—it is a new take on lipgloss and is almost like a new category that has managed to seduce young consumers who wanted a different gesture than that of the traditional lipstick." Delas also pointed to growing popularity of lip tints, which is a strong trend in Korea.

German company **Faber-Castell** presented Urban Amazon, an eye and lipliner concept in electric colors. The retractable pencils come in transparent packs so the colors of the products stand out. The gel-like formula claims to have a high color pay off, to be soft upon application and to have a long-lasting finish. ■■■



### MakeUp in Paris

**Took place:** June 22-23 in Paris

**Exhibitors:** 160

**Visitors:** 3,977



## MakeUp in Paris

■■■ **Albéa** unveiled its new Fast-Track Beauty offer, which it says responds to clients' increased focus on time-to-market. The company describes Fast-Track Beauty as a selection of market-ready products, which can be easily customized to respond to the latest trends. The first offer, Focus Collection, is made up of packs, formulas and applicators for the eyes in a square design range. Albéa also presented Prism, a new crystal-like transparent thick bottom cylindrical bottle for eye and lip make-up that aims to show the color of the formula inside.



German company **Geka** presented its trend collection for spring/summer 2018, which it calls OrientALE, a combination of orient and fairytale. The trend is a Persian-inspired look with intense blue and turquoise tones, red and terracotta, and packaging featuring decorative effects using reinterpreted astrological symbols. The collection consists of four items for the eyes, lips and brows. PersianEYES is a mascara brush that provides a volume effect and features a two-component EOSfoamfiber with a foamed outer shell, intended to provide a soft application. The second item is a dual-ended liquid eye shadow with turquoise on one side and a gold shade on the other. The product highlights two different applicators: flexiKISS for precision and classicLIPS for an even distribution of formula. The third product is SoftDEFINITION, a lip applicator that is wedge-shaped on one side for an even distribution of gloss and has a pointed tip for precise contouring. The fourth item is a two-in-one product for the brows. On one end it features the BeautySTYLIST applicator with its extra hard flock for combing, defining and fixing the brows, while on the other the gentleLIPS applicator can be used to apply highlighter on the brow bone.



**Cosmogen** showed Clear Puff, which is described as a soft, easy-to-use, flexible applicator designed to apply cream, liquid and foam foundation. The company says that the advantage of the applicator is that it enables the consumer to make use of all of the formula and therefore avoids wastage.



Beauty designer and make-up artist Michel Limongi demonstrated his new All Face Fan brush, which was manufactured by Cosmogen. The brush in the shape of a fan has two lengths of hair in two different colors (black and white). Limongi said that the double-length of hair is intended to help women avoid three common problems when they apply make-up: pressing too hard, using too much powder and leaving traces. Users are encouraged not to touch the black zone of the brush with the formula, thereby limiting the quantity of product. Limongi says that the fan creates a new make-up gesture, as it is easy to control the pressure which results in a natural look.



Poland-based **Nuco** presented what it calls transforming formulas, which are intended to meet the growing demand for surprising textures. It showcased Set Le Matte Phase-change Makeup Fixer Liquid Powder, a slightly pigmented liquid product, which when applied to the skin loses its pigment and turns into a fixing, mattifying powder. It also presented Cool Gel Eyeshadow, a water-based jelly eye shadow formula.



**Texen** showcased double-sided silicone sponges. The sponges are said to provide a new way of applying powder. The user applies the powder with the silicone side, while the reverse side is covered with Rubicell, a sponge-like material, which is used to blend the formula. Also on show was a supple tube for skincare with an applicator that dispenses the formula cream drop by drop. It is said to be ideal of serums or under eye creams. ■





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## Sephora spreads its wings

The LVMH-owned retailer takes a step into Germany

Beauty chain Sephora has moved into Germany with the opening of a 130m<sup>2</sup> (1,399ft<sup>2</sup>) shop-in-shop at the Galeria Kaufhof department store in Munich. This is the retailer's second stab at the German market. The company pulled out of Germany in 2001 following difficulties related to what analysts called an over-aggressive expansion strategy at the time.

This time round, the company is in much better financial health and is embarking on the shop-in-shop model, thereby furnishing it with automatic foot traffic. The shop-in-shop model has been a success elsewhere for Sephora, notably in the US, where it operates the concept in JC Penney department stores. The retailer also recently launched the concept in Switzerland through a deal with department-store chain Manor.

Sephora has strong ambitions for Germany, the third-largest market in Europe for prestige beauty products, with plans for additional openings for 2017. But it is thought that for now the retailer will stick to shop-in-shops rather than open its own standalone stores.

However, analysts question how Sephora will fare in Germany, whose beauty market is dominated by perfumery chain Douglas. The German retailer is currently pursuing an aggressive international expansion strategy and recently announced that it would acquire the Limoni and La Gardenia stores in Italy and the Bodybell chain in Spain.

To compete, it is likely that Sephora will focus on playing the exclusivity card. At the Munich shop-in-shop, Sephora will offer a total of 20 brands, which includes 11 exclusive brands such as the retailer's own line, the Sephora Collection, Huda Beauty and Korean skincare company Skinfood. The Sephora offer will also be available on Kaufhof's e-commerce site. In addition, the shop-in-shop will concentrate on services, such as the Gift Factory and the Make-up Bar for makeovers by the store's make-up artists.

Germany is Sephora's 23<sup>rd</sup> market in the EMEA region. ■

### Sephora Germany

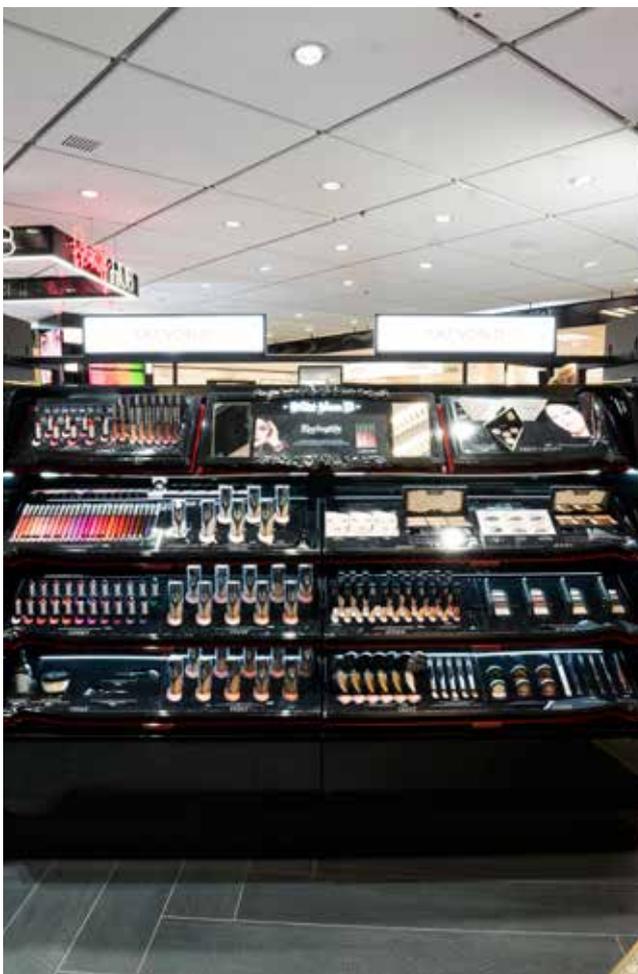
- **Location:** Galeria Kaufhof, Munich
- **Opened:** June
- **Size:** 130m<sup>2</sup> (1,399ft<sup>2</sup>)
- **Special features:** Sephora Beauty Hub, Gift Factory, Make-up Bar

# Store visit



©Simon Thon

▲ There is a focus on exclusive brands and services at Sephora's new German shop-in-shop



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▲ The shop-in-shop stocks 20 brands, of which 11 are exclusive and include the retailer's private-label collection

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