

cosmétique mag

To decode beauty industry N°1_Spring 2018



The new Coty

Exclusively for *Cosmétique mag*, the group's managers share their visions and ambitions. Portrait of a young beauty giant.



© Barry Willis

ISSN 1297-4781

SUBSCRIPTIONS
cosmétiquemag

4 rue de Mouchy - 60438 Noailles Cedex - France
Tel.: 33(0)1 70373175
abonne@cosmetiquemag.fr

PREMIUM PACKAGE

11 issues + 1 supplement
+ unlimited access to the website
+ 2 special issues + the iOS and Android app
Mainland France: €175

FULL PACKAGE

11 issues + 1 supplement
+ unlimited access to the website
+ the iOS and Android app

FOR OVERSEAS FRANCE AND INTERNATIONAL

PRICES: CONTACT US: contact.us.
Subscribe online: www.cosmetiquemag.fr

LINK MEDIA GROUP
PUBLICATION DIRECTOR
Stéphane Demazure

DEPUTY MANAGING DIRECTOR
Patricia Thouanel-Lorant
pthouanel@linkmediagroup.fr

EDITORIAL STAFF

DEPUTY EDITOR-IN-CHIEF Maryline Le Theuf (+33 (0)1 84 25 95 07)

SECTION HEAD Sylvie Vaz (+33 (0)1 84 25 95 07)

JOURNALIST Anaïs Engler (+33 (0)1 84 25 95 07), Jessica Huynh
(+33 (0)1 84 25 95 07)

EDITORIAL SECRETARY Georges-Eric Pernet

THE FOLLOWING PEOPLE CONTRIBUTED TO THIS ISSUE: Martine Carret,
Caroline Crosdale, Aurélie Dematons

REGIONAL CORRESPONDENTS

LILLE: François Lecocq, +33 (0)3 20 42 05 93

LIMOGES: Olivier Jacquinot, +33 (0)5 55 52 13 65

MARSEILLE: Marie-Line Lybrecht, +33 (0)6 83 07 93 05

NANTES: Frédéric Thual, +33 (0)2 40 69 07 22

STRASBOURG: Anne-Sophie Martin, +33 (0)6 86 48 28 67

FABRICATION MANAGER Anne Krouk (+33 (0)1 84 25 95 17)

STUDIO MANAGER Olivier Grison (+33 (0)1 84 25 95 16)

PICTURE RESEARCHER Margaux Quesnel (+33 (0)1 75 60 40 87)

ADVERTISING

ADVERTISING DIRECTOR Aurélie Gambillo (+33 6 07 89 11 25)

agambillo@linkmediagroup.fr

CUSTOMER SERVICE DIRECTOR Steve Custos (+33 6 18 77 38 58)

scustos@linkmediagroup.fr

SALES - TRAFFIC ADMINISTRATION

MANAGER Hélène Antoine (+33 (0)1 84 25 95 09)

hantoine@linkmediagroup.fr

EVENTS-PARTNERSHIPS

PROMOTION MANAGER Delphine Gadret (+33 (0)1 84 25 63 33)

dgadret@linkmediagroup.fr

MARKETING - COMMUNICATION - DIFFUSION

MANAGER Lyndia de Campos (+33 6 42 25 82 84)

ldcampos@linkmediagroup.fr

ASSISTANT Patricia Demuynck (+33 (0)1 84 25 95 13)

pdemuynck@linkmediagroup.fr

PRINTING: Imprimerie Chirart,

744 rue de Sainte-Colombe, 42540 Saint-Just-la-Pendue

MAILING: France Routage

PAPER FROM ITALY - RECYCLED FIBER RATE 0% CERTIFICATION
PEFC 100 % - EUTROPHISATION PTOT 0,036 KG/T



Legal deposit: upon publication
Joint Committee: 0318 T 78973
ISSN 1297-4781

OTHER PUBLICATIONS
www.cosmetiquemag.fr

The surnames, first names and addresses of our subscribers are provided to our internal services and to organisations that have contractual agreements with Link Media Group. In the event of reasoned opposition, this disclosure will be limited to the obligations arising from subscription. This information may be subject to a right of access or rectification within this legal framework.

editorial

Cosmétique

mag is moving forward

Your B2B media brand has been included in the portfolio of Link Media Group, a trade press group managed by Stéphane Demazure. It is growing with the acquisition of *Cosmétique*mag, *Coiffure de Paris* and *La Revue des Collectivités locales* and has brought in Meeschaert Capital Partners as a shareholder. “*The B2B press has major*



© Régis Girman

growth drivers it can use to activate its professional communities via distribution, data management, the creation of events, and brand content. We are convinced that by placing intelligence and information at the service of industries undergoing technological and digital transformations, we will be further capable of meeting the needs of our professional communities, especially in the beauty sector” explains Stéphane Demazure. *Cosmétique*mag and its staff look forward to sharing their new projects with you. In the meantime, the magazine has opened up its pages to Coty this month for a long sequence in order to provide comprehensive information about this new beauty giant that is getting organised to resume its growth after the acquisition of P&G. Camillo Pane, CEO of Coty, and his management team share an interim assessment with us and paint an initial portrait of a group that is now operational.

PATRICIA THOUANEL-LORANT

20 YEARS



20 ans Kaloo change de tête.
Kaloo new look.



AVRIL 1998



SEP 2008



AVRIL 2018



contents

P.6



© Barry Willis

P.32



© Eric Garault pour CosmétiqueMag



P.45

© Chafik

P.46



© DR



P.47

© DR

P.48



© DR

EDITORIAL

INDUSTRY

- 6 The new Coty is now operational
- 8 Camillo Pane, CEO for Coty
- 12 Coty's current scope
- 14 Patrice de Talhouët, Chief Financial Officer for Coty
- 16 Coty luxury strengthens its classic hits
- 19 Travel retail: a key focus for the luxury division
- 20 Coty consumer beauty: a new dynamic
- 24 Coty 2.0
- 26 The professional division gains momentum
- 28 An inclusive CSR policy
- 29 HR: the best of both worlds

RETAIL

- 30 And Sephora invented the world brand
- 32 An expansion on all fronts (Chris de Lapuente, CEO Sephora monde)
- 34 Feel-good shops
- 36 France, a stronghold
- 37 S+, the brick that consolidates the house
- 38 And the digital web gets denser and denser
- 40 More than an offer, a point of view
- 42 Sephora employees: striding out and stepping up
- 44 Sephora takes its responsibilities
- 45 Yan & One goes for the big picture
- 46 Granado is opening a store in Paris
- 47 Urban Outfitters is coming to France

MARKET

- 48 Beautéville: China is upping the ante on the international cosmetics scene
- 50 Luring companies through attractive deals
- 52 Regulations - the thorn in china's side
- 54 A city within a city
- 56 Iran reveals its secrets

PACKAGING

- 58 Packaging: the new industrial (r)evolution

INFLUENCERS

- 63 David Beckham, the game goes on



PRINCESSE
MARINA DE BOURBON
PARIS



TFWA SINGAPORE - BASEMENT 2 - STAND B10
www.marinadebourbon.com

The new Coty is

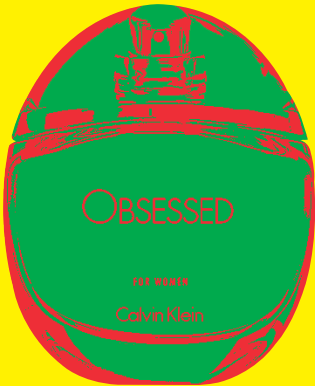
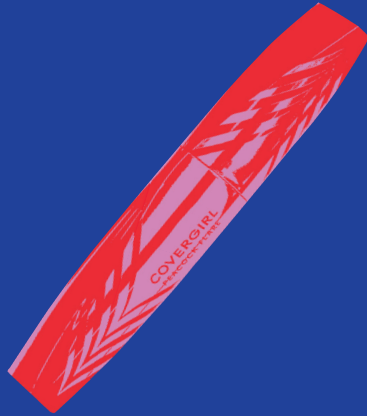
Two years after acquiring around 40 Procter & Gamble brands, Coty is defining its strategy. The beauty sector is witnessing the birth of a giant. Its managers, its CEO Camillo Pane, and its Executive Committee share their vision of the new Coty exclusively in *Cosmétiquemag*.

It was the largest transaction that had gone down in the beauty industry for several years. In July 2015, the Coty group announced the acquisition of some 40 Procter & Gamble brands. The estimated \$12.5 billion deal amounted to almost as much as Coty's market value and made the group the world's number one player in fragrances and number two player in professional products (hair care, colour). But it still had its work cut out for it: it needed to build a group based on two businesses with very different cultures, rally its employees (more than 20,000) and brands (more than 77) around this new entity, and develop synergies and development plans – in short, consolidate the giant's foundations and bring its team members onboard. The group's managers have spent the last 24 months working to achieve these goals. It has been a real race against time to keep up with the pace of the competition, consumers and the stock market. Financial analysts, aware of the scope of the task, are starting to become impatient. *"It's hard for me to imagine that Coty will achieve its target in 2020. How will it reduce the high fixed production and distribution costs related to the product*

Camillo Pane, CEO	P. 8
Coty's current scope	P.12
Patrice de Talhouët, Chief Financial Officer	P.14
Edgar Huber, President of Coty Luxury	P.16
Travel retail	P.19
Laurent Kleitman, President of Coty Consumer Beauty	P.20
Coty 2.0	P.24
Sylvie Moreau, President of Coty Professional Beauty	P.26
An inclusive CSR policy	P.28
HR: the best of both worlds	P.29
A challenger in France	P.30



now operational



portfolio purchased from Procter & Gamble?" wonders Dara Mohsenian, an analyst for Morgan Stanley. Lauren Lieberman, an analyst with Barclays, commends the "balanced and patient approach taken by the new group's management team. But the turning point that will mark the resumption of Coty's growth is too far away". It is not an easy task. "The management team has long-standing expertise and knows how to reduce costs" reassures Jonathan Keypour, an analyst for Deutsche Bank, "but it won't be able to do so before the end of 2017". Keypour, one of the few Wall Street experts recommending the purchase of Coty shares, nonetheless hopes for the resumption of sales and the development of cash flow in the long term.

A high-potential portfolio. The group, which generates the majority of its turnover in Europe, owns some high-potential nuggets such as Gucci fragrances, trendy ghd accessories, OPI nail polishes and CoverGirl make-up. The latter is part of the Consumer Beauty division, the group's largest by far. It recently unveiled its new brand image, conveying the values of the new Coty: liberated, celebrated and inclusive beauty meant to reach a wide audience. Coty is currently developing its digital communications by advertising on social networks, often with the support of influencers. And through the purchase in 2015 of Beamly, a company specialising in digital marketing, the group ultimately intends to deploy e-commerce. Coty is gradually putting its ecosystem into place.

MARYLINE LE THEUF

WITH CAROLINE CROSDALE, IN NEW YORK

“A challenger spirit to

The beauty giant is back on track and **Camillo Pane, CEO at the helm of the new Coty** shares his vision of the group. Between the creation of a common culture and the foundation of corporate values, pillars are in place to achieve the group's ambitions.

One year after the merger with the brands sold by P&G, what has been accomplished?

Camillo Pane: It is accurate to say that it was a busy year and that the company's transformation is now under way. My vision for Coty relies on three main pillars: instilling life into our mission – which is to celebrate and liberate beauty in all its diversity –, committing to our major social project, and building a strong common culture. We are the number three group in the beauty sector, but our ultimate aim is to become number one. To achieve this, we will need to think outside the box, challenge conventions, and refuse the status quo.

How did you define your corporate project?

C.P.: By asking the following questions: why are we proud to work for Coty? What impact do we want to have on society as a whole? We sought the opinions of our employees, through workshops and online forums, to involve them in the definition of our new project, which is to combat prejudices in collaboration with *Global Citizen*, a digital social action platform. Behind this idea, there is the ability to achieve our full potential, refuse all labels, and reveal the diversity of individuals in all their authenticity. This will be reflected in collective actions and in our brand campaigns, as already illustrated by Gucci Bloom, CoverGirl and Sally Hansen, each of which embodies this ambition to redefine sometimes stereotypical beauty standards.

We've been hearing more and more about inclusive beauty...

C.P.: Indeed – we started working on this theme more than two years ago, when we were deciding what kind of company we wanted to be. We want to become a supporter of diversity and self-expression and overcome prejudices in all areas, whether related to gender, disability or sexual orientation, to name just a few. This diversity is reflected in our workforce, comprised of 56% women. In a word, we want to be recognised for our value of radical inclusion. I personally believe that being surrounded by different people is a source of inspiration and

makes me a better manager. These values also make Coty a civic-minded company that better understands consumers.

Is this major project also a way of bringing together two companies with different cultures?

C.P.: We are building a new corporate culture by relying on the very best of both entities. We have integrated employees with admittedly different cultures. That said, when defining the new Coty, we learned that even though we had previously taken different paths, we are now all headed in the same direction. Coty is characterised by a singular frame of mind and the empowerment of its staff. I thus encourage all of the group's employees to act as if Coty was their own company. We are determined to go faster and further.

Is the integration process on schedule?

C.P.: Yes – the adventure has only just begun. Until two months ago, we still depended on several P&G logistics systems that we have since completely abandoned. Over a one-year period, the brands we acquired were brought into Coty's systems in more than 100 countries. A remarkable feat has been achieved by our teams, considering the incredible complexity of such a merger.

Why keep the name Coty?

C.P.: François Coty was a visionary and a brilliant entrepreneur. When he founded Coty in 1904, he reshaped the industry, becoming, in a way, the father of modern perfumery. His name and legacy remain associated with the values of innovation that we share and are implementing in new forms. The name is thus a considerable asset, especially in our group, since several of our brands were named after the man or woman who reinvented their category, for example with Eugène Rimmel with the marketing of non-toxic mascara, Max Factor who used the term make-up for the first time, and Wella, who created the segment of professional hairdressing. Today, we are all founders of this new Coty.

HIS BACKGROUND

1994: started for Kraft

1996: jointed marketing division of Reckitt- Benckiser

2003: Global Category Director of Air Wick

2007: became CEO Healthcare of Reckitt-Benckiser UK

2011: Senior Vice President, Global Category Officer Consumer Health of Reckitt Benckiser

2015: jointed Coty as Executive Vice President, Category Development

2016: CEO Coty at the time of merger with P & G Beauty

shake up the market"



How have these various legacies influenced you?

C.P.: This entrepreneurial spirit that we uphold is essential. Our values include that of working with the state of mind of a start-up, which may at first glance prove to be a challenge for a company with revenues of \$9 billion and more than 20,000 employees. The idea, therefore, is not to be a start-up but rather to draw from this model, by promoting increased team autonomy, asking the right questions, being responsive in decision-making, and reducing lead times and procedures compared to other players of our size. For example, a project to launch a product in Mexico was set up in just six months, versus 18 to 24 months on average. The ability to rapidly innovate has become critical on the beauty market, especially in the hair colour and make-up segments.

What drivers can you rely on to move even faster?

C.P.: We have chosen to have some skills available in-house, as demonstrated by the acquisition of the digital agency Beamly in 2015. Similarly, the creation of our own Chinese subsidiary within just a

few months and the integration of Burberry are some good examples of rapid decision-making and implementation. As for innovation, we have powerful and flexible industrial facilities, combining internal production capacities and external partners.

Did the acquisition of Beamly give your company a digital boost?

C.P.: It is indeed a strong symbol of our ambitions in this area and of our ability to think differently. A year ago, I made digital technology one of our top priorities for the group. We are now going beyond

>>>



Photos: Barry Willis

The group's managing team, from left to right: Laurent Kleitman (President Consumer Beauty), Edgar Huber (President Luxury), Andraea Dawson-Shepherd (Senior Vice-President Corporate Affairs), Sébastien Froidefond (Chief Human Resources Officer), Mario Reis (Chief Global Supply Officer), Camillo Pane (Chief Executive Officer), Sylvie Moreau (President Professional Beauty), Greerson McMullen (Chief Legal Officer, General Counsel and Secretary), Daniel Ramos (Chief Scientific Officer) and Patrice de Talhouët (Chief Financial Officer).

>>>

standard digital campaigns, taking an integrated approach to e-commerce, social platforms, influencers and the media. As a result, our digital investments are significantly increasing. There are also several innovations in this area, such as the Clairol application to find the right shade of hair colour, Facebook Lens for Gucci Bloom, and the customised hair diagnosis of System Professional. Our brands are becoming digital-first organisations, which means they first have a digital and mobile mindset, since new generations of consumers were born in this environment and interact with these tools every day.

What about emerging markets?

C.P.: They are a focus for us, with strong development potential. While these so-called emerging markets account for only 25% of our business to date, the merger with the P&G Beauty brands has already enabled us to significantly increase our presence in these high-growth regions. Another example is the purchase of Hypermarcas, which has strengthened our positions in Brazil. The same is true for China, which was previously a market of retailers; our new own subsidiary has already posted very strong performance. I'm pleased with the launch of our Philosophy skincare brand, with the opening of a store in Shanghai and strong presence on the Tmall social network. Several fashion brands that we work with, such as Gucci, Miu Miu and Burberry, are also highly valued by Asian consumers.

But you're mainly a fragrance group, whereas fragrances aren't a core strength of the Asian market...

C.P.: That was true a few years ago, but the Asian market is also changing in this respect. The penetration of fragrances in China is progressing with the young generation. Moreover, Asian travel retail is experiencing strong growth. Colour and care are the fastest-moving segments, but fragrances are also benefiting from this boom.

What is your position in relation to company-owned stores?

C.P.: We have some such stores, with Bourjois and Philosophy, which already have addresses. We then work on a case-by-case basis: it depends on each brand's strategy and may be relevant for some but not for others.



© Franck Juergen

Camillo Pane, CEO of Coty, defended his vision of the new Coty in an interview with Jenny B. Fine, Editor of WWD Beauty, at the CEW conference in New York in early November.

How do you see Coty in five years?

C.P.: First of all, I think our mission to celebrate and liberate beauty in all its diversity will undoubtedly be our greatest source of inspiration, to provide millions of consumers around the world with a different vision of beauty. Five years from now, we will have deeply transformed our company by promoting our values. Coty will be an attractive company for talented individuals who share our vision of beauty and our entrepreneurial challenger spirit. We will have completed our digital transformation, with e-commerce and ongoing online conversations with our consumers. When I see all the work that has been achieved in the past year, I remain completely optimistic about our ability to quickly accomplish this mission.

Are there any companies outside of the beauty sector that inspire you?

C.P.: Yes, I'd said Tesla, which has made a difference and proven it is possible to change an industry as solidly established as the automotive sector, which is supposedly difficult to reinvent. Tesla has combined the concept of luxury with that of electric cars: this did not exist before the vision of Elon Musk. Consumer attitudes towards this industry have been deeply transformed, reflecting an extraordinary capacity to innovate to deeply reshape a category.

SYLVIE VAZ

"We've had to build a new corporate culture by relying on the very best of both entities"

Camillo Pane, CEO of Coty.

China Beauty Town

China beauty industrial agglomeration center creates beauty here.

China beauty cultural experience center discovers beauty here.

International fashion beauty expo center spreads beauty here.



BEAUTÉVILLE

The 4th Cosmetics Industry Leaders Summit

9/16—9/20 September 16-September 20
Huzhou of China

The meet-up where leaders and elites from all industry
segments celebrate innovation and creativity

Resources sharing and mutual benefit

China Beauty Town

As the largest cosmetics agglomeration center in China, it boasts a good location, preferential land price policy and cheap labor price, promises to provide the “One-stop” service for foreign-invested cosmetics enterprises that enter Chinese market.

How to invest in China Beauty Town and enter Chinese cosmetics market?

Approaches:

1. Buy the land in China and build the cosmetics workshop;
2. Enter the China Beauty Town Incubator Project and obtain the standard factory from China Beauty Town;
3. Rent an office and establish a trading company in China Beauty Town.

For more information, please contact:

Leda Li

Tel: +86 (572) 3981155 +86 18768280853

E-mail: lqw@cbiccorp.com

Website: www.zgmzxz.com

Coty's current scope

Created in 1904 by François Coty, the group is currently a giant in the sector, ranking third worldwide. It has a large portfolio of brands for all beauty channels except pharmacies.

N°3
worldwide in the beauty sector

+ **20,000**
employees around the world

+ **150** countries
(marketed products)

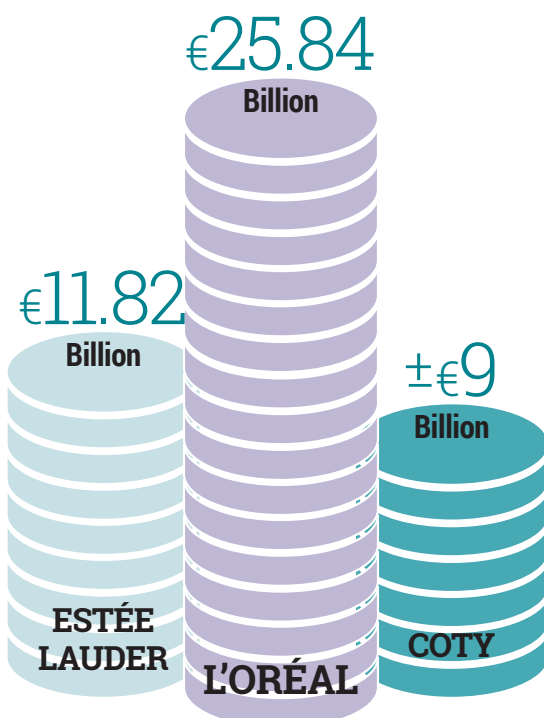


+ **10** industrial sites

+ **77** brands

+ **180,000**
retailers and salons

THE TOP 3



The latest acquisitions

BURBERRY
London, England

ghd
good hair day, every day

younique

Hypermarchas

Beamly

BOURJOIS
PARIS

N°1
worldwide for fragrances

N°2 for
professional hair products

N°3
for colour cosmetics

Change of scale. With the acquisition of the Bourjois make-up brand from Chanel, the company began to gain critical mass before this doubled with the P&G beauty brands. The group purchased Beamly and Younique to catch up in the area of digital technology, Hypermarchas to stand out on the Brazilian market, and recently the ghd brand of trendy hair accessories and the Burberry fragrance brand.

AN ORGANISATION WITH THREE DIVISIONS

32%

Alexander McQueen, Balenciaga,
Bottega Veneta, Burberry, Calvin
Klein, Cerruti, Chloé, Davidoff,
Escada, Gucci, Hugo Boss,
Jil Sander, Joop!, Lancaster,
Lacoste, Marc Jacobs, Miu Miu,
Philosophy, Roberto Cavalli,
Stella McCartney, Tiffany & Co.

LUXURY

\$2.8
Billion

48%

Rimmel London, Bourjois, Sally Hansen, Playboy, Adidas,
CoverGirl, Max Factor, Clairol, Wella, Mexx, Bruno Banani, 007,
David Beckham, Katy Perry, bozzano, Paixão, Beyoncé, GUESS,
Jōvan, Monange, BioCollor, Risqué, Nautica, C&B...

CONSUMER BEAUTY

\$4.3
Billion

20%

Wella Professionals, System
Professional, OPI, ghd,
Sebastian Professional,
Nioxin, Kadus / Londa,
Sassoon Professional,

PROFESSIONAL BEAUTY

\$1.8
Billion

2 fragrances in the top 15 for women worldwide



4 fragrances in the top 15 for men worldwide



A VERY EUROPEAN GROUP

REST OF THE WORLD

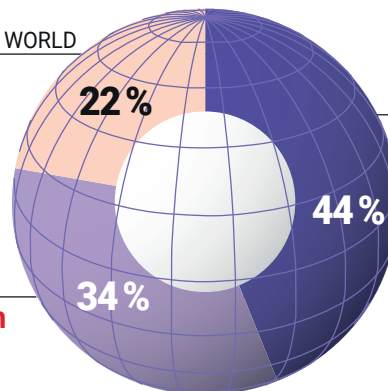
\$2 Billion

EUROPE

\$3.9
Billion

NORTH
AMERICA

\$3.1 Billion



"The decision to establish the Luxury division's head office in Paris is a strong signal to our partners and the luxury sector", affirms Arnaud Leblin, Vice-President Corporate Affairs - Luxury. The new group's choices of locations for its head offices were intended as signs. Its headquarters in London is far from all the company's divisions to highlight their management autonomy.

INCREASE IN TURNOVER

(en millions \$)	Turnover		Change			Operating income (loss)		Adjusted operating income	
	2017	2016	Evol. (1)	Evol. Coty +P&G Beauty	Evol. Coty +P&G Beauty currency adjusted basis	2017	Change	2017	Change
Total	7,650.3	4,349.1	76%	1%	1%	- 437.8	<- 100%	772.8	24%
Luxury	2,566.6	1,836.6	40%	- 3%	- 1%	158.0	- 31%	283.0	1%
Consumer Beauty	3,688.2	2,262.5	63%	- 3%	- 2%	261.2	6%	355.7	33%
Professional	1,395.5	250.0	>100%	8%	10%	78.5	15%	134.1	75%
Corporate	—	—	N/A	N/A	N/A	- 935.5	NM	—	N/A

Year ending on 30 June - (1) Change, Coty + P&G Beauty versus Coty

“We can achieve sustainable organic growth”

Such is the objective of **Patrice de Talhouët, Chief Financial Officer for Coty**. After the merger, the group has entered a stabilisation phase and is rushing to achieve its cost-reduction plan before its redeployment. It is relying on its large brand portfolio, emerging markets, and its efforts to catch up in the area of digital technology by implementing a decentralised organisation.

Can you describe the market on which the new Coty is operating?

Patrice de Talhouët: Just four years ago, the players in the highly attractive sector of beauty were solidly established. Within the past few years, the purchasing behaviour of consumers has been so drastically transformed by digital technology that this industry has been thrown into a new era. It is undergoing major changes, needing to digitise its businesses and adapt to volatility in purchasing. This new context has called for investments such that the sector has entered a new consolidation phase – keep in mind that we initiated the largest transaction in this industry – to achieve critical mass and have resources to develop new brands to fully meet consumers' needs. When I joined Coty in 2014, the roadmap established by the Board of Directors involved creating a new platform to compete at a high level in this sector. Our first acquisition, Bourjois (which then belonged to Chanel), was a strong symbol of trust in us, bringing a high-quality shareholder into the company, with a 4.2% stake.

In your opinion, what are the strengths of the new Coty?

P.D. T.: Our size, of course, as well as strong divisions with real management autonomy, and a portfolio of iconic brands, even though we are always considering the possibility of new acquisitions, if and only if this makes sense, as we demonstrated with the purchases of ghd, Burberry and Hypermarcas, which has allowed us to create a solid platform in Brazil. From a geographical standpoint, the merger with P&G has enabled us to rebalance our presence, in particular in emerging markets, where we have strong growth prospects. With this in mind, our strategy is to show that we can achieve sustainable organic growth. In my opinion, a key point is also the stability of our capital structure, with JAB Holding (Reimann family) as

the main shareholder (38%) managing its assets over the long term to look to the future with confidence. Our other shareholders have the same frame of mind, which is a privilege and an opportunity for Coty.

Concretely, what has been put into place to improve your agility?

P.D. T.: With the acquisition of the P&G Beauty brands, we have become very powerful in the fragrance category (*Coty is no. 1 worldwide*) and have strengthened our performance in the hair colour category (*Coty is no. 3 worldwide*). We have also discovered a new business line: professional beauty (*Coty is no. 2 worldwide*). To give substance to our new group, we are instilling a new culture, a new state of mind and new

“We initiated the largest transaction in this industry.”

Patrice de Talhouët, Chief Financial Officer for Coty.

processes and recruiting many talented employees. Although the merger was finalised in October 2016, we had been working on it since mid-2015; this timetable allowed us to start over almost from scratch and ask ourselves the following question: how should we be organised to become the beauty leader we aspire to be? This has involved multiple considerations, ranging from processes and methods of organisation to the number of steps and compensation principles. We deliberately adopted a decentralised entrepreneurial culture formalised through the creation of three autonomous divisions, to provide expert responses to the logics of their own distribution channels and the behaviours of their consumers and to attract the best talent. Averaging everything we had would have been a risky decision.

Can you give us a progress report on integration?

P.D. T.: The new Coty has been taking shape only since



HIS BACKGROUND

2004: joined Nokia for the Alcatel-Lucent division

2007: started working for Mars, where he would become Corporate Staff Officer Americas

2014: joined the Coty group as CFO

1 October 2016. At first we put a lot of energy into system migration, to move all the former P&G brands to our systems (IT, finance, HR, etc.) within a year. It was a gradual break, with the United States in May, Europe in July, and the rest of the world in September. So we have been completely autonomous for a few months now and have crossed a major milestone. The first integration phase is therefore on the right track. We are currently in the second stage, that of business stabilisation, which will be followed by the total redeployment of our group, to achieve strong and sustainable growth. Our priorities are henceforth to accelerate the growth of the Luxury division, continue gaining market share for Professional Beauty, and stabilise the Consumer Beauty division. Laurent Kleitman, its manager, is working with his teams on the repositioning of brands, some of which – especially those inherited from P&G – have suffered from under-investment in the past years, in a market that has significantly changed. Another key project for us is that of digital technology. We are picking up speed in order to make up lost ground, have integrated media approaches, and significantly increase the

share of e-commerce in our sales. The acquisition of Beamly in 2015 and of Younique more recently have been assets allowing us to gain momentum in this area

What is the status of your cost-reduction plan?

P.D.T.: We announced a cost-reduction plan to the tune of \$750 million and will have achieved 50% by 30 June 2018. We are adapting our industrial and logistical facilities, taking into account changes in our industry, and are reducing purchasing costs thanks to the current scale effect. In parallel, we are working on the cost structure associated with our new organisation: for example, I care quite a lot about employee co-location, which consists in bringing the three divisions of the same market together in the same place; in addition to generating savings, it helps create a Coty frame of mind going beyond each individual division. Lastly, regarding media buying – which makes up a large percentage of our marketing expenses – our new size is allowing us to better negotiate with advertising networks and have access to new solutions in order to enhance and grow our brands in the long term.

INTERVIEW BY PATRICIA THOUANEL

Coty Luxury strengthens its classic hits

The new leader in fragrances, presided by **Edgar Huber**, does not intend to be merely a blend of brands; rather, it wants to ensure their sustainability by banking on their desirability.

T

he new Coty owes its leadership status to the fragrance segment. P&G separated itself from many of its luxury brands, and by merging with Coty, these are helping to make this latest newcomer the world's fragrance powerhouse. Gucci, Hugo Boss and even Lacoste have been added to Coty's already-rich portfolio (Marc Jacobs, Calvin Klein, Chloé, etc.). *"The first conclusion I can draw after one year is that we have a portfolio of superb, contemporary and complementary brands, providing us with worldwide geographical coverage"* exclaims Edgar Huber, President of the division. *"In addition, we have deployed and executed a remarkable innovation plan over a short period of time, all while gaining market share in most regions"*. Coty Luxury is in great shape with a strong first quarter of its fiscal year (as of 1 July 2017), posting \$764.4 million in turnover, up 70%. Most importantly, this was its third consecutive quarter of growth. *"We were driven by successes and launches such*

as those of Gucci Bloom, Tiffany & Co. and Marc Jacobs Daisy, the Parco Palladiano collection of Bottega Veneta, and the excellent performance of our regional brands". The President of Coty Luxury underlines the pace of implementation, in particular the *"monitoring of industrial and logistical facilities, as enormous work was required simply to replace all the labels and boxes"*. Innovation is a key growth factor, hence a sustained rhythm of launches, even in this period of *"construction"* for the group's new luxury division. Reducing time-to-market is also one

of the goals of Edgar Huber, whose teams work in close collaboration with the R&D teams. *"Consumers these days don't want to wait. They expect rapid innovation cycles in all categories"* proposes Huber. The President

of Coty Luxury also defends a pragmatic and tactical approach: not all brands are meant to be global or be launched everywhere at the same time. *"Regional brands – like Jil Sander and Joop! – play a major role in the strategy: they have their audiences and are very powerful on their markets"* Huber explains. *"The latest Joop! WOW! fragrance was an instant success in the United Kingdom and Germany for example"*. There is also no conflict in action plans

for brands depending on the zone, sometimes with staggered launches, since *"we work to achieve overall success for the division"* asserts Huber.

When luxury reshuffles the cards. Although business never slackened and the launch schedule was observed, blending the two brand portfolios required a lot of thought at first. *"Our first task was to take a close look at our portfolio and establish or re-establish each brand's segment and*

"We work hand in hand with partner fashion houses"

Simona Cattaneo, Chief Marketing Officer of Coty Luxury.



© J. Siven

Gucci and Tiffany: portraits of women

Two of Coty Luxury's recent launches particularly stand out: Gucci Bloom and Tiffany & Co. "We believe they are set to be two new market icons", advances Simona Cattaneo. The former has taken advantage of the sewing boom, organised by Alessandro Michele, its Artistic Director since 2015. "The Gucci fashion brand is growing spectacularly and is without a doubt one of the most dynamic brands around" underlines Edgar

Huber. The latter is the only jewellery brand in the portfolio and has placed all its bets on the enchanting effect of the famous blue box. "As with jewellery that has the ability to accompany consumers in all the happy times of their lives, we intend to make Tiffany & Co. fragrances a benchmark for gifts, starting with the coming winter holidays" explains Simona Cattaneo. But addition to their positions and commercial successes, these

two launches convey the vision of inclusive beauty so dear to Coty. In fact, the spokesmodels for the Gucci Bloom campaign include Hari Nef, a transgender model. As for Tiffany, it has not one but four ambassadors. "Our brands are in line with Coty's values for inclusive beauty, promoting diversity and providing everyone with the means they need to express their individual personalities" concludes Cattaneo. *propres*, conclut Simona Cattaneo.



HIS BACKGROUND

1992: Joined L'Oréal where he would remain for 16 years and become President of the Luxury division

2008: President of Juicy Couture

2015: Joined Coty as President of Global Markets before becoming head of Luxury

own identity" explains Simona Cattaneo, Chief Marketing Officer of Coty Luxury. *"We analysed the market, segmented between ultra-premium, premium and low premium, and precisely positioned each of our brands on this map"*. This work done in parallel has helped prevent any cannibalisation and reach a broader range of consumers. Coty Luxury is characterised by the diversity of its brands, the large majority of which are licenses for designers, a key factor for Simona Cattaneo. *"We're incredibly lucky to work with outstanding international designers, whether it's Raf Simons for Calvin Klein or Alessandro Michele for Gucci, to give just two examples"* affirms the CMO of Coty Luxury. *"We also partner with world-famous celebrities: the choice of Jake Gyllenhaal for Eternity by Calvin Klein was made in close collaboration*

with Raf Simons. Similarly, the three faces of Gucci Bloom are friends of the fashion house. All this contributes to the brand's authenticity, which needs to be reflected in our launches".

The Brit touch, by Burberry. Progress needs to be made very quickly, and in addition to the integration of the P&G brands, Coty Luxury won sought-after license rights for Burberry, which has been under its control since October. *"We just placed our first orders"* explains Edgar Huber. *"We anticipated the brand's integration and brought together the teams in Paris, where our global headquarters is located. We're now going to focus on the schedule of innovations and upcoming plans"*. Managed in-house for almost four years, the brand is well-known to Simona Cattaneo: this luxury enthusiast was head of beauty for Burberry and worked to revive this division of the brand before joining Coty in July 2016. *"Burberry wanted to conform to the image of its beauty division and reposition itself in the luxury segment, consistent with the trend in fashion"* affirms Cattaneo. Coty has adopted a brand whose efforts to ensure consistency are well under way. In addition, while Burberry is supplementing Coty's portfolio with its *"cool and effortless British luxury style"*, according to Simona Cattaneo, it is also a digital and millennial brand in tune with the times. *"It's a brand with content that already has an ultra-contemporary vision. It's also a pioneer in digital technology in the luxury sector that reaches a young audience, thanks to make-up in particular"* explains the CMO of Coty Luxury. *"Now it needs to release its full potential"*.

The art of preservation. Coty Luxury's partiality for Burberry's digital and millennial qualities stems from the fact that this is a large part of its repositioning strategy, especially in terms of its way of communicating. *"Purely traditional communication around our brands no longer exists. The world has radically changed"* exclaims Simona Cattaneo. While traditional media will not be neglected, *"they will need to work in perfect synergy with our new platforms"* adds the CMO. The campaigns launched over the past year have relied on a 360° approach revolving around social networks, of course, and offering a very wide range of content. *"We've already tested these strategies for the campaigns of Gucci Guilty and Daisy by Marc Jacobs"* explains Simona Cattaneo. *"We're now telling a multifaceted story, stretched out over time, in order to open up a conversation with consumers and provide them with the best*





Philosophy tried
adventure
of sole shop.



>>>

possible brand experience". Still in keeping with a test and learn approach, Coty Luxury is looking to set itself apart by innovating. "With Gucci, we were the first beauty brand to use Facebook Lenses for the launch of Bloom" states Cattaneo. "We're also doing a lot of work with social commerce, especially with initiatives for Miu Miu. We always examine how we can use and develop new tools, such as big data and social listening, to be as relevant as possible".

New growth drivers. As a fragrance powerhouse anticipating the creation of two icons with Gucci Bloom and Tiffany (page 19), Coty Luxury seems to have found its source of growth. The division still has low performance in the areas of make-up and skincare. For the former segment, the arrival of Burberry should change things since it already has a comprehensive range. "We will particularly focus on it and pursue its growth" affirms Edgar Huber. It will not be alone, since Gucci make-up will also be relaunched. "Today, designer brands are well positioned to market make-up" observes Simona Cattaneo. "They're highly attractive to Millennials and colour is a strong expectation for digital natives. Therefore, Gucci and Burberry are completely relevant in this segment". As for skincare, it is represented by two dedicated brands in Coty's portfolio: Lancaster and Philosophy. The former is an "iconic brand" affirms Edgar Huber. "It has a rich heritage, extraordinary formulae,

"We want to elevate our
brands and distribution
networks"

Edgar Huber, President of Coty Luxury

and renowned skincare and suncare expertise. We have great ambitions for the brand". For Simona Cattaneo, the aim will be to "return to the origins of this glamorous brand which symbolises the French Riviera because it still has growth opportunities and I sincerely believe in the recommendation model for it". The latter is in full swing: well established in the United States, it has also taken China by storm by opening a shop in Shanghai and more recently by being distributed on Tmall. This arrival in China is indicative of Coty Luxury's ambitions in the country and more broadly in

Asia. Its President commends the creation of the Coty subsidiary in China, which he describes as a "courageous and beneficial decision". Fragrances have also benefited from this entry into the Orient, via pop-up stores for Gucci and Chloé,

among other things. While it is not yet feasible to grow new initiatives for company-owned stores, this is clearly "a way, like e-commerce, to directly reach out to consumers and consider very high levels of service" observes Edgar Huber. That said, the Internet still has priority – it is where "our ambitions are the strongest, especially since digital technology is a way of making the luxury segment more accessible" continues Huber. The division works closely with the e-commerce sites of retailers, in the framework of selective distribution contracts, as well as with pure play companies. "Our partnerships work: we are thus able to offer the inspiration associated with luxury brands" adds the President.

SYLVIE VAZ

Travel retail: a key focus for the Luxury division

The group's strong positions on the fragrance market have made travel retail a key channel for the Luxury division's strategy. The group has major ambitions for this channel, especially for its fragrances. It also wants to develop skincare in Asia.

The new Coty has an entity in Geneva fully dedicated to business generated by travel retail to provide our retail clients with a single point of contact, regardless of the brand, for our three divisions" explains Philippe Margueritte, Senior Vice President of Global Travel Retail. "This entity falls within the scope of Edgar Huber, President of the Luxury division, because the share of turnover and the growth of our prestigious brands in this channel are central to the division's strategy". In Europe in this channel, the group has 21.3%* market share for the fragrance category, in addition to two market share points related to the acquisition of Burberry and the deployment of Tiffany. "As the leader, we are responsible for further growing the category and providing innovative solutions in terms of products and in-store customer experiences" maintains Philippe Margueritte.

Digital merchandising. The group's skincare ambitions for this channel are driven by Lancaster's skincare range ("the brand has not yet been deployed in all countries") and by Philosophy in North America and more recently in Asia. Regarding make-up and colour cosmetics more broadly, the group relies on the strength of OPI (it claims a 69% market share in the nail segment), intends to deploy Burberry and Gucci abroad, and depends on Bourjois with its more affordable positioning. Thanks to the Professional Beauty division, work has been undertaken



Philippe Margueritte,
Senior Vice President of
Global Travel Retail.

to study the development of the haircare category with the Wella, Clairol and GHD brands. The travel retail channel is also an opportunity for the group to catch up in the area of digital technology. It is testing digital merchandising to enhance its brands' communications with consumers and most importantly to collect data relating to traffic and its composition. "We're in the test and learn stage and our exchanges with our retail clients are allowing us to refine and improve our offering. We believe in the strength of emotional purchasing. In the context of travel, our customers feel adventuresome as they break from their daily routines. They also feel safe once they have passed customs controls. It is up to us to tap into our expertise relating to shopping behaviours and in-store operational quality to make the most of this frame of mind

to develop sales from an angle other than price. Keep in mind that 84% of passengers don't make purchases in TR, and when they enter stores, they spend less than 50 seconds there". That is why the group is also working on digital tools to develop click-and-collect and is experimenting with translation tools, videos in various languages, etc. The training of advisors in sales outlets is also essential. In the past year, an electronic platform has been deployed for this target. Available in five languages, it informs them of product launches, provides them with training, and offers them a space in which they can exchange with one another. Coty is heavily investing to sustain its travel retail sales, especially since growth has been resumed in a key area, Europe.

PATRICIA THOUANEL

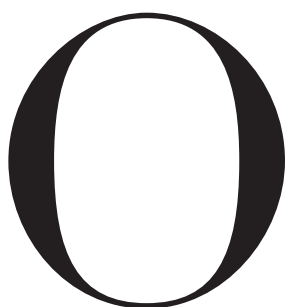
(*) Source: industry

"Travel retail is a tremendous channel for expressing the DNA of our prestigious brands in major airports that are becoming genuine temples of luxury".

Philippe Margueritte, Senior Vice President
of Global Travel Retail.

Coty Consumer Beauty: a new dynamic

The group's largest division is also the one that is struggling the most. The challenge faced by **Laurent Kleitman, President of Coty Consumer Beauty**: revive its brands and take advantage of enthusiasm for make-up.



Of the three divisions, Coty Consumer Beauty is the mastodon. Specialising in mass-market brands, it posted \$3.6 billion in turnover in 2017 (fiscal year ending on 30 June). But in a context of strong competition on a rather sluggish global market, its initial results are not up to par. This is also the division of the new Coty that has had the most to do in terms of integration. It is made up of several global big-name brands: CoverGirl, Rimmel, Max Factor, Sally Hansen, Bourjois, Adidas and Clairol) as well as a wide variety of fragrance licenses. This year, in addition to Procter & Gamble's large portfolio, Consumer Beauty also landed the Brazilian local champion Hypermarchés and the distance-selling specialist Younique. When its 2016-2017 results were announced, they indicated that while these two assets have positively contributed to business, the former P&G brands and the nail segment are showing signs of weakness. But the first quarter of 2018 (July to September) seems to be stabilising, with rather encouraging turnover of \$1 billion. *"The mass market needs to inspire consumers to dream again"* explains Friedemann Schmid, Chief Marketing Officer of Coty Consumer Beauty. *"This channel hasn't been abandoned by consumers, especially for make-up, but we need to reinvent ourselves and refocus our efforts, correct the company's arguments, and find a new place in the public's heart"*. Creativity, closeness and complicity with customers are the keywords of the new Coty Consumer Beauty's strategy. *"We need to recreate proximity, engagement and emotion"* continues the CMO. For the new giant, falling in with the crowd is out of the question: *"We have no desire to fit in"*

affirms Laurent Kleitman, President of Coty Consumer Beauty. *"We want to shake things up"*. This former Unilever employee is extremely enthusiastic. With expert knowledge of this channel, he joined the adventure just a few months ago. *"It's been one of the most exciting times in my career"*, he affirms. *"I discovered a company undergoing a profound transformation. It's already made so much progress"*. The Consumer division was the first to organise major changes to its portfolio, given the magnitude of the tasks and challenges to be tackled in a segment where consumer expectations have changed and where trendy brands are out-performing historical players. It has had to increase its flexibility and deeply redefine its approach. *"We want to be a player, not a follower"* continues Kleitman. *eur et pas suiveur*", poursuit Laurent Kleitman.

Redefining its approach. *"The Consumer Beauty division is the one that reaches the most consumers: we have the widest distribution, and the diversity of our portfolio allows us to meet many needs and be the most inclusive"* asserts Kleitman. The division's management team has great ambitions, on par with the market's size, but also seems to want to go beyond its traditional mission. *"Brands need to be more engaged with consumers"* underlines

A new era for CoverGirl

CoverGirl, the most powerful brand in Coty's portfolio, has been the first to benefit from a total relaunch, in keeping with the values conveyed by the new group. *"Our tagline, 'I am what I make up', presents make-up as a means for self-expression with modern ambassadors who embody the notion of diversity"* explains Friedemann Schmid. The brand's metamorphosis started this past spring, with a campaign in the United States encouraging women to

apply make-up in public, in opposition to signs in the New York metro suggesting they do it at home. *"We wanted to inspire women to reclaim make-up"* declares Laurent Kleitman. *"It was the beginning of a new saga, with deeper, meaningful values"*. This transformation will also consist in redesigning packaging and working on merchandising. *"It will reflect a move upmarket"* adds Friedemann Schmid. It will also create value, at all levels.



HIS BACKGROUND

- 2017:** Became President of Coty Consumer Beauty
- 2015:** Executive VP Global Hair Care Category, with Unilever
- 2009:** General Manager Russia and CIS, President Dior Russi and CIS, LVMH
- 1989:** Brand Manager for Unilever

Schmid. *"The lines between various distribution channels are becoming blurred, and this is not just a matter of concern for retailers: we need to arrive with a comprehensive offer that is more irresistible".* The division has also taken ownership of the new Coty's mantra, which is to liberate and celebrate beauty. *"We practise and implement it"* affirms Laurent Kleitman. *"Beauty and beauty expectations are changing. This is the end of a dictatorial model – a traditional model of women as objects"*. The first to benefit from the mentality shift was CoverGirl (see opposite), which spearheaded the change. *"It's our largest brand, but it was dormant"* proposes Friedemann Schmid. *"It missed a turn – it had something authentic, but it was too focused on pop culture. It had spread itself too thin, and our first task was to refocus it on its core strengths"*. The brand also changed advertising agencies, appointing Droga5 to define a new scope of expression and make consumers want to become attached to it, even before making a purchase. The iconic brand wants to become hip, also thanks to

"Beauty and beauty expectations are changing. This is the end of a dictatorial model – a traditional model of women as objects"

Laurent Kleitman, President of Coty Consumer Beauty

digital campaigns (which *"improve the dialogue with consumers"* emphasises Laurent Kleitman) as well as happenings. The second major task involved the nail specialist Sally Hansen. *"It was known for its iconic and cult products, but it was a brand with no point of view"* acknowledges Friedemann Schmid. *"It had strong products with a motto only, so we went to discover the brand's origins and learned about Sally Hansen, a female entrepreneur. With her, we celebrate self-made beauty, which is our new tag-line"*. To convey this vision, its teams produced a bold and funny film called Shetopia that imagines a world ruled by women who still remain feminine. *"This is merely the beginning of the adventure, but our first initiatives demonstrate our desire to change our approach"* states Laurent Kleitman. *"With CoverGirl, we're showing we can do this on a very large scale"*. It is not by chance that the first brands undergoing transformations are make-up specialists. Make-up is the segment with the strongest growth and the most competition, especially with the emergence of brands combining own retail with mass-market or selective distribution and above all a trendy image, revitalising

>>>



On the left, the revival of CoverGirl goes through new muses. Here, actress Issa Rae.

On right, the quality in-store execution is a priority project.

>>>

the market. It is also the segment in which Consumer Beauty has the most potential with four powerful brands: CoverGirl, Max Factor, Rimmel and Bourjois. For this diverse portfolio, the division's management team dismisses any idea of cannibalisation. *"We have four of the world's best make-up brands, which have different and complementary profiles in terms of targets and prices"* affirms Laurent Kleitman. The ultra-French Bourjois is number one in the Middle East. *"The image of Parisian women is exotic and creates appeal, and this market wanted a young, colourful and sophisticated brand"* explains Kleitman.

Reconsidering retail. The division has strong global colour codes illustrating its international ambitions, with a focus on developing areas. Historically well-established in the West, *"we've been very successful in emerging markets such as Mexico, Brazil, Latin America, the Middle East and Asia,*



"This channel hasn't been abandoned by consumers, especially for make-up, but we need to reinvent ourselves (...) find a new place in the hearts of consumers".

Friedemann Schmid, Chief Marketing Officer of Coty Consumer Beauty.

YOUNIQUE: A SEPARATE BUSINESS

Part of Coty's portfolio since the beginning of 2017 (60% stake), Younique has its own business model in the Consumer Beauty division. While it is indeed a mass-market brand, it is distributed on the Internet and through representatives who promote it on social networks. Between peer-to-peer sales and "Tupperware 2.0" meetings, the brand

has done extremely well, with more than 200,000 independent distributors and 4.1 million consumers in 10 countries (United States, Germany, Canada, etc.) at the time of purchase. This business lives very independently. *"The founders are still at the head of Younique, which continues to have considerable growth prospects"* explains Laurent Kleitman.

which is an essential driver" adds Laurent Kleitman. *"We're creating a global business all while working locally"*. Dedicated marketing, partnerships with local influencers and local innovations are therefore standard practice, with some impressive successes, such as the number two position for deodorant in Brazil. *"If a brand reasons well, we can make it global while remaining culturally relevant"* considers Friedemann Schmid. All that remains is to find the best way to showcase it. How can the mass market inspire consumers to dream? *"Restoring magic to the beauty sections of supermarkets and hypermarkets requires everyone's goodwill and we are fully committed to taking up this challenge"* exclaims Laurent Kleitman. For example, Coty Consumer Beauty has collaborated on these issues with chains of stores such as Boots and Superdrug, attentive to anything that may improve the purchasing experience. *"It's a critical category for certain retailers, hence the need to transform the purchasing experience and organise the offering"* states Kleitman. He underlines that for certain categories such as hair colour, *"efforts need to be made in the customer journey, as consumers usually find themselves in front of a wall of faces with no information. It's important to be able to provide service"*. The division has good knowledge of the retail business, with Bourjois stores. *"We want to continue, as this is a good way to express the brand"* explains Kleitman. *"Just as for e-commerce, it should add value"*. Digital technology is indeed used as well, although Coty Consumer Beauty remains under-represented. *"It is essential to inspire consumers to dream and expose them to the brand"* highlights Friedemann Schmid. E-commerce is also a topic of attention, with pure play companies such as Amazon and with store websites. Coty's UK team was even named E-com Supplier of the Year by the Superdrug chain this year. *"We're improving our offering with unique methods tailored to each retailer"* adds Laurent Kleitman. Shaking things up for the mass market will therefore require a joint effort.

SYLVIE VAZ



ACNILYS®

Oily Skin Regulator

Promotes the balance of a healthy skin.

This new powerful multifunctional active, from plant origin, intervenes on all targets to prevent from oily skin disorders and all of their imperfections, thanks to a triple frontal action.

It prevents against hyperseborrhea, limits microbial proliferation and reduces inflammation. The skin recovers hydration, radiance and a free from defects complexion, looking healthy.



www.greentech.fr

Coty 2.0

Ever since it acquired Beamly, the group has completely reconsidered its marketing strategies. Its new methods are intended to accelerate the growth of e-commerce.

Coty's will is clear: it wants to be a key player and a groundbreaker, not a follower in terms of its digital strategy: *"Digital technology is a priority for our organisation"* maintains Karen Pouey, VP Global Media & Digital for Coty Luxury. *"Over the past two years, recruiting processes, behaviours, mindsets and working methods have been totally reinvented. There are no more silos"*. The background to this was the acquisition in 2015 of Beamly, a digital agency based in New York and London, whose workforce grew from 60 to around 190 people. *"Beamly is teaching us to fine-tune our understanding of consumers and analyse their behaviour via big data, to ultimately develop relevant content for each target, platform and market as part of an integrated approach. The Paid, Owned, & Earned Media (POEM) equation is being working on simultaneously to maximise the impact of our strategies"*, explains Karen Pouey. All of the group's divisions have picked up the pace in this area to provide consumers with the best experiences. Some examples include the Instagram and YouTube pages of Wella to discover hairstyling tutorials, the Clairol app to find the perfect hair colour, and the use of social networks by Gucci, honoured at the Drum Content Awards for its mobile campaign for Guilty.

Partner of Amazon and Tmall. *"Whether we're dealing with an in-store operation or an online environment, we use the same energy and have the same quality standards"* emphasises Julien Ensuke, VP e-commerce, Coty Luxury. *"For each of our digital investments, we also play close attention to the ecosystem in which content will be distributed, to ensure it is consistent with the DNA of our brands"*. There are therefore white lists, as well as black lists: *"Gaming sites generate a phenomenal amount of traffic, for example. But the environment isn't relevant to our brands"* he adds. Since the merger with P&G Beauty in October 2016, the new CEO, Camillo Pane, has made digital technology one of his battles, with very strong ambitions for e-commerce. In Europe, Coty Luxury is establishing enhanced partnerships with retailers in the selective distribution channel, with which it imple-



© Jerome Sviien

Above, Julien Ensuke, VP e-commerce for Coty Luxury, and Karen Pouey, VP Global Media & Digital for Coty Luxury.



© Jerome Sviien

ments data-sharing for targeted marketing campaigns: *"Our approach is extremely proactive"* explains Julien Ensuke. *"Thanks to better knowledge of our customers, we're capable of offering very advanced and integrated solutions on a case-by-case basis"*. All around the world, the choice of pure-play companies and e-retailers is analysed depending on the market and brand. In the United Kingdom for example, the group has established a partnership with Fragrance Direct. In the United States, on Amazon, some brands (including Calvin Klein) have virtual stores with polished environments. In China, the necessary use of WeChat combined with the e-commerce site Tmall (Alibaba) works with the premium skincare brand Philosophy whose products have recently been available for sale and which also has had a store in Shanghai since mid-November. *"Online and offline aren't mutually exclusive – on the contrary, they're complementary"* concludes Julien Ensuke. At the beginning of 2018, Coty will invest in Ounass, a pure-play company in the luxury sector in the Middle East.

MARTINE CARRET

Hand in hand with Facebook

To test its new "AR Camera Effects" system which combines facial recognition, the use of augmented reality and stop-motion animation, Facebook chose eight brands, including one in the beauty sector: Gucci. In this context, in August, users of the social network were able to immerse themselves in the universe of Gucci Bloom and virtually add crowns of flowers to their selfies. More than 15 million users opened the

lens. *"For this launch, we didn't want a traditional campaign, but rather an innovative operation reflecting the brand's DNA and the lavish garden imagined by Alessandro Michele"* describes Karen Pouey, VP Global Media & Digital, Coty Luxury. *"As we frequently organise brainstorming sessions with key players in the digital sector (Google, Snapchat, etc.), it seemed obvious to us to use this feature for the launch of Bloom"*.

cosmétiquemag

Le magazine référence du secteur de la beauté

Business ■ International ■ Décryptages et analyses ■ Tendances...



Plus de
35%
d'économie!



NOUVEAU

Retrouvez l'intégralité de nos offres sur www.cosmetiquemag.fr

LE MAGAZINE
En versions print + numérique

LES HORS-SÉRIES
En version print

LE SITE COSMETIQUEMAG.FR
En accès illimité

L'APPLI COSMÉTIQUEMAG



BULLETIN D'ABONNEMENT cosmétiquemag

À photocopier et à retourner accompagné de votre règlement à :
Cosmétiquemag – Service Abonnements
4 rue de Mouchy – 60438 Noailles Cedex – France ou par Tél. : +33 (0)1 70 37 31 75
e-mail : abonne@cosmetiquemag.fr – www.cosmetiquemag.fr

OUI, je m'abonne à Cosmétiquemag pour 1 an :

☐ **Formule Premium** – 11 n° du magazine en versions print et numérique
+ 2 hors-séries en version print + le site en accès illimité + l'appli :
175 € au lieu de **281 €***, soit plus de **35% d'économie**.

☐ **Formule Intégrale** (Formule Premium sans les hors-séries) :
135 € au lieu de **221 €***, soit plus de **35% d'économie**.

Mode de règlement :

☐ Chèque bancaire libellé à l'ordre de : Link Media Group / Cosmétiquemag

☐ Virement bancaire sur le compte Caisse d'Épargne

Link Media Group Abonnement Cosmétiquemag

IBAN : FR76 1751 5900 0008 0118 3160 274 – BIC : CEPARPP751

☐ Règlement à réception de facture

☐ Carte bancaire (CB, Visa, Eurocard, Mastercard)

Pour tout règlement par carte bancaire, merci de vous rendre
sur <http://abonnement.cosmetiquemag.fr/abonnements.html>

☐ Je souhaite recevoir une facture acquittée

N° intracommunautaire :

Pour mieux vous connaître :

ACOS1801

☐ Marques (N55)

☐ Agents Distributeurs/
Grossistes (N50)

☐ Matières premières (N01)

☐ Packaging (N58)

☐ Maisons de composition (N56)

☐ Autres fournisseurs (N52)

☐ Points de vente (N)

☐ Siège social/Groupement (S)

☐ Parfumeries/Grands magasins (67)

☐ Grande distribution (71)

☐ Pharmacies/Parapharmacies (72)

☐ Instituts/Spas/Manucurie (75)

☐ Distribution autres circuits (76)

☐ VPC/Vente à domicile/Internet (N74)

☐ Services (N05)

☐ Agences Pub-RP/Médias (N90)

☐ Etudiants (N82)

☐ Enseignement (N47)

☐ Salons de Coiffure (N81)

☐ Autres (N99) :

Société :

Nom :

Prénom :

Fonction :

E-mail :

Adresse :

.....

Code Postal :

Ville :

Pays :

Tél. :

Fax :

* Prix de vente au numéro. Tarifs TTC (TVA : 2,1% sur l'abonnement). Tarifs réservés à la France Métropolitaine, pour l'étranger et les DOM-TOM : nous consulter. Conformément à loi Informatique et Libertés du 6 janvier 1978, vous disposez d'un droit d'accès et de rectification des données vous concernant. Il vous suffit de nous écrire en nous indiquant vos coordonnées. Offre valable jusqu'au 30/06/2018. Link Media Group – RCS Paris 828 986 158 – 18 rue Jean Mermoz 75008 Paris. Si vous êtes abonné(e) et que vous souhaitez ajouter l'accès à l'appli dans votre formule d'abonnement, contactez notre Service Abonnements au + 33(0)1 70 37 31 75 ou par mail : abonne@cosmetiquemag.fr

The Professional division gains momentum

When it purchased P&G Beauty, Coty took on professional beauty products. On a struggling market, **Sylvie Moreau, President of Coty Professional Beauty**, intends to strengthen this division and even take it beyond its position of challenger.

Wella Professionals, System Professional, Sebastian Professional and Nioxin have provided Coty with professional credibility enabling it to compete with another beauty giant: L'Oréal and its Professional Products division. Before the acquisition of Procter & Gamble Beauty, Coty's professional portfolio (turnover of \$250 million) consisted primarily of the OPI flagship brand (see below). Today, Coty Professional Beauty has revenues of nearly \$1.8 billion (2016-2017 fiscal year) and a growth rate of 8%. *"It is growing faster than the market in the complex context of the merger, with the migration of data between P&G and Coty"* underlines Sylvie Moreau, President of Coty Professional Beauty. The first quar-

ter of the 2017-2018 fiscal year (July to September 2017) confirmed the division's strong performance with +15% growth (turnover: \$430.5 million). For the President, this performance is the result of a strategy relying on the group's fundamentals such as hair colour and care as well as the acquisition of nuggets such as GHD finalised in January 2017 (see below) and B2B and B2C communications.

No. 1 in hair colour. To boost business in hair salons, the group has expanded its product and service catalogue, in particular for professional hair colour; a segment in which it claims global leadership, with as a highlight the launch in October of Wellaplex, a protecting and repairing treatment to be applied at the salon and continued at home. *"Today, one in two women doesn't colour her hair, often out of fear of damaging it, hence the Wellaplex solution"* explains Marco Eula, General Manager of Coty Professional Beauty France. *"Only 54% of women visiting a hair salon come for colour. They have around 3.4 colour and maintenance services per year. But ideally, to have even colour, women should come around six times a year."*

The ghd nugget

Purchased from the private equity firm Lion Capital LLP for \$510 million, Good Hair Day (2016 turnover: £178 million/\$235 million), is a true nugget for Coty Professional Beauty. It makes professional straighteners, curlers and glamorous accessories thanks to collections like its latest addition **Nocturne**. *"Our DNA is closely associated with hairdressers, but we also offer our products in outlets where consumers are used to shopping"* declares François-Xavier Bonnaillie, World Vice-President for Sales at ghd. *"Quality, design and unique distribution are ghd's three pillars for success"* affirms Nicolas Chausson, General Manager of ghd France. In France, the brand is distributed in 6,000 authorised salons as well as via 200 concession stands

at Galeries Lafayette, Printemps and Bleu Libellule and around a dozen e-commerce sites. Internationally, hairdressers remain the channel of choice. That said, the brand can never get its fill of authorised distributors. *"ghd will benefit from the support of Coty Professional Beauty's*



sales and training teams to enter new markets" adds François-Xavier Bonnaillie. OPI has been inspired by ghd's multi-channel distribution model. The nail-polish brand purchased by Coty in 2010 is distributed in France in 700 perfumeries and at Monoprix as well as in 3,500 salons and nail bars. The nail-bar channel was developed by AD Beauty, which imported the brand into France well before it joined Coty's portfolio. *"We also plan to rely on AD Beauty's training school to train nail and manicure professionals and then provide a list of services for salons. We might also consider setting up OPI areas in these salons"* suggests Marco Eula.



HER BACKGROUND

2008: Global Marketing Director, Prestige & Lifestyle Brands for Professional Salons, for P&G

2015: Global Executive Vice-President, Wella

2016: President of Coty Professional Beauty

2016: President of Coty Professional Beauty

So there's a source of growth. We've increased the colour services and techniques used by hairdressers which include consultation and customisation with a very wide range of prices. The result is that five in 10 customers enter one of the group's 9,500 French partner salons for colour versus a national average of four in 10. And the turnover generated by these authorised hairdressers from technical services is on the rise". Another new development, Color Fresh, has been announced for January 2018. Hair care is also a driver with the ultra-premium brand System Professional and its EnergyCode customised hair diagnosis as the spearhead. *"There are 174 million possible combinations. The brand, distributed in approximately 6,000 salons around the world, helps hairdressers better showcase their expertise and develop their turnover while building customer loyalty",* explains Laura Simpson, Chief Marketing Officer for Coty Professional Beauty. *"Around 500,000 diagnoses have already been performed, and France and the United Kingdom are among the most dynamic countries. The EnergyCode diagnosis will soon be extended to styling products".* Of course, the services thus provided to hairdressers are accompanied by training modules. Coty Professional Beauty's e-learning platform was redesigned eight months ago.

"It is growing faster than the market"

Sylvie Moreau, President of Coty Professional Beauty.

"In addition to styling and colour techniques, we've included e-training modules and a platform to enable professionals to develop customised tools for their salons, whether it's CRM or turnkey posts and guides for communicating on social networks" specifies Sylvie Moreau.

From Sandréa to Sophie Turner. While the priority of Coty's professional subsidiary is to provide hairdressers – whether home-based or affiliated with networks – with customer acquisition and loyalty tools, it is increasingly communicating with consumers, especially through social networks and bloggers such as Sandréa and even stars like the Game of Thrones actress Sophie Turner (more than 5 million Instagram followers), ambassador for Wella Professionals. *"We build awareness of our products and services to help hairdressers sell them better" explains Marco Eula, General Manager, Professional Beauty France.* "We no longer launch products without the support of an influencer. The upcoming relaunch of Nioxin, a range for thinning hair, will be no exception". Ambassadors are also involved in B2B communications. For the latest Mondial Coiffure Beauté exhibition in Paris, the group invited YouTubers to its stand to meet its partner hairdressers. What's more, Sophie Turner made the trip to attend its major International Trend Vision Awards 2017 show, which brought together over 2,000 hairdressers from 44 countries in London in October. Coty's Professional division is also a partner of the Monte-Carlo Television Festival and the Get Beauty show for fashion and beauty YouTubers, alongside Coty Consumer Beauty brands (Rimmel, Playboy fragrances, Bourjois). This synergy with products from the company's other divisions will not be limited to events.

Extending hairdressing to total beauty. *"There's a notion of total beauty that, given the compartmentalisation of distribution channels, continues to elude players such as hairdressers in France, aside from some flagship salons that provide hairdressing and beauty services" states Marco Eula. "We're thinking about broadening the services and activities offered in hair salons with some of the group's make-up brands. In 2016, we organised some very successful special operations with Rimmel and Bourjois in around 3,000 French salons. We will repeat the initiative in the coming months".* Coty Professional Beauty is also banking on its professional brand: *"OPI is the no. 1 nail care brand in salons around the world (see opposite). The Professional division is no. 2 worldwide. We strive for excellence in the areas of hair colour, hair care, nails, and hair accessories" affirms the President of Coty Professional Beauty. "To achieve this, we will continue to win over customers, innovate, create value and train hair salons and manicure specialists".*

MARYLINE LE THEUF

An inclusive CSR policy

The new Coty's CSR policy and commitment to diversity are essential for conveying the group's vision and rallying teams.

Liberated, celebrated beauty" is more than just a claim for Coty. It refers to values dear to the entire company. Following the acquisition of the P&G brands in 2016, one of the first tasks was to review the company's social commitments. *"We wanted to work in collaboration to define an ambitious strategy in line with our mission, which is to celebrate and liberate beauty in all its diversity"* explains Andraea Dawson-Shepherd, Senior Vice President Corporate Affairs. Dawson-Shepherd, who took on this position at the end of 2015, has worked as a public affairs expert for major FMCG companies (Carlsberg, Reckitt Benckiser, etc.). Her position is strategic, as the group has decided to make its CSR policy a key cohesion factor for its employees. *"We want to overturn the conventions of the industry to promote more authentic and inclusive beauty, which is why our new global social project involves combating prejudices, whether related to gender, disability or sexual orientation"* affirms Dawson-Shepherd. This programme, defined with the group's employees, will come to life with Global Citizen, an online platform launched in 2012 that – through its petitions and actions – has already met with great success. *"We advocate and want to be recognised for radical inclusion and give everyone tools allowing them to fully express themselves"* exclaims the Senior Vice President of Corporate Affairs. This has already been reflected in some advertising campaigns: for example, the transgender models Tracey Norman and Hari Nef were chosen for Clairol and Gucci Bloom respectively, and Maye Musk, age 69, models for CoverGirl.



© Barry Willis

Andraea Dawson-Shepherd,
Senior Vice President, Corporate Affairs.

"We wanted to work in collaboration to define an ambitious strategy in line with our mission, which is to celebrate and liberate beauty in all its diversity".

Andraea Dawson-Shepherd, Senior Vice President, Corporate Affairs.

A multi-form commitment. Other points taken from the Codes of Conduct of P&G and the old Coty have been selected for the roadmap: waste, water and energy management, improving working conditions and raw material traceability, ethics, and transparency. The company's teams undertake to report on these objectives to the Executive Committee and the CEO every year. The group is a member of the Responsible Mica Initiative, which aims to improve working conditions in Indian mica mines and eradicate child labour in particular. *"This mineral used in make-up is extracted in unacceptable conditions"* reports Andraea Dawson-Shepherd. In the same spirit of progress, Coty recently announced (with Clarins, L'Oréal and Groupe Rocher) the launch of the Responsible Beauty Initiative. Powered by EcoVadis, a CSR rating platform for companies and suppliers, this industry initiative aims to encourage and accelerate ethical, social and environmental performance all along the supply chain.

Reinventing the employer brand. This social and societal responsibility strategy is being deployed across the group as a way to connect and structure the new Coty. *"Around a dozen young employees allowed us to experience the One Young World summit live from Bogota via our Facebook Workplace internal social network and will present their conclusions to Camillo Pane and the entire Executive Committee"* explains Andraea Dawson-Shepherd. *"We want our CSR commitment to be one of the reasons why our current and future employees want to work for Coty"*. Thus, as she plans upcoming projects in the area, her priority is to create a sense of pride for the sake of a strong cause. *"We are going to establish specific and measurable targets in each area and will publish them in a dedicated CSR report"* she concludes.

ANAÏS ENGLER

HR: the best of both worlds

Promoting light structures, empowerment, agility and decentralisation, the new Coty is building its employer brand in start-up mode.

Quite often, the 'buyer' imposes its HR policy on the company it has purchased. This is not the case for the new Coty group, which had around 10,000 employees before the merger and took just as many P&G Beauty employees onboard in October 2016. *"We started over almost from scratch to build a new organisation by relying on the best of both worlds (Coty and Procter & Gamble Beauty) and define a new common culture"*

explains Sébastien Froidefond, Chief Human Resources Officer of the Coty group. *"We did a lot of research prior to the merger, to set up an organisation that would fully celebrate and liberate our employees in all their diversity. For example, during the transition period, we undertook a survey of 150 P&G Beauty and Coty managers in order to define the corporate culture and determine how everyone perceived the other entity, to share and shape our new identity. While they recognised differences – P&G Beauty's profiles were highly organised and Coty's were more creative in some respects – they all agreed to compromise and were enthusiastic about taking a new approach".* Everyone was affected by these changes, not to mention that many outside employees also joined the group. The Executive Committee then defined five values that are the cornerstones of the company's culture: *"Own it. Drive it!, Be brave and go beyond, Live beauty-breathe beauty, Win for the team and Think like a start-up".*



© Barry Willis

Sébastien Froidefond, Chief Human Resources Officer

"If you want to join Coty, you need to like challenges, be creative and passionate about beauty, and enjoy working in a flexible environment".

Sébastien Froidefond, Chief Human Resources Officer.

An entrepreneurial spirit.

The Human Resources department surveys employees on a regular basis through Workplace by Facebook. *"This platform is an innovative solution for engaging employees and thus jointly developing a new culture with them"* affirms Julien Wintenberger, Senior Manager, Corporate Affairs Luxury. *"In June of this year – only nine months after the merger – we undertook a survey of our 20,000 employees. Seventy-six percent responded, symbolising their strong involvement and enabling us to work on an action plan"* declares the Chief Human Resources Officer.

To develop skills, the group relies on training and most importantly capitalises on experience: *"Career moves are not linear but individualised, based on everyone's performance and aspirations"* he affirms. *"This wide variety of skills is a competitive advantage. We are cultivating a start-up spirit, which is reflected in short decision channels close to our markets and in light and decentralised processes".* The managerial headquarters located in London only consists of 80 employees. *"The three-division*

structure was a natural choice, to promote expertise and follow distribution channels as closely as possible". Coty Consumer's head office is based in New York, that of Coty Professional Beauty is in Geneva, and that of Coty Luxury is in Paris. *"We also recently welcomed Packaging R&D teams to the French capital. They work closely with marketing teams, which helps reduce time-to-market for our innovations"* states Sébastien Froidefond.

MARYLINE LE THEUF

And Sephora Inven

Sephora has truly imposed itself as the flagship, perhaps the brand, of world beauty, under the helm of LVMH, its owner since twenty-one years. A first in the specialized distribution of beauty products. *Cosmétique*mag opens its pages to the players of this success.

Rare are the flagships that radiate at a worldwide level. Even the behemoths of large distribution had to give up certain markets, thus curtailing their international expansion. Nonetheless, one distributor succeeded. It is a French brand, and even more exceptional, it specializes in beauty. While its competitors (Ulta Beauty in the United-States, Douglas in Europe, for example) are restricted to just one continent, Sephora has expanded on several, over the past years. It implanted its concept founded on entertainment and client experience in thirty countries, either solo, or in partnership with local players such as quite recently in Germany with Kaufhof. In 2016, Sephora arrived in six new countries. It opened more than one hundred points of sale. And nearly 40,000 collaborators convey its values throughout the world. Sephora is much more than a distributor: it is a brand in its own right with off and on line shops recognizable thanks to specific codes– the famous black and white motif – with its services – the Beauty Hub –, its products – stemming from its S+ division, which, combined with exclusivities, set the trend – with its community of “sephoristas” (exchanging on the Beauty Board



An expansion on all fronts	P. 32
Feel-good shops	P. 34
France, a stronghold	P. 36
S+, the brand that consolidates the house	P. 37
Digital weaves its web... and it's dense	P. 38
More Than an offer, a Point of View	P. 40
Sephora Employees: Striding Out and Stepping Up	P. 42
Sephora faces its responsibilities	P. 44



ted the World

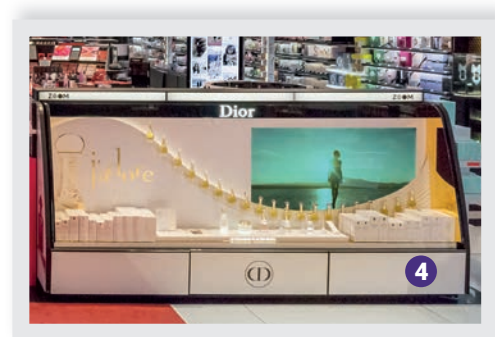
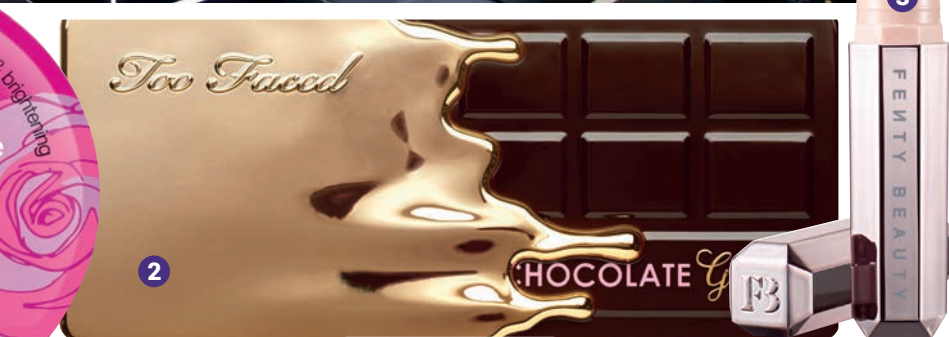


1. Masks featuring the Sephora brand.
2. Too Faced palette (Estée Lauder),
3. Sephora exclusivity. Just like Fenty Beauty (Kendo).
4. Dior J'Adore (LVMH).

of the chain, Instagram, Pinterest, Facebook). Sephora also benefits from a less visible back-office, with perfectly organized digital and logistical execution, verified during the launch of Fenty Beauty. The makeup brand of Rihanna, conceived by Kendo (LVMH group), was launched on the same day in the Sephora shops of sixteen countries. In France, the chain inaugurated a platform with offices (about 4,000 m²), a sustainable building, certified HQE, in Saran, near Orléans. In just a few years, the flagship has become one of the steam engines of the LVMH group. While the latter is mostly known for its deluxe labels (Dior, Louis Vuitton, Givenchy...), 31% of its 2016 turnover (37.6B) came from its Division Sélective (T.O.: 11.9B, of which 12% in France) comprising mainly Sephora and DFS. *"Sephora pursues its market share gains and achieves a new double-digit market growth in terms of its sales and results,"* is what was published in the annual report. The flagship ended the first nine months of 2017 (*) with 9.3B of sales (+12% for organic).

MARYLINE LE THEUF

(*) As we go to press, the 2017 annual results were not yet published.



An Expansion on All Fronts

Under the leadership of **Chris de Lapuente, CEO of Sephora Monde**, the flagship accelerated its international deployment, its digital development and reinforced its in-shop experience. What are the upcoming challenges?

When you ask CEO Chris de Lapuente how he defines the flagship, the answer is clear cut: *"Our ambition is to be what I call a love brand."* In Paris, Sydney or Dubai... Women come to Sephora, whether in a shop, on the Web or via a mobile phone, first of all to discover the novelties, look for advice, appropriate the world of beauty. Thus, the chain has set itself as ambition to federate the largest beauty community and to win its preference. *"The heart of our mission is to satisfy, pamper the consumer, better than anyone else,"* such is the motto hammered daily to his teams. In seven years, Chris de Lapuente, ex-director of the capillary division at Procter & Gamble, has organized and developed the flagship at the international level – the activity has been multiplied almost by three since 2010, with a double-digit yearly growth – and does not intend to stop with such a positive result. *"Sephora can be twice as big,"* he warns. The group aims at keeping up with this trend, in other words, twice world market growth in terms of prestige beauty, estimated between 4% and 6%. In fact, Sephora is already the leader in many countries, such as France, where the flagship pursues its development on a flat market, like in Canada, where its growth is even stronger than in the United States even though the flagship has become number one there since last year ... *"Our imprint is constantly growing around the world. Our market share increases everywhere we are implanted,"* adds Chris de Lapuente. In the Middle East, Sephora has strong growth perspectives, with its leading shop in terms of turnover in Dubai and five points of sale in that region in its top 20. In Asia, the potential is colossal because the flagship there generates less business than

in France with more than 200 points of sale only open for ten years. *"We are at the very beginning of our story in Asia,"* notes Chris de Lapuente. In terms of global expansion, the flagship opens a hundred points of sale and establishes itself in two new countries each year, on an average. It has just targeted the Swiss and German markets. *"My aim is not to go any faster nor to aim at a market where we would not be capable of establishing healthy bases,"* warns Chris de Lapuente. Each time, his teams carefully consider the best approach. From the 100% share ownership of Ile de Beauté in Russia to a partnership with JCPenney in the United States... *"My dream is to have one day a Sephora in each country of the world. Right now, we only have thirty-four!"* In parallel, the flagship is careful to keep up an ongoing rhythm of renovation when

"Our imprint is constantly growing around the world. Our market share is increasing everywhere we are implanted."

Chris de Lapuente, CEO of Sephora Monde.

it comes to its existing park, more specifically its top 100, always concerned to provide the best client experience. *"I am very attached to maintaining our investments on our mature markets, because we want to make sure to keep our growth going with a constant perimeter—*

it's the best business indicator," points out Chris de Lapuente.

It is necessary to be omnichannel. The era has also led him to be the one who had to immerge the flagship in the digital world, which had a deep impact in terms of the distribution trade. Starting with the necessity of being omnichannel and to make the investments that go along with it. The head start of the American market enabled Sephora to learn early on in the game. Lately, it is the Middle East shops that have become omnichannel. Presence on mobiles is the big challenge of the moment. *"Since digital enables the possibility of research and purchases with wider fluidity, it fundamentally changes the interaction with the shop, but I believe consumers*



© Eric Garault pour Cosmetiquemag

need to be face-to-face and hence in the strength of the physical shop that remains the heart of the eco-system," analyzes Chris de Lapuente. Service is key, from click & collect to help with makeup. Cost-effectiveness by the square meter is no longer the only lever of management, the development of services enables to impose the flagship as favorite. In this context, it is constantly testing different formats such as the studio, currently in Boston. *"Digital has lowered the entry ticket on the market; brands that did not exist yesterday rapidly become successful, but the shop will always be in the spotlight. Competition has always existed and will continue to exist, such as the actual multiplication of pure-players or brands that develop an exclusive distribution network. In a context where the client has more choice, we have no other option than to be the best. We remain faithful to our strategy,"* he warns. In the retail business, the flagship, which has consolidated its success these past few years with the surge of makeup, has noticed a slight slackening of this market even though it still has a strong growth. It remains boosted by innovation, new brands and social media. The asset of Sephora when it comes to this category, was not having to find, like its competitors, who

Chris de Lapuente, CEO of Sephora Monde, has accelerated the internationalization of the flagship.

are still looking, the way of seducing the younger generation, because it is a target they have reached since always. In terms of treatments, the trend of Korean brands enables it to come up with good results and faced with the success of masks and its dynamics in this category of product, it continues to see strong potential there. Actually, it's the very inspired intuition of Chris de Lapuente to have believed in it and to have oriented his teams in that direction.

Own brand exclusivities. When it comes to perfume, since Sephora is first partner of perfume houses, it is careful to support the value of products by setting forth leading best-sellers, innovations, but also emerging niche brands that are interesting. Always buoyed by a strategy that cleverly combines its own brand and its exclusivities with selective brands, it reinforced its collaborations with the latter. Beyond basic negotiation, Sephora also works with its privileged partners on the offers and their enhancement. In parallel, faithful to its culture, it keeps an eye on indicators, thanks to its strong presence on the social networks. Its very acute listening capacity of weak signals, when it comes to trends and niche markets, enables it to anticipate success. Finally, Sephora Collection preserves its vocation to improve the assortment of the flagship; the house brand cleverly completes the offer thanks to its accessibility, its

profusion and its lucidity as recently demonstrated by the success of its color-coded masks. How did Chris de Lapuente succeed in keeping up with the strong development of his flagship during these last seven years? Essentially, thanks to a very decentralized culture that encourages entrepreneurship. This is a very important dimension at LVMH. *"We are a global enterprise adapted to the local level. We are glocal. Look at our worldwide division, it only occupies half a floor of the entire company headquarters,"* he explains. At the international level, the flagship benefits from the strength of its partnerships with more than two hundred brands while having the capacity to adapt to local demand. Today, nearly thirty nationalities are represented within the team of top managers. But the more a manager knows his market, the more he can build up close-knit teams. *"This is what I notice when I travel and I do a lot of that. I am very inspired by the motivation of our collaborators all over the world. This decentralized culture enhances the entrepreneurial spirit and has enabled us to move ahead with agility."* And when he travels, what other flagships inspire him? Apple for its simplicity, Zara for the velocity of its supply chain and Nespresso for its client experience.

PATRICIA THOUANEL LORANT

Feel-good Shops

Pioneer of the beauty experience, the flagship has successfully reached a new milestone with its new concept of shops, the New Sephora Experience, currently underway, as explains **Stephane Delva, Sephora Marketing Director for Europe & the Middle-East.**

We want to continue to enchant our clients and maintain a head start on our competition", affirms Stephane Delva, Marketing Director of Sephora Europe & Middle-East. The sale site is always considered as a "feel good" venue, but this time, the purpose is to make it even "more addictive, more experimental and more omnichannel." Imagining the client itineraries of tomorrow was the starting point of our thinking, these can begin in the metro, when a client is invited to come discover a house novelty, and can continue after the physical visit, when a counselor sends to her client the list of products tested on the point of sale. It is only since these itineraries have been defined that the project teams were able to get to work around three main targets: design, experience, omnichannel and teams. The New Sephora Experience mobilized more than 150 persons, a dozen of trades, from architects up to computer technicians, who all had to learn how to speak the same language. While one still finds the main codes of the flagship, notably the famous in-house decoration motifs (the emblematic black and white stripes of the flagship), the entire store was redesigned to increase modernity and lightness with more wired furniture and also work on the lighting.

Tested in increased reality. At the heart of these new points of sale, the new Beauty Hub is pulsing – a community space entirely dedicated to services. In the past few years, all venues feature bars for free flash makeup sessions. "In addition, we are organizing beauty classes in order for our clients to discover makeup techniques", adds Stephane Delva. The furniture of a platform in one single block, equipped with several retractable mirrors, allows a better exchange between friends who have come to take their course together. Two new programs

available on self-service iPads were developed: the Virtual Artist and a Virtual Look Book. The Virtual Artist application enables to test in increased reality all the lipsticks or eyes shadows, with the possibility of posting the photo on the Sephora Beauty Board, an exchange platform of the Sephora community. The Virtual Look Book enables to discover looks and associated tutorials as well as sending the list of products used for the makeup session of the client. One also finds the Color Profile, conceived in 2013 with Pantone, to help pinpoint the ideal foundation in terms of each person's carnation. The innovation department of Sephora collaborates with its San Francisco antennas near Silicon Valley and with various start-ups in order to find new solutions for services such as the Virtual Artist connected mirror (developed in collaboration with Modiface and Memomi). Buoyed by the experience return acquired with

"This new concept has a mirror effect on the in-shop team."

Edwige, Director of Sephora rue Sainte-Catherine in Bordeaux.

Sephora Flash, first connected point of sale on rue de Rivoli in Paris, the flagship also equipped its latest shops with screens connected to the merchant site of Sephora, from which the client can order articles, pay in points of sale and be delivered at home, the chain qualifies this operation as "consolidated basket."

Training program. Perfume was reworked "in order to make it more enchanting," underlines the Marketing Director for Europe & the Middle-East. "Shelf-space was aired out. Novelties were put in the spotlight, notably with ad visuals that remain one of the main elements of consumer memorization. For leading perfume franchises, we created niches inside the shelves in order to enhance them and allow them to be rediscovered." Service delivery was not forgotten with the engraving on bottles. "In addition, we just tested in the point of sale on rue de Rivoli in Paris an experience combining digital with an olfactive discovery in order to offer a personalized list of recommendations to clients," announces Stephane Delva. Key factor of success, the on-site teams were consulted to determine the ideal training



© Eric Garault pour Cosmétiquemag

plan for this New Sephora Experience. *"They spend more time accompanying their clients in order for each advice to be unique,"* notices Edwige, Director of the Sephora shop on rue Sainte-Catherine in Bordeaux, *"human interaction has been replaced at the center of the strategy."* The first client returns are also very positive. They particularly appreciate the Virtual Artist, the Styling Bar by Dyson, perfume engraving or on lipsticks and palettes. *"Our beauty Hub enables twice as many clients to benefit from*

Stephane Delva, Sephora Marketing Director for Europe & Middle-East, has a mantra: making the client journey always more addictive.



Sephora rue Sainte-Catherine in Bordeaux.



The Beauty Hub at Sephora Val d'Europe (77).

flash makeup. It's our pride to be part of this unique world experience," adds the director of the Bordeaux shop. The new generation of New Sephora Experience shops is adaptable no matter what the surface may be: from 100m², as in the Sephora corner of the Galeria Kaufhof department in Munich, Germany, to more than 1,000m², as in the two Spanish flagships of Madrid and Barcelona (1,800m²). Delighted with the first results of its new generation of shops, the flagship accelerated its deployment rhythm. *"In 2017, fifteen points of sale adopted this new model instead of the five initially planned. And more than a hundred are in the works for 2018!"* announces Stephane Delva.

MARYLINE LE THEUF

France, a Stronghold

Despite an uncertain economic context, Sephora continues to grow on its domestic market where it is managed by **David Vercruysse, General Director of Sephora France.**

Election year, post-terrorist attack year, 2017 was a complicated period for the selective market in France. *"And yet, we registered growth in our shops with constant perimeter, as well as a double-digit increase of our merchant site,"* rejoices David Vercruysse, GD Sephora France. The flagship estimates that in the long run e-commerce should represent between 10% and 15% of its turnover. On a sluggish market, Sephora explains its performances partly by the increase of traffic, about 5%. Makeup remains the prize-winning category, notably fueled by the success of new brands, Becca, Kat Von D and more recently Fenty Beauty (300 gondolas at the launch). With national brands, it multiplies and intensifies partnerships in the image of its operation with Dior (LVMH) for the Pump up, best mascara launch of the year (a turnover five to six times superior to the best launch of the flagship with tens of thousands of products sold in one month) and also the relaunch of YSL Couture (L'Oréal Luxe). *"But the selective market also plays on our three main markets where we must work on the value and the pleasure of the offer. The promotional frenzy that has filled the market since several years has overstepped a certain level that must be perceived as a signal of alert, estimates David Vercruysse. Let's put promotion back in its place, it's a pertinent lever in the sales period or at special commercial moments, such as Black Friday, to reward our clients and clean up our stocks."* Particularly affected by crossed out prices while its offer is unique, the perfume category must be reinvented. In fact, Sephora believes in perfume and supports it all the more since the sector offers interesting initiatives in collaboration with brands that



For David Vercruysse, General Director of Sephora France, the growth of the flagship is going to accelerate.

re-enchante the category, or surprise clients with their new approach, or by a positioning that enables the flagship to differentiate itself.

Dedramatize the treatment. In terms of makeup, the flagship is very satisfied with the success of its additional online offer thanks to brands such as Hourglass and Zoeva. It also claims global growth regarding treatments with its *"Happy Skincare"*. Beyond assortment, David Vercruysse has the constant concern to deliver the best client experience. Big efforts are made regarding the deployment of services and notably the Beauty Hubs and Beauty Bars, already present in 100 points of sale. 100 others will be installed this year. In 60 shops, the flagship is going to test

a reinvention of its treatment space by raising the merchandising and the expression of existing brands while integrating new universes. Beauty to go furniture pieces were deployed in 2017 with a concern for the coherence of all the venues. Investment also involves lighting, which will be redesigned in 334 points of sale. *"The network meshing today is sufficient for us. We open new stores when we have interesting opportunities of emplacements with strong potential. In addition, we continue to invest on the renovation of our existing venues, between 10 and 20 restoration sites, whether it's in a mall such as Nantes Atlantis or Val d'Europe as well as mid-town like in Bordeaux - Sainte-Catherine. In our points of sale featuring the latest concept, our turnover shows a two-digit progression. Teams are key. Customer advisers are equipped in order to offer the service of consolidated basket and being connected to figures and goals that will increase agility,"* adds David Vercruysse. A time to market message that he repeats to the brands. *"The challenge is to make the cake bigger, to work in partnership mode,"* he explains. It is necessary to create appetite for a consumer that moves around in more and more circuits.

PATRICIA THOUANEL LORANT

S+, the Brick that Consolidates the House

Attentive to the needs of consumers and sales teams, the products imagined by **S+**, managed by **Elizabeth Anglès d'Auriac**, were able to impose themselves on the exacting market of cosmetics, and even set the trend.

Twenty years after the opening of the Champs-Élysées flagship in Paris and the launch of 365 hues (one for each day) imagined by the founder of the chain, Dominique Mandonnaud, Sephora Collection has become a brand in its own right, with marketing teams gathered within the S+ unit. *"There is a central team here at the Neuilly-sur-Seine headquarters, at the origin of product concepts. We also have persons in charge of operational, industrial,*

© Eric Garault for CosmétiqueMag



Elizabeth Anglès d'Auriac, General Director of S+, is connected to all the markets from the United States to China.

regulatory affairs. Others create the link with all our markets. To this is added a digital central unit that feeds Instagram accounts," explains Elizabeth Anglès d'Auriac, General Director of S+. *"A pool based in San Francisco works on makeup novelties and another in Asia on skin treatments."* The strength of the Sephora Collection is to remain connected to the markets. *"We have specific requests for treatment products coming from China. In the United States, there is more demand for cosmetics such as foundations,"* cites as example Elizabeth Anglès d'Auriac. The purpose is to recruit clients notably with accessible prices, but not only that. The brand must be part of the 'trend' strategy of the flagship. Being a precursor is a risky exercise. This is why she always remains attentive when it comes to consumers, notably through the notation grades attributed to products and posted on the merchant site and especially the social networks. *"The makeup artists of the Sephora Pro Team also keep us in the loop. They do preview test of our*

novelties and share their comments," adds the General Director of S+.

Eco-friendly products. As a result, the group is often a precursor. *"Before the national brands, we launched our mat lipsticks in liquid format, Cream Lip Stain, (Rouge Velouté Sans Transfert in 44 hues at 10.95 per unit), and a ten-hour foundation whose palette of colors we continue to increase,"* reminds Elizabeth

Anglès d'Auriac. But the most recent hit is our fabric masks (photos above). *"It's the biggest success in terms of numbers and development speed. They enable us to recruit clients in terms of treatments.*

These masks approach the subject in a more relaxed, playful way." The vein of skin entertainment is also tackled by S+ with the Sephora line of makeup removers featuring very flashy, joyful colors, launched in January 2017. The manufacturing of Sephora products is ensured by a hundred suppliers, some of which are located in France and in Italy. *"We are very selective regarding the choice of our suppliers. We regularly undertake audits that include CSR commitment in favor of sustainable development,"* underlines Elizabeth Anglès d'Auriac. In this spirit, Sephora Collection was the first to adopt a sustainably conceived piece of furniture in the Canopée shop at the Forum des Halles in Paris (see p. 25). *"Our clients are also more and more aware of what goes into the products. We are going to take this into account regarding the formulation, and packaging which must be even more eco-friendly,"* announces the General Director of S+. The Sephora Collection brand still has many more surprises coming up.

MARYLINE LE THEUF

And the Digital Web G

E-commerce, social network...

Sephora is fully up to speed with omnichanneling. The full story with

Anne-Véronique Baylac, Digital Director of Sephora Europe and Middle East.

Seventeen since the end of the year in Europe and the Middle East. Sephora seems to open online shopping sites as easily as it does stores. In France, the brand was among the first to launch an online shopping service at the start of the 2000s. Progressively, Sephora has gone from bricks and mortar to cross-channel, and then to omnichanneling, pushing to make online and offline shopping complementary parts of the same commercial entity. So, since the third quarter of 2016, the French site has considerably expanded the number of exclusive brand products in its online catalogue. This is a way of testing the cyberbuyer's desire before stocking them in the aisles. Customers can find them however on prominent digital interfaces in the newly redesigned stores, thanks to the New Sephora Experience (see p. 12). Payment for these articles is made in-store. This method, named the "*consolidated basket*" or Sephora+ by the brand, was inherited from Sephora Flash, a pilot program inaugurated in the Paris store on rue de Rivoli in 2015. Orders can also be made via the application for iPhone, which is also a tool for staff. Most staff members today have iPhones, if only to get access to the Sales Help application, MySephora. This enables them to consult the product pages, to get access to the loyalty program, and to know the sales history of loyalty card holders. *"Launched in 2012 and available in six European countries, the MySephora application has been enriched with guidelines, for example on the product display. We revised the reward system of the loyalty program. And store assistants were involved in these evolutions,"* says Anne-Véronique Baylac, Digital Director of Sephora Europe and Middle East. *"We*



© Eric Garault for CosmétiqueMag

The next challenge for Anne-Véronique Baylac, Digital Director of Europe and Middle East: connecting online commerce and social networks.

are continuing to equip our stores in France and abroad, with one iPhone per store representative from now until 2020."

Speeding up Delivery. Another symbol of Sephora's omnichannel commitment: the click-and-collect service adopted in 2015. *"We are testing delivery in two hours in Paris. The store becomes a collection-point,"* added Anne-Véronique Baylac. *"We have just deployed 24-hour delivery via the parcel pickup point network whereas before it took from between two and four days."* In the Middle East, an application enables geolocation so the client can receive delivery. Besides reducing delivery times, the brand is working on new functionalities, to facilitate

ets Denser and Denser



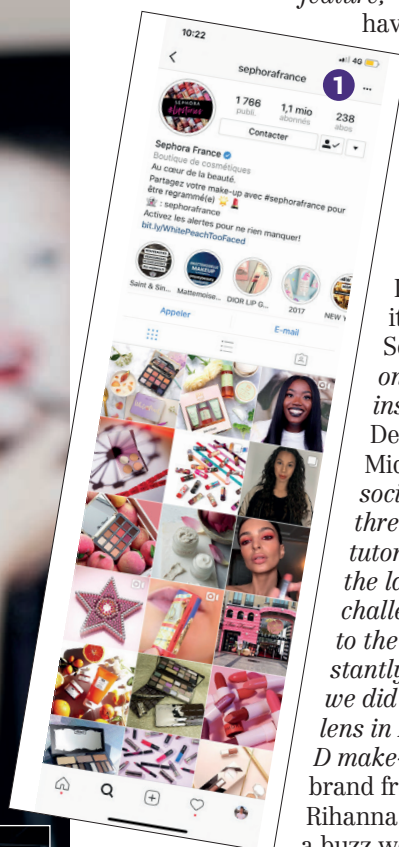
organized a game to encourage clients to use the feature,” adds the Digital Director. Beauty podcasts have also been made with influencers and are available every week on Google Home.

Connecting e-commerce and social networks.

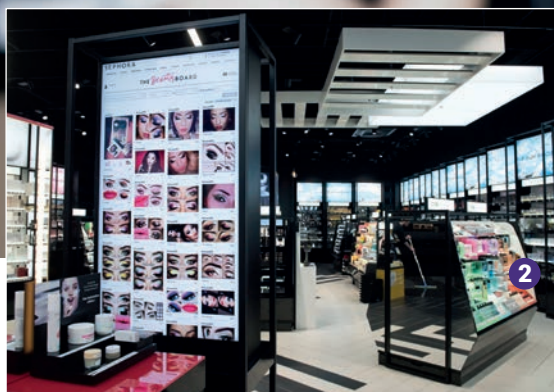
The beauty chain was quick to figure out the potential of social networks. It has almost 17 million fans on Facebook and more than 20 million followers on Instagram in the world. Sephora created its own social network: the Beauty Board Sephora. “The aim is to train a spotlight on our community and, by sharing looks, inspire our customers,” recounts Stephane Delva, Marketing Director of Europe and Middle East Sephora (see p. 12). “On the social networks, we are investing in the three crucial areas for beauty: education with tutorials, inspiration through the discovery of the latest trends, and the fun part with games, challenges and competitions. We are very close to the giant social platforms and we are constantly seeking to innovate via new formats, as we did with Snapchat by creating the first beauty lens in Europe, with the launch of the Kat Von D make-up.” To mark the introduction of a new brand from the Kendo subsidiary, Fenty Beauty by Rihanna, the influencers took on the task of making a buzz well before the product became available, on the same day in all Sephora stores in the world. “We supply the influencers with Sephora news. We invite them to the press days and to our events, like store openings. We want to continue having them involved with the products, notably with co-creations, like the Mixology Galaxy make-up palette, co-signed by Sephora Collection and Sandra,” explains Stephane Delva. “We aren’t looking to only work with the most famous influencers. Some have a more limited audience but a greater affinity with a certain category or topic, like vegan make-up for example.” The brand can also count on its in-house influencers. “Richard, one of our consultants who is very active on YouTube and Instagram, has become one of our ambassadors.”

“Social networks, shopping sites... The next challenge for Sephora will be to connect the two,” announces Anne-Véronique Baylac. The first step was taken with the creation of a Content Factory at the end of 2016. This platform provides common content to the online shopping sites, the social networks and Sephora’s CRM programs worldwide.

MARYLINE LE THEUF



1. Sephora France's Instagram account has more than a million followers.
2. A Beauty Board interface, Sephora's own social network.



advice on the one hand with the application Virtual Artist, and to optimise smartphone navigation on the other hand. “70% of traffic to our sites is from smartphones,” according to Anne-Véronique Baylac. The Sephora shopping experience has to come across on the web too. Since November, making appointments for services like make-up or eyebrow depilation at the Benefit bar can be done by voice recognition via Google Home or on iOS and Android smartphones via the Google assistant. “We

More Than an Offer, a Point of View

Sephora is one of the rare flagships to have affirmed its strategic bias through its offer, conducted by **Lisa Attia, Director of the Sephora Europe and Middle-East offer**, going as far as creating the trend. Choices that have for the most part contributed to its success.

Sephora selects its offer in order to make available and to allow its clients to discover its vision of beauty. *"We speak out starting with the window-displays of our shops through our strategic bias and this extends on all the digital ecosystem of Sephora: online, on the applications, on the social networks,"* explains Lisa Attia, Director of the Sephora Europe and Middle-East offer. *"Our editorial voice expresses itself through and on all these different supports. Having a point of view on what we offer to our clients is a guiding principle to build up our offer."* The Sephora teams strive at building a unique client experience as much in terms of assortment and referral brands as of innovative services. *"Our goal is not to reference the most brands possible but to choose, edit an unusual offer for the pleasure of our clients. Making choices is a core part of our trade,"* she adds. As real trendsetters, the mission of the teams handling the offer is to detect weak signals and make them into the trends of tomorrow. This is demonstrated by the eyebrow trend, a segment which they anticipated and developed since several years with Benefit and more recently expanded through the brand Anastasia Beverly Hills. The persons in charge of sourcing are very connected and in scouting mode. There are many exchanges between the areas where Sephora is present: Europe, the United States and Asia. Each Fall, a 'scouting day' is organized to share the products to follow and discuss how to integrate them at Sephora. The flagship's point of view is based on the leading trends it believes in. For example, in terms of treatments, it wagers on natural ingredients boosted by science. *"The consumer wishes to be reassured on the origin and the quality of ingredi-*

ents when it comes to the products he buys while not wanting to give up ground regarding performance", underlines Lisa Attia.

At the heart of the team work in terms of the offer, the collaboration with brands is mandatory. Work is undertaken hand in hand in order to express at best

*"In 2009, Sephora made a real bet on Erborian. Our production and our logistics evolved at the same rhythm as their requirement. We have not begun (yet) actual co-creation, but I am closely working with Sephora and the important projects are presented and discussed upstream." (**)*

Katalin Berenyl, founder of Erborian (L'Occitane group).

brands (***). This is how Sephora worked with Clinique (Estée Lauder) for the launch – exclusively – on a short line, positioned as an 'after sport' treatment, in keeping with the trend referred to as athleisure. *"Our collaboration with brands that trust us enables to develop innovating projects for our clients and constitutes one of the major axes of our strategy,"* adds Lisa Attia.

*"Considering the power of Sephora, France is the privileged field of our initiatives. I notably think of the major omnichannel mechanism set forth for the launch of Emporio Armani You, with for example the first 100% digital scenography, invented by our French team on the Champs-Élysées flagship." (***)*

Delphine Bresson, General Director Europe for Giorgio Armani (L'Oréal Luxe International).

their identity, their novelties and innovations, but also by developing exclusive projects. These collaborations can take on different shapes: construction of exclusive projects with the brands (*), co-brandings, previews (**), partnership with leading

An adapted merchandising.

In parallel, fashion is taking on more importance in the universe of beauty. The media coverage of backstage during fashion shows buoys the development of makeup that benefits in addition from the resonance



Lisa Attia, Director of the Sephora Europe and Middle-East offer, tracks down the trends of tomorrow. 1. Eau de toilette Emporio Armani (L'Oréal Luxe) Stronger With You. 2. Glow kit by Anastasia Beverly Hills. 3. Cleansing stick by Tako Tony Moly.

of these events on the social networks. Makeup happens to be the most dynamic category in all the segments. Professional brands continue to seduce when it comes to complexions and eyebrows. Those stemming from fashion capitalize on their super connected clientele. New ones such as Huda Beauty are buoyed by the founders in person. This category brings together a wide array of consumer profiles that can very well buy a Kat Von D or Dior product. Ephemeral trends or not are constantly appearing, such as the no make-up, that requires real know-how in terms of glow. Personalization is also at the heart of our think-tanks when it comes to services as well as products. *"Clients are on the lookout for personalized and customized products,"* adds Lisa Attia. The merchandising is thought out to be fluid, and to set forth in an obvious way the product proposal. It is an essential lever to be different beyond the offer contributing to the quality of the client experience, at the heart of their identity and concerns. As proof, the success of Beauty-to-Go products, presented in small formats, are ideal to

test novelties, create the buzz and convey a surprising and playful client experience. The same happens when Sephora showcases the Korean Beauty trendy with 'a Korean house', enabling to create a new destination for clients, while insisting on the notion of pleasure in terms of the treatment. *"We have blown a gust of fresh air on the category with efficient products, but also with a pleasure dimension,"* points out

Lisa Attia. Regarding perfume, Sephora is launching a re-enchantment project. *"In this context, we work with partner brands on specific projects to raise the value of the category, whether regarding the capacity to bring back the magic of their brand or to clear new territories such as Fragrance to go, by deploying niche brands such as Jo Malone (Estée Lauder),*

Acqua Di Parma (LVMH), Kilian (Estée Lauder)... or by developing collectors with our iconic brands to be discovered during the Mother's Day event." Finally, since perfume remains a gift purchase, gifting is also a priority. The latest example of a narrow collaboration with a brand: the launch of Fenty Beauty the same day, at the same time, in over 1,600 Sephora shops around the world, result of daily work with the brand and 'Sephora countries' to accompany this unprecedented launch. *"A success and great pride for the teams in terms pleasure for the clients,"* concludes Lisa Attia.

PATRICIA THOUANEL LORANT

"Sephora counselors are amongst the most expert and professional. I thank their incredible communication. They are primordial ambassadors for us. We communicate on a regular basis so that both parties are always on the same wave length." ()*

Lou Gilgenkrantz, Managing Director International Too Faced (Estée Lauder group).

Sephora Employees: and Stepping Up

With its nearly 40,000 employees, Sephora must be agile and responsive to live up to its brand image as a trendsetter for both customers and employees. By developing a company culture, creating team development programs, and providing managers with support, **Sephora's Human Resources Worldwide Department, directed by Janet Dekker**, sets the tone for the Sephora employer brand.

The Sephora Attitude isn't just an advertising message for consumers. It's also geared towards the group's employees. This philosophy helps set Sephora apart from its competitors in large part because it's lived out by individuals who want to quickly advance their careers. In its last survey in 2017, in which 87% of employees (34,000) participated, 91% said they were proud to work for Sephora. Eighty-four percent would tell their friends and family to work for the company, indicating a satisfaction rate that's 20% higher than the average collected with this type of survey. Above all, the employees agreed that Sephora provides its customers with something different from its competitors. Innovation and avant-garde aren't just words printed on the sign. They're a part of the mindset that drives Sephora's teams. Knowing how to plug into the company's emotional culture is important as well. That might be why 60% of its managers are women. Few businesses, even in the beauty sector, have as many women in key roles. This isn't the only thing that makes Sephora unique. Its decentralized management and decision-making strategy have played a large role in its rapid growth. *"We chose to invest in our human resources. We have a Worldwide president and general managers who know their countries well. Since they're so in tune with their markets, they are better equipped to make decisions while still adhering to the brand's fundamentals,"* says Janet Dekker, Senior Vice President of Human Resources Worldwide at Sephora. To offer them support, the group created Sephora Winning

Together. The first round of the program has helped 175 managers advance and expand their teams. The second part will be aimed at building up the way our directors think and act to give them the keys they need to influence the company from their level. We believe this is the best way to give the organization what it needs to stay agile in a world that's constantly changing.

In February 2018, Sephora also organized its first GSCD (Global Store Convention Directors) conference, which included the managers from the largest stores

The flagship cultivates talents internally...

Sephora launched Makeup Masters a decade ago. This makeup competition started in France, then gradually spread to other countries in Europe. Today, eleven countries, including Italy, Spain, Romania, Turkey, Greece, and Portugal, host the event. In 2016, they created the first-ever **Europe & Middle East Sephora Pro Team**. The team is made up of the winners from each country. Over the period of a year, they follow the Beauty Masters training program. The goal is to improve their skills and help them take on their

new roles as brand ambassadors. *"For example, they take classes in English and personal development since they'll have to travel abroad,"* explains Janet Dekker. While the majority return to their original stores at the end of the year-long experience, some move on to other positions. *"Two years ago, three*

finalists joined the training department," she adds. Beauty Masters doesn't just inspire the participants. During the ten months of the competition, every team is mobilized, including store personnel, regional managers, and training directors. This helps employees feel they belong to the brand.



Striding Out

© Eric Garault for Cosmétiquemag



Janet Dekker,
directrice des res-
sources humaines
Sephora Monde,
favorise un modèle
de management
décentralisé.

in every country. Around one hundred directors attended the event. These company leaders oversee points of sale that employ up to 200 people. *"Before, at Sephora, you had to work as a store manager for seven years to become the director of a flagship. That's no longer the case. We are pulling from a wider range of recruitment sources and profiles,"* explains Janet Dekker.

Promoting mobility. Every new employee has to go through an integration phase in which they learn about how the company is organized and how the stores are run. The most complex points of sale include 12,000 different products that are constantly changing. Employees are offered additional training on a regular basis to improve their knowledge and career prospects. All store employees attend at least one training per year that pulls from the expertise and technical knowledge of Sephora University, which is now a part of the new company headquarters in Neuilly-sur-Seine in western Paris. The penetration rate of these trainings, which are designed to

promote the roll-out of departments, is 80%. Sephora invests tens of millions of euros and millions of hours in this effort. The training can help a beauty consultant become an expert, then a category manager, and finally a store director. Through the work of the Pro Team, beauty masters have become international ambassadors (see left). Head office employees can change roles within their departments or even switch to a different companies within the LVMH group.

"With the younger generation, we'll have to move more quickly because they are less patient than their predecessors."

*Janet Dekker, Human Resources
Worldwide Director at Sephora.*

The goal is to increase employee retention. Turnover hovers around 12% in the head offices in the various countries. This is very comparable to the overall average. However, it is higher in stores, especially among employees who have worked in the same location for over two years. One reason the group has identified is the lengthy transition period

between the initial trainings, which are spread out over two years, and the next stage of training. As a result, Sephora created other tools to fill in this gap. In addition, *"With the younger generation, we'll have to move more quickly because they are less patient than their predecessors,"* notes Janet Dekker. *"We are looking for new profiles, especially when it comes to the supply chain and digital technologies. Starting in 2018, we will work to improve our image among engineers working in the digital and logistical sectors. We have the resources to finance an omnichannel approach,"* which will play a key role in maintaining Sephora's position as the market leader in the coming years.

MARYLINE LE THEUF

...and externally

In the United States, Sephora created the Accelerate program to help start-ups founded by women, who are often under-represented in the beauty industry. The effort was

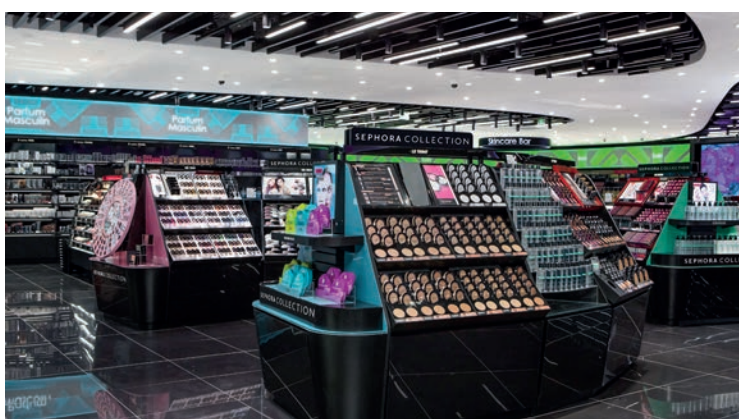
launched in 2016 with a dozen projects. For eight months, young women entrepreneurs were given access to training sessions, a network of mentors, and loans. The mentors

included senior managers from Sephora, LVMH, and industry leaders with connections to Sephora. This year, two European start-ups joined Accelerate.

Sephora Takes its Responsibilities

A shop conceived in an eco-friendly manner, reduction of CO2 emissions, makeup workshops for women in need... Sephora is committing itself via its environmental, social and societal program: Sephora Stands, symbolized by two hearts.

End of 2016, Sephora inaugurated a shop within La Canopée at the Forum des Halles in Paris, conceived in a sustainable way, and certified BREEAM with the mention 'Excellent'. This initiative enables to reduce energy consumptions by more than 20% compared with a 100% LED point of sale. All the shops in the world will be lit with LED by 2020. More than half were already equipped with them at the end of 2017, including more than 100 in France. "In the La Canopée shop, all the elements were developed to limit the environmental impact, without generating problems in terms of activity. So, it must become the norm for the upcoming other ones," according to Elizabeth Anglès d'Auriac, general director of S+, in charge of environmental and/or social expertise along with Gérald Townsend, in charge of the environmental questions at Sephora. Buoyed by its last experiences, the flagship continues to work on its shops beyond their 'simple envelope'. "We notably established an analysis of the life cycle for all our furniture in order to pinpoint exactly which actions are necessary to reduce our environmental imprint. We work on the eco-conception of all the main pieces of furniture (walls, gondolas, Beauty Hub & cashiers)," adds Gérald Townsend. Another major axis is recycling packaging: testers (nearly 200t/year) and the empty perfume bottles. Sephora is also concerned with reducing CO2 emissions. Since 2010, it has decided to use electric delivery trucks. "Currently we supply in this manner 85% of our shops in France in partnership with our logistics distributor Deret. We wanted to develop this French initiative, and have called on TK Blue to evaluate our main European



The furniture from the La Canopée shop in Paris was developed to limit the environmental impact.

carriers," affirms Gérald Townsend. Since 2016, Sephora Italy drives electric in Milan, Rome and Turin, and Sephora Spain in Madrid and Barcelona. "We are also proud to have deployed this system in Shanghai and Beijing where air pollution is a major environmental preoccupation and a public health issue," adds Elizabeth Anglès d'Auriac.

Makeup workshops for women in need.

Other CSR sites are also handled by teams such as Sephora Classes for Confidence, offering makeup workshops for women in need, embarking on a major life transition: "These programs have been well developed in the United States with more than 600 workshops implanted. We have decided to quickly set them up in Europe," announces Elizabeth Anglès d'Auriac. Through its project Accelerate, Sephora also promotes women's entrepreneurship (see p. 23). The CSR teams are also working on subjects regarding cognitive diversity, in collaboration with HR. "Diversity is part of our values. We continue to promote it through all its shapes in our different countries," underlines Elizabeth Anglès d'Auriac, as testified by the signature of a convention with the Agefiph (the agency dedicated to the promotion of persons in a handicap situation). In the United States, the flagship has created a committee on diversity to help its teams have a better understanding of inclusion and become true ambassadors of it. In Saudi Arabia, the distributor develops the work of women. In 2017, the flagship counted three shop directors in this country, thirty team managers, and recruited nine women full-time in their points of sale. "40 to 50% high responsibility jobs around the world are held by women," according to Elizabeth Anglès d'Auriac.

MARYLINE LE THEUF

Yan & One Goes for the Big Picture

Yan & One is not just a Moroccan perfume flagship. With an assortment of international brands, and fifty exclusive ones, as well as an experiential concept of sales and services, it fully aims to be exported.

Photos: Chafik



Several thousands of sales are registered each day. The founder of Yan & One, Salwa Akhannouch, wanted a very broad offer for all budgets.

Three years of work, more than 200 employees trained during six months, 3,500m², more than 12,000 references of which 1,500 with their own brand (see below), Yan & One is making a noticeable entrance in the beauty world. This perfume shop, opened in Casa-blanca (Morocco) mid-October, belongs to Salwa Akhannouch. The Moroccan business woman at the head of malls and importer of international flagships (Zara, Gap, Fnac...) called upon architect-designer Chafik Gasmi (Chafikstudio) to design this very unusual shop. Thus, Yan & One is totally open, no walls and no display-windows, as though it had been placed right in the middle of the Morocco Mall of Casablanca. There are no cashier lines, since these are everywhere, dissimulated under the thick table tops. *"I started off with the idea of a gallery featuring a series of salons: perfumes, makeup, treatments, but also Moroccan beauty rituals, and tea,"* explains Chafik Gasmi, Artistic Director of the project, who declares having killed gondolas, symbols of mass-



The shop, spanning 3,500m², without walls nor window-displays, comprises a succession of small salons lined up along the mall.



Part of the shop is set up like the editorial pages of a magazine: which makeup to wear with which piece of clothing? Which beauty products for which budget?, etc.

A flagship brand

Yan&One, is also an accessible private label with 1,500 references from makeup (145 references), to natural treatments (26) including perfumes (14), Moroccan beauty rituals (79), tea (44), accessories (about 250) and home fragrances (about 30). Starting at €1.90 for a monodose fabric mask, up to €14.90 for a foundation, for example.



Makeup occupies 30% of the surface spanning 1,050m², almost the equivalent of the Parisian Sephora shop on the Champs-Élysées (1,300m²).

market. Products are placed on customized pieces of furniture, such as bookshelves, equipped with slightly tilted tablets, in order to have a better view of the facing on the cases. This is not the only characteristic of the venue. *"Everything was conceived in order to really be able to test the products. For example, there are watering spots,"* he adds. Part of the shop is dedicated to services, notably capillary treatments (free hair smoothing). While the offer is implanted by brand, it is also showcased in terms of needs: how to wear makeup when you have a green, white scarf?, what are the products to moisturize your skin?, the looks of newlyweds in terms of regions, which gifts to offer depending on each person's budget?... *"Salwa Akhannouch wanted a shop similar to a magazine,"* explains the architect. And mostly an international concept. Because even though she is about to open a second Yan & One, inside a shopping mall in Tangier and another one in January 2019 in Marrakech, her ultimate goal is to implant her concept in other countries by adapting it to the local beauty rituals.

MARYLINE LE THEUF

Granado is Opening a Store in Paris

The Brazilian brand created by a pharmacist is coming to France and Europe. Their original formulas in vintage packaging, skincare products and perfumes have become very popular.



The shop front of Granado's first French boutique, at 21 rue Bonaparte, Paris.

The gold lettering stands out on the shop front's bottle green paint. Granado Pharmacias has opened their first store on rue Bonaparte in Paris' 6th arrondissement. With exotic wooden furniture, old-fashioned posters and yellow floor tiles, the Granado and Phebo collections are surrounded in a sunny vintage atmosphere. With over 60 of their own stores in Brazil, the brand is continuing to grow. They came to France in 2013 for a Brazilian exhibition at Le Bon Marché Rive Gauche and have now set up shop. Granado was established in 1870 by Portuguese pharmacist José Antonio Coxito Granado, whose first dispensary in the country was the official one to the imperial family. Although it features strongly in the minds and childhood memories of Brazilians, Granado unfortunately fell by the wayside. In 1994, British businessman Christopher Freeman decided to revive the brand.

Vintage chic. The team have revamped the original labels, giving them an added vintage feel. Their best-selling products



The boutique's vintage design is inspired by one of the original stores in Rio de Janeiro in Brazil.



In Brazil, Phebo fragrances stand out with their flashy colors and original packaging.



70% of the collection is available in the first Parisian boutique.

include Brazilian beauty routine essentials: antiseptic talcum powder, with the exact same formula since 1902, Pink hand and nailcare products and a range of beard products infused with mint essential oils. There's also the Therapeutics spa products, colognes, old-fashioned bar soap and Granaderma dermocosmetic products. The boutique stocks the group's second brand, Phebo, which was acquired in 2004. Established in 1930, Phebo aimed to be Brazil's first luxury perfume brand and a competitor for European brands. The lavender cologne from 1936, the Mediterranean range and their premium perfumes are the bestsellers. In 2016, Puig (Paco Rabanne, Jean-Paul Gaultier and Carolina Herrera in particular) invested capital in Granado to support their development plans. They're due to open a second boutique in the east of Paris by the end of the year. They also want to open stores in Portugal, in the UK and in Spain, where Puig is from.

ANAÏS ENGLER

Urban Outfitters is Coming to France

The fashion and lifestyle brand adored by American students is taking over Europe and is about to open a new store in Paris.

Paris will soon discover the chic bohemian style at Urban Outfitters, commonly referred to as UO on social media. The American chain, which opened its first European stores in March 2015, is opening a Parisian store in February. UO (1) is home to the selfie generation: students aged from 18-28 love browsing around the spaces designed by the Philadelphian group, whose first store opened in 1970. So, what lies behind the doors of the world's 253 UO stores? Think polished concrete floors, exposed ceiling pipes, rustic wooden tables, photo booths and vintage records from the 20th century. Among the dresses (5), walls of t-shirts (3), party decorations (2) and lingerie for him or her, customers will find a beauty section too (4).

A carefully-curated selection. Management at Urban Outfitters, grossing \$1.4 billion in 2016, were late to the game of beauty, hair and other basic products, kicking off sales only in 2015. But they're making more room for this as beauty is one of few developing retail sectors. According to Richard Jaffé, analyst at brokerage firm Stifel, beauty products now make up 5% of UO's sales. Their largest store is without doubt the flagship on Herald Square in New York, with a 135m2 area solely for cosmetics, especially indie brands and artisanal products, manufactured in limited quantities and regularly restocked. Take for example Monta's essential oil fragrances, a small collection created by a student at the University of Michigan. The beauty section in each store is an area where you can discover around 30 brands that



Photos DR

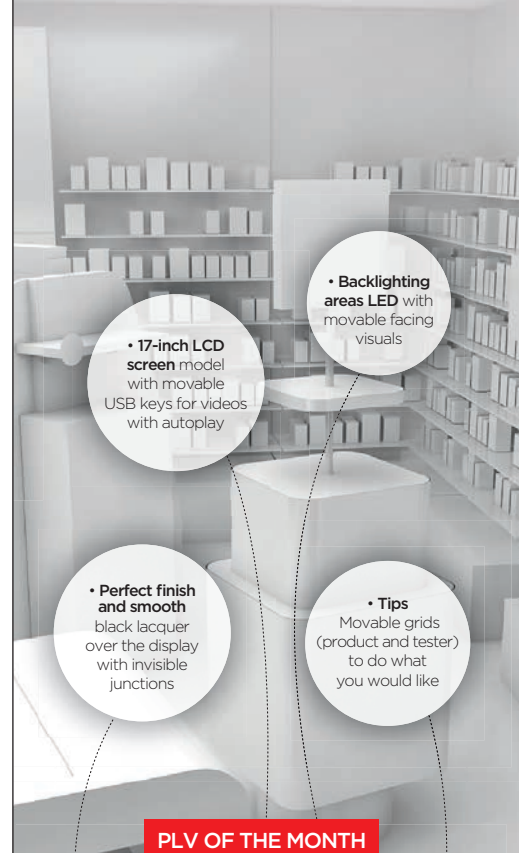
would be hard to find elsewhere. This is how Urban Outfitters were top of the K-Beauty game when Koreans started gaining American market recognition. The shelves are stacked with increasingly popular brands such as NYX, Ouai, Milk Make Up and Mario Badescu, alongside on-trend brands like TokyoMilk, Wunder Workshop, BH Cosmetics and Lime Crime. The aim is to have a wide product offering at every price point. Students on a budget can buy an Urban Outfitters nail polish or four face masks for \$10. Or how about TokyoMilk's gorgeous scented products at around \$40? There's something for everyone.

CAROLINE CROSDALE, IN NEW YORK

CONSTANTIN
INGENIERIE RETAIL MARKETING

**DISCOVER OUR
RETAIL MARKETING
ENGINEERING
SOLUTIONS**

Trade - Window shops - Podiums - Events



PLV OF THE MONTH



CONSTANTIN
INGENIERIE RETAIL MARKETING

70, rue Hautpoul 75019 Paris - FRANCE

+33 (0)1 40 400 500

www.constantin.fr

China is Upping the Anticriminals Cosmetics Scene with Beautéville

Driven by a booming consumer society and an innovation-friendly political environment, China is gearing up to be a cosmetics industry giant. This comes especially with the arrival of Beautéville and, lucky for us at *CosmétiqueMag*, we've got access for an exclusive interview.

So, what is China's latest objective? To be renowned for its high-quality and luxury beauty products, on the same par as France and nothing less will do. Initiated in 2015 by the private sector and local authorities, Beautéville is positioning itself as China's beauty mecca. But not only that... Spread across 1,500 hectares to the east of Shanghai, Beautéville wants to attract local and international businesses of all sizes so they can come and set up shop. What's more, it will also act as a tourist destination with a museum and shops. Will this be China's transition from an emerging country into a developed one? One thing is for certain, China has experienced a few shake-ups in recent years that will shape its future; perhaps making it the most powerful country in the world. Let's take a look at China's economy first. As a worldwide trading giant – focused mainly on exports until recently – China is now tackling domestic trade and leaning towards service industries. The proof is all in the figures. Retail markets generated ¥30,000 billion, i.e. 3,823 billion, according to the 2016-2017 edition of the Blue Book of China's Commercial Sector published by Fung Business Intelligence and the Chinese Academy of Social Sciences. These figures have increased partly due to the Chinese e-commerce boom, outdoing France's tenfold. E-commerce generated

1.3
billion inhabitants:
China is the world's
most populated
country and
represents 19% of
the global
population

6.9%
rate of growth in
2015

\$7,572
GDP per inhabitant

4th
largest cosmetics
importer (4.4%
market share) just
after the United
States, Germany
and the United
Kingdom

(Sources: Business
France, Coface, L'Oréal
progress reports 2016)

colossal profits of 701 billion in 2016 and meanwhile, the Chinese consumer society is growing at an exponential rate. According to a study conducted by The Economist's research department at the end of 2016, the middle class now makes up 10% of the global population. This is predicted to triple in the next 15 years.

A mutating market. By 2030, 480 million people will be earning an annual income of ¥67,000, i.e. 8,538, compared to 132 million people today. Based on The Economist's estimations, China's purchasing power in 2030 will resemble that of Korea's today and the States' back in 2000. And, while the wealthiest live in China's major cities, growth will occur across the country in future: *"The biggest changes take place in the second- or third-largest cities. Luxury product consumption is driven mainly by the megalopolises of Shanghai, Beijing, Guangzhou and Shenzhen,"* notes Victor Yang, General Director of Yunyuan Trade and former head of e-commerce at Lancôme China. While the Chinese have long ranked as the world's top sellers, they're likely to become the biggest buyers in the future. For cosmetics businesses, no matter how big, China is not to be missed: *"China is always a key market. For many companies in the sector, it's the second biggest market after the States with continuous growth, particularly in makeup, in recent years. This comes as a surprise given that China has always had a penchant for skincare like Japan,"* explains Yang. Backing figures: *"Cosmetics is now valued as one of the highest grossing markets in Asia ahead of Japan. The increase in the number of sales over the past 25 years is impressive: according to the Chinese National Bureau of Statistics, the beauty industry accounted for ¥200 million in 1982.*

te on the International



Located west of Shanghai, Beautéville wants to attract local and international businesses of all sizes.

In 2016, that figure was over ¥333 billion,” notes Mélanie Gaudin, Director of Business France in Hong Kong. According to L’Oréal’s 2016 progress report, the Asia Pacific region represented 22.6% of their profits, a progression of 3.8% on comparable data. *“The Chinese market opportunity for western brands is colossal. To become the future leader of the world, you need to dominate China first,”* reckons Jonathan Siboni, Director of data agency Luxurysight.

\$77
the average
spending per
inhabitant on
beauty products

(Sources: Business France, Coface, L’Oréal progress reports 2016)

Rebuilding an image. To boost China’s worldwide potential even further, the government seems to be opening the domestic market to international companies. Here are a few recent initiatives that bear testament. At the end of 2017, the Chinese authorities decided to reduce the rate of import tax from 17.3% to 7.7% on 187 products such as baby food, certain clothing items and cosmetics. This is great news for Chinese consumers in search of quality products, a promise made by Xi Jinping at the Communist Party’s latest congress. The General Secretary also wants to promote his country’s skills and expertise on an international scale. With the five-year plan – Made in China 2025 – launched in 2015, the country wants to support local industries by creating funds and enhancing its economy’s overall image. Xi Jinping confirmed that: *“The program, which is inspired by the German Industrie 4.0 model, looks not only at production but also innovation.”* While China has already earned its place as leader in volumes of exports, it now wants the same status in terms of quality and to banish the stereotypical idea that Chinese goods are cheap.

JESSICA HUYNH, A HUZHO

France is China’s top European employer

Despite France having a much lower trade balance, the two countries remain a top-notch pair of business partners. Trade represented €62 billion in 2016 according to BusinessFrance. With €16 billion in 2016, China is the 7th biggest receiver of French exports. While aeronautical (30%) and mechanical equipment or materials, electrical appliances, electronics and IT (22%)

represent primary exports, the beauty sector remains a key market. When it comes to cosmetics, France is the world’s largest exporter and China ranks in 4th among its clients with \$1.1 billion worth of imported goods. With 1,100 French companies in China providing 600,000 jobs, France is the country’s largest European employer according to economic daily, Les Echos.

Luring Companies Through Attractive Deals

For foreign businesses, expanding into China can mean dealing with miles of red tape. Unlike a traditional industrial zone, Beautéville offers these companies a full range of services to help them enter the local market.

French exports to China dropped by 10.9% in 2016. Nevertheless, the sizable revenue they represented that year (16 billion euros) indicates the growing interest of the Chinese middle class in French products, especially when it comes to fragrances and cosmetics, which actually grew by 15% according to data from Business France. China remains a key destination. *"This market offers incredible opportunities to Western brands,"*

says Jonathan Siboni, CEO of Luxurysight, a data agency. *"International leaders can't ignore China,"* he says. While the prospect might be tempting, the actual process can turn into a bureaucratic nightmare. *"The major obstacle to importing beauty products in China is the country's regulations. It's both costly and time consuming,"* says Pierre Maillé, Director of Imalis, an Aix-based SMB, and co-founder of Authentic Provence, an association that includes several companies in south-east France. Beautéville reached out to the association to discuss a possible partnership.

On-site one-stop service. Beautéville is fully aware of the problems that foreign companies can face in China. In response, it created a sort of one-stop shop to help them cut through the administrative red tape.

The man behind Beautéville

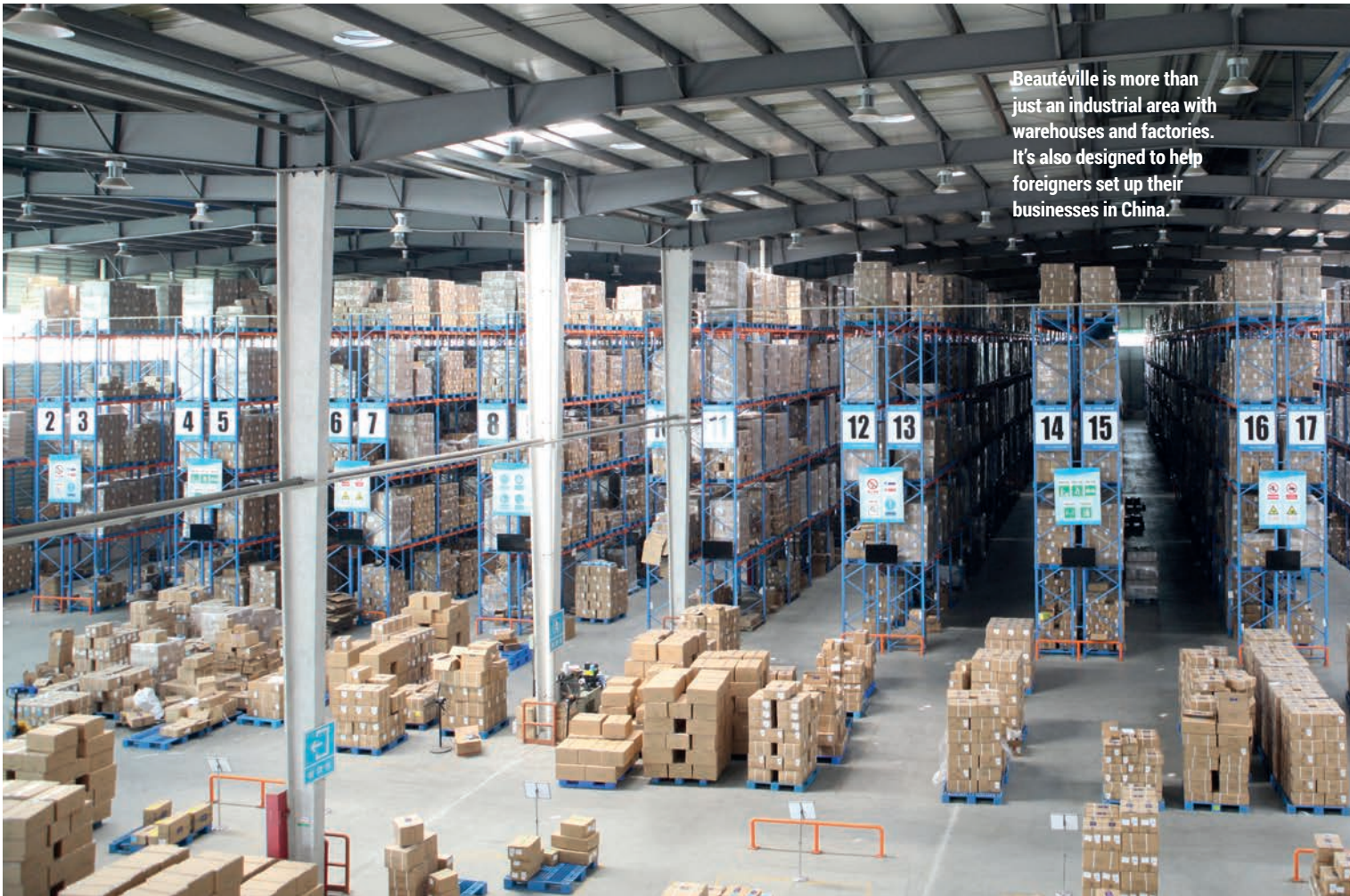
The Beautéville project, which enjoys enthusiastic support from the local authorities of Huzhou, is the brainchild of a businessman. **Hou Juncheng** decided to create an activity zone entirely dedicated to cosmetics in 2015. At the time, he was the President of the Cosmetic Hangzhou association, and would later go on to build a futuristic head office in this city. *"I have very close ties with the region because this is where I decided to build my sole production site in China in 2006. I'm very thankful to the local government. My idea was to create a Silicon Valley for cosmetics with the goal of expanding the reach of Chinese cosmetics here and abroad,"* explains the Director. It was a way

to pay his country back a portion of what turned him into one of the most powerful local cosmetic companies in China. Starting from practically nothing, Hou Juncheng generated €300 million in sales in 2016, including €90 million in e-commerce—an impressive performance given the company's scope, which is limited to continental China for the time being.

Stock market launch. The company of this self-made man, who hails from a remote village and who never went to school, entered the cosmetic industry as a distributor. This first business helped him found Proya in 2003. Instead of targeting wealthy consum-

ers in large cities, the CEO decided to market his company towards third- and even fourth-tier cities, which constitute a neglected market according to him: *"International brands aren't present there, so there's an opening. The goal is to occupy as much shelf space as possible,"* says Hou Juncheng. Fifteen years later, Proya now includes five skincare and makeup brands: Proya, Uzero, Anya, Yoya, and Cats & Roses. The group was listed on the Shanghai stock exchange last November. In early 2018, its market capitalization was six billion yuan (€766M).





Beautéville is more than just an industrial area with warehouses and factories. It's also designed to help foreigners set up their businesses in China.

Offices were added to the production area to help with the product approval process. In this respect, Beautéville's primary strength is its extensive contacts and the close ties the association maintains with the Chinese government. The directors of Beautéville are sure they can speed up the administrative procedures. *"We can shorten the approval process from a year to six months,"* according to one certification manager. *"For foreign nationals, we can also help push through requests for multiple-entry visas,"* he says.

The establishment of a duty-free zone, which should be decided within the next few months, could further shorten administrative delays: *"The approval process could take a month at most. If the company passes the testing phase required during certification, it could start selling its product while waiting for authorization from the CFDA,"* he adds. Julie Bertille Landry, creator of the brand Koncustador, was won over by the wide range of services provided by the platform and has already entered into a partnership. *"The incubator will help me establish my skincare brand in China. My knowledge of the local market is limited, so I'm relying on Beautéville*

to help me with my distribution channels, marketing, and communication techniques," says the CEO, who is planning on rolling out a range for women and children that's specially geared towards the Asian market. To provide young companies with support in addition to the assistance offered through the incubator, Beautéville created an investment fund eighteen months ago to help partner companies establish

"We can shorten the approval process from a year to six months. For foreign nationals, we can also help push through requests for multiple-entry visas."

A certification manager in Beautéville.

themselves. *"Our primary objective is to finance the SMBs that need capital quickly,"* explains Wong Zhou, Fund Manager. For foreign companies, the challenge is selecting the right distribution channels and generating a profit. *"We can help them with these processes,"* he says, adding that the fund can invest up to 20mil-

lion yuan (2.5 million euros) in a single company. *"We can invest even more in the event of an IPO. That is our secondary goal,"* says the financier. Does this mean companies could follow in the footsteps of Proya, the Chinese cosmetic company? (See left).

JESSICA HUYNH, IN HUZHOV

Regulations – The

Due to common beliefs and various problems, approving beauty products for the Chinese market is a tough task, but not an impossible one.

The process involves long waits, endless red tape and worst of all, sharing confidential information on ingredients and formulas. To sell products in China, the king of all markets, cosmetics regulations can feel like a minefield. But what's really involved? This is where Business France and la Fédération des entreprises de la beauté (Febea) come in.

The same procedure applies for all cosmetics: FALSE.

In China, imported beauty products are separated into two major categories. Ordinary cosmetics represent the largest chunk of the market i.e. products for hair, face and nails, makeup and perfume. Special use cosmetics include sun protection, deodorant, hair growth/ color/removal products and, since December 2013, lightening products.

It takes a long time to register products: TRUE.

Depending on the category, it can take up to eight months for ordinary products and a year, or even two, for special use cosmetics. *"These timeframes apply if all goes well! If there's a problem, it can take much longer,"* explains Virginie d'Enfert, Febea's Director of Economic, Environmental and International Affairs.

The entire procedure is managed by the Chinese Food and Drug Administration (CFDA): FALSE.

The first step is to appoint a Power of Attorney (PoA): *"A lawyer writes up this document as a form of moral recognition that certifies the company's existence. The document has to be notarized and legalized by the Ministry of Foreign Affairs and the Chinese Consulate in France,"* adds Virginie d'Enfert. The procurement procedure takes between two and three months and an application cannot be made to the CFDA without this document.

All the raw materials in a product formulation must be declared: TRUE.

After obtaining the PoA, the business seeking to trade

in China can reach out to the CFDA. *"The company has to share the product's ingredients. China has its own specific format for this formula which is quite complex as it must contain a description of all the raw materials,"* explains d'Enfert. This is an official means for the authorities to check if the ingredients in the imported products are included in the IECIC (Inventory of Existing Chemical Ingredients in China). This list contains all recognized and authorized ingredients and the official document, last updated in 2015, features 8,783 products.

Sometimes up to 200 samples are required: TRUE.

Samples must be provided to accompany the approval

Three questions for Ségolène Leloutre



© DR

Director of International Relations at Cosmetic Valley.

How did Cosmetic Valley discover Beautéville?

Ségolène Leloutre: The Beautéville delegation approached Mr. Ansel, President of France Clusters and Director of Cosmetic Valley, to present their goals for 2015. They attended the Cosmetic 360 event in 2017 and signed a partnership with Cosmetic Valley in October. Beautéville demonstrates how well some countries have recognized the importance of development in the cosmetics industry. Take Japan and Korea for example.

What does this partnership involve?

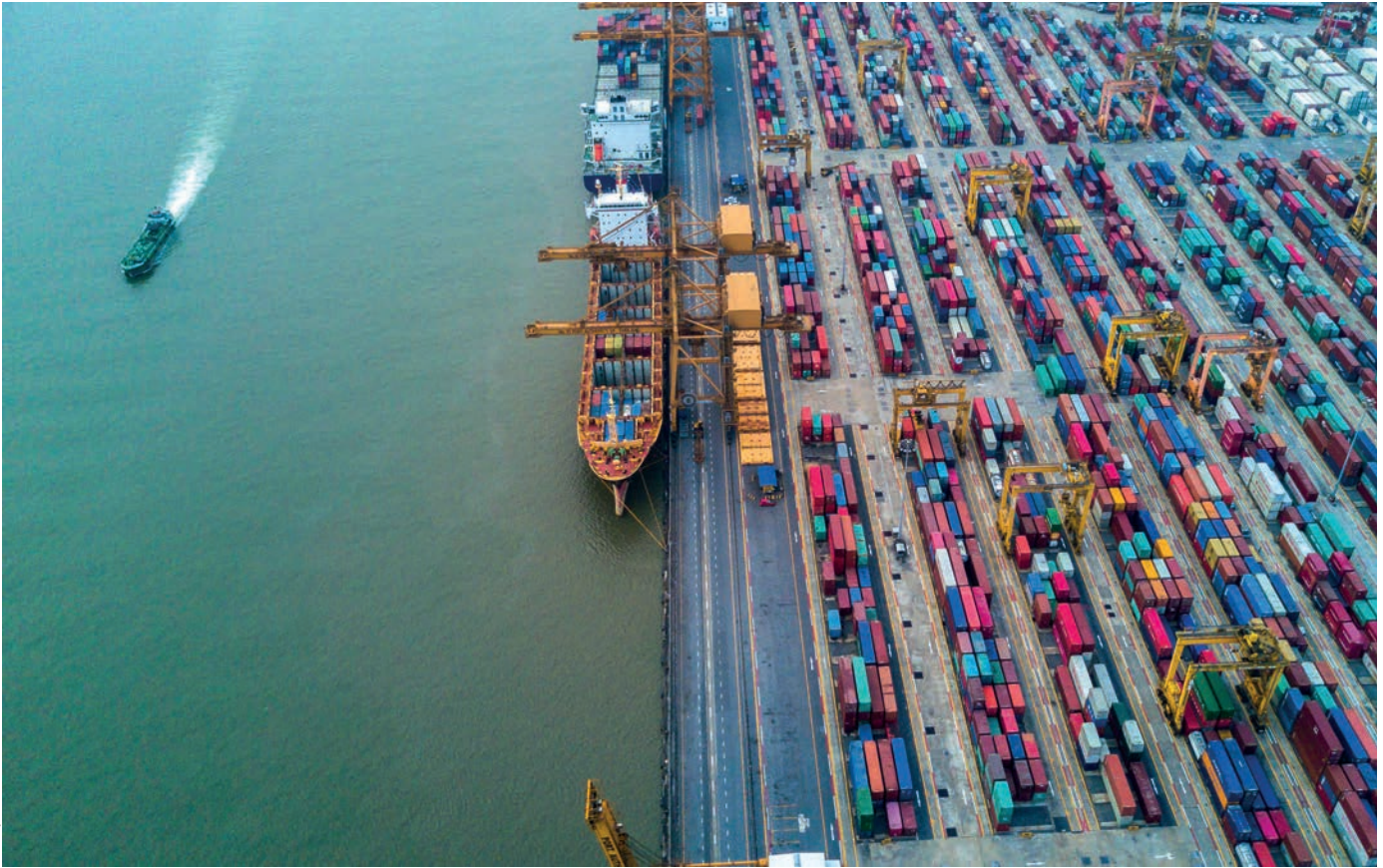
S. L.: It is primarily based on supporting our network of companies in terms of business and setup in our respective territories. There is also an education element, helping internationalize our training organizations' expertise while assuring us that France will also reap benefits.

The next step for Beautéville will be a trip to Cosmetic Valley in China this May. An industrial and institutional delegation will visit the site and meet local stakeholders.

How is Cosmetic Valley positioning itself?

S. L.: We represent all French stakeholders so that we're more visible on an international scale. With this in mind, Cosmetic Valley has been coordinating Cosmetics4Wellbeing, a project financed by the EU's COSME program since January. This comes after the creation of the Cosmetics Clusters International Network (CCIN) in 2016. This cluster assembly helps to structure the international dynamic between European stakeholders. Rather than opposing projects being set up in other countries, we want to collaborate with them while maintaining our French branding. It's a win-win system: these partnerships act as a gateway to our network, particularly for companies who wish to export.

Thorn in China's Side



© Kalyakan/Adobe Stock

application and, depending on the product complexity, category and contents, the number of samples can vary from between a dozen and over 200. *"The difficult part is that product samples must be provided in their final packaging, with the label and product information translated into Chinese, including the list of ingredients,"* notes Virginie d'Enfert. What's more, the application must contain numerous documents such as the certificate of free sale, certification that the product is already being sold in at least one EU member state, a certificate of good manufacturing practice, a safety assessment for some potential risk ingredients, an effectiveness test report, and a report of safety tests performed in approved laboratories. *"All toxicological tests are systematically performed again on animals,"* says Febea's Director of Economic, Environmental and International Affairs.

Partnering with a Chinese company is mandatory:
FALSE.

It is not a requirement, however, partnering with a local business may help with the marketing process. *"It is now possible to set up a company with 100%*

Two major categories of imported beauty products: ordinary and special use cosmetics.

foreign capital in China. This is what we call a Wholly Foreign Owned Enterprise (WFOE). This status allows the company to maintain control over its capital," explains Mélanie Gaudin, Director of Business France in Hong Kong. As such, there is no obligation. *"A WFOE is an investment. This is why many SMEs prefer to find one or more distributors or importers that will allow them to develop the market without having to invest directly in a local factory,"* concludes Gaudin.

Asides regulations, there are other hurdles to overcome before entering the market: TRUE.

With an evolving consumer society and different needs to western markets, particularly in skincare, the Chinese market can be difficult to win over. Nevertheless, this is a prerequisite for a successful setup: *"This challenge means investing a lot of time in understanding China. You have to keep up with the market and successful brands are those who are always aware of what's changing,"* explains Jonathan Siboni, President of data agency Luxurysight.

JESSICA HUYNH, IN HUZHOU

A City

At just two hours away from Shanghai, Beautéville is set to be China's next beauty mecca i.e. the ultimate platform to showcase their expertise in cosmetics. Spread across 1,500 hectares in Huzhou, the site is due to become a premium attraction for professionals and tourists.



MANUFACTURING ACROSS 500 HECTARES OR MORE

Hou Juncheng is one of the tycoons behind the Beautéville project. As founder of the Proya Group, he has established close links with the local authorities in the past decade. Hou Juncheng decided to set up his own production site here in 2006. The factory, which is working towards full line automation, was modernized in 2012 thanks to a ¥14 million investment i.e. €1.7 million. While

acting President of the Hangzhou Cosmetic Association, Juncheng had the idea to create a Silicon Valley for the beauty industry. The aim was to promote and expand Chinese cosmetics across the world. The location is ideal for imports and exports as Beautéville is on the banks of the Yangtze river. This is home to 25% of China's GDP and runs through three major cities: Shanghai and two former Chinese capitals – Hangzhou and Nanking. For now, 500 hectares have been allocated to 37 Chinese and international companies, including the Korean packaging manufacturer, Yonwoo.



PRODUCTION AND

MORE Besides all the production sites, Beautéville is also partnering up with businesses by offering them an entire range of services. A tailor-made service office will help businesses

with administration related to certification, product approval and registering patents. For startups, Beautéville has built a huge incubator site spread across seven buildings, five of which make up a surface area of 200,000m². They are due to be completed in 2018. There will be offices to let as well as production floors. Startups will eventually be able to rent production lines in running factories too. What's more, the government and private sector have paired up to create an investment fund to provide them with financial support. And finally, employee residences that will accommodate 100,000 people have also been planned.



500 hectares already allocated.

37 Chinese and international businesses already set up.

Within a City



© DR



A BUSINESS MODEL INSPIRED BY GRASSE

To compete with the Oriental Beauty Valley in Shanghai, Beautéville is hoping to attract the general public, as well as professionals, making it

a global premium destination. As such, tourism facilities will stand alongside the industrial sites. A hotel complex initiated by the new owners Lampe Berger is currently under construction. This will be accompanied by a beauty museum, a showroom displaying the products and expertise of local businesses, a shopping center and to top it off, botanical gardens. There will also be an exhibition center hosting various fashion and beauty events. The Chinese community in Beautéville admit they have a weakness for the French way of life and have drawn inspiration from Grasse. To them, the international home of perfume is the perfect blend of tourism and expertise. As such, they want to replicate this sunny artisanal part of Provence on the other side of the world, with gardens full of roses and lavender. And it doesn't stop there, they're in talks with some North African companies too in the hopes of replicating a Moroccan village.

A POTENTIAL FREE ZONE This would be a mega advantage for the Beautéville project. The nearest free zone opened in Shanghai in 2013 and stretches across 120km². However, it has started to suffer due to its limited size. The authorities want to pair it with a free port, similar to that of Hong Kong. As for the representatives of Beautéville, they are aiming to set up a logistics center and a packaging site, so that products can be delivered in bulk and packaged as soon as they arrive in China. They also believe that the free zone would benefit from more than just the businesses at Beautéville. This is because it wouldn't be limited to only cosmetic imports. An application has been made to the authorities and should be finalized this year.



FROM TRAINEE TO PROFESSIONAL Before the creation of Beautéville, the Huzhou Modern Agricultural Technical School has been teaching high-school students a wide range of artisanal and industrial professions such as the art of tea ceremonies and ikebana, Japanese floral design, but also 3D printing and drone manufacturing. In time, Beautéville would like to join forces with the school so that the students can become future employees at its businesses. Internships and a

summer program are currently on the cards in addition to a partnership with a French school.

JESSICA HUYNH, IN HUZHOU

Iran reveals

With 2 billion dollars spent each year, Iran is the second most influential player in the Middle East beauty market. Though the country fascinates international brands, it is clearly a challenge with its complex identity codes and political limitations. Symrise did a study on the country's tastes and habits: here are a few extracts.

In 2015, the Geneva agreement on Iran's nuclear program—effective in 2016—removed certain international sanctions and then the re-election of president Rohani in May 2017 confirmed a desire to open up to the world which may be slow ... but is visible. Brands have taken a new interest in the country and its potential entices many appetites, especially French brands. In 2014 Lancôme made a grand entrance with a makeup range and Palmolive introduced a line of shower gels in early 2015.

The study revealed the uniqueness of this country, unlike any other in the region.

In this context the German company Symrise, already present for 40 years in Iran, speeded up its development in 2016 by opening a creative office in Teheran. In Paris, the company's Fine Fragrance and Personal Care departments are currently presenting a study^(*) that includes a full range of fragrances and recommendations for ingredients that reflect the shift in Iranian beauty. *"Our 'Beauty +' approach, capitalizing on the synergies between cosmetic ingredients and perfumes, lets us develop all-inclusive concepts for this market,"* explains Nadine Scholz, marketing director of Beauty Care at Symrise. 100 everyday Iranian products were evaluated by local and Paris creative teams to

understand Iranian culture and new trends.

A rich cultural heritage *"We looked at the influence of six very different regions and climates from the most desert-like to the most tropical, plus the impact of the country's history on consumer habits,"* explains Annie Ohanian, marketing and evaluation director in Teheran. *"We identified iconic products typical of Iranians' childhoods like 'gaz' (an Iranian nougat), 'pashmak' (cotton candy), 'faloudeh' (glazed rice noodles), 'loumi' (dried, blackened lime) plus familiar flavors like rose, pistachio, pomegranate and saffron that*

enhance our meals." The creative office also conducted interviews in Teheran, Shiraz and Isfahan to understand the evolution of olfactory tastes and expectations for beauty products and perfumes.

Complex consumer profiles. *"Islamic law, in effect since Iran's 1979 revolution, requires women to wear the 'hijab', a veil that covers her hair and neck as well as the 'manto', a long coat,"* explains Annie Ohanian. This study on Iran shows that despite these restrictions, Iranian women follow fashion and are big consumers of cosmetic products. Symrise put together typical consumer profiles to explain the ongoing fluctuation between modernity and



Photos : Aurelie Dematons

412.2
BILLION
GDP in dollars

78.8
MILLION
population
in 2015

2nd
biggest economy
after Saudi Arabia
in the Middle East

tradition. In its cultural and olfactory voyage, the study brought out the uniqueness of a country that differs from the surrounding region: the Middle East's typical oud notes are not popular with Iranian consumers. They identify with the rose or pistachio of their own culture. *"We saw a strong attraction to natural products and we stopped using citrus notes that Iranians believe are too chemical,"* she continues. Long-lasting fragrances are also important, though they are not as intense as in Dubai.

The face comes first. In a country where women's bodies are hidden, the face takes on a greater importance. Rhinoplasty is extremely popular: Iran has

its secrets



the most nose jobs per capita in the world. On the streets, white facial bandages are common and worn proudly as a social status: the operation costs between 600 and 3,000 euros. And makeup, a sign of resistance to restrictions is also very present: emphasized lips, doe eyes, shaped eye-brows... Social networks are full of provocative, charming selfies that use the hashtags #persiangirl or #persianbeauty with almost 250,000 photos. Hair as art Iranian women's beauty habits intrigue the West: *"a large part of the population still uses shampoo and soap even if a whiff of novelty can be seen with the recent arrival of shower gels,"* notes Symrise's marketing teams. Meanwhile young women, whose hair is

One of the many distilleries in Kashan(photo on right). Rosewater is a specialty of the region.

less hidden by veils, are regular users of products like conditioners, serums, etc.... According to Euromonitor, hair products represent Iran's top category of Personal Care with an 11 percent increase in 2016. By 2021, this category should grow to over 545 million euros. Perfume, makeup, skin care... the market progresses but it's important to note that official retailers only make up 40 percent of the market. There is strong competition between local and international brands. But the largest share of products are sold in small, confidential boutiques located inside bazaars. They import goods outside the official trade circuit. Import conditions are already difficult and obtaining an authorization is expensive but this does insure that the products sold are reputable. And since the country is so regulated and paradoxically modern while being anchored in traditional gestures, it is difficult to innovate. But Iranian youth, who today represent 30 percent of the population, are enthusiastic, eager to travel, adore consumer products and are attached to a certain individualistic freedom. This dynamic inspires and challenges Symrise to develop new products. To be continued ...

AURÉLIE DEMATONS, LE MUSC & LA PLUME, DIRECT FROM TEHRAN

(*) for more information,
helene.minard@symrise.com



**OPERATIONAL
AND EXPERT SERVICES**
DIRECTLY IN POINT OF SALES

**ENTRUST YOUR INSTALLATIONS
TO PROFESSIONALS**

POSIM | Displays | Podiums | Window shops

 **Benefit strong retailer professional network** with more than 400 fitters spread across France

 **Follow live ongoing project progress**

 **Benefit Gofield expert hub** specialized in trading area optimization, for cosmetics and fragrance sectors (Retail, POSM and Specialized Networks)



CONSTANTIN
INGENIERIE RETAIL MARKETING

70, rue Hautpoul 75019 Paris - FRANCE
+33 (0)1 40 400 500
www.constantin.fr

Packaging: the new industrial (r)evolution

Reduced manufacturing time, higher costs, increased quality, innovation... the list of criteria brands demand from packaging suppliers continues to get longer. How can they adapt their industrial tools and methods to meet these challenges ?

This subject will be the focus of discussions between packaging and beauty professionals at the 30th edition of the Luxe Pack Monaco show (October 2 to 4, 2017). But innovation will not be the only topic. For the past few years, *"time to market"* has entered into these exchanges. How to be more reactive without making concessions on quality? How to entice cosmetic giants who are today competing with start-ups propelled in just a few months to international fame and success on social networks? *"The point from when a group decides to create a skin care or fragrance and its arrival in the stores can take 18 to 24 months,"* notes Gérald Martines, founder of In.Signes consulting, a specialist in packaging strategy, marketing and innovation. *"For indies, this can happen in just a few weeks, the time to make their choices with full-service specialists."* This evolution requires brands and in consequence, their service providers, to speed up development. *"We must be able to cut the product launch time in half,"* says David Gregorio, director of Axilone Metal. *"During a perfume's launch period, we are asked to bring out in two months the equivalent of nine-to-twelve months of bottle production. This requires a*

strong production capacity," explains H       Marchand, general manager for France of Verescence (formerly SGD), *"And to supply reorders, we need to reduce quantities that are increasingly difficult to anticipate because of a lack of visibility in the market."* Rudolf Wurm, sales director of Heinz Glas sees *"an increase of drop-in (i.e. unplanned) orders. Clients have plannings but want to stay supple to grab new opportunities."*

Automatization and reorganization. Not only must packaging manufacturers be flexible but they must also be able to produce small quantities quickly at competitive prices. In both cases, the answer passes, among other solutions, by automatization. Auriplast-Qualipac (Pochet group) now has robots to place bottle caps on rails before they are galvanized. Verescence invested 20 million euros in finishings, notably for automatization in their French factories. This choice is part of a worldwide, three-year, 100 million euro investment plan of which 50 million euros will be dedicated to the company's French production units. The

Alb     group, that has invested over 30 million euros, has almost 500 automatized and robotized actions. In eighteen months, the company's sites in Simandre (Burgundy) specializing in metallization and packaging for skin care and Matamoros (Mexico), specializing in lipstick, lip gloss and mascara, have benefitted from robotized equipment for injection, decoration,

"Beyond client expectations, we are currently optimizing development procedures and team performances internally."

David Gregorio, director of Axilone Metal.



© François Jorez/Verescence

ALBÉA'S ADJUSTABLE, MODULAR MOLD

To gain in flexibility – it takes an average of four months to develop a plastic injection mold – and reduce costs, the Albéa Shanghai (China) workshop imagined an adjustable, modular mold. These “*molds can make different designs in the same ‘mother mold’*,” explains Christophe Aufort, industrial director for Makeup & Perfumes. This technology, called My Flash, will be used in late 2017 in the Bottanuco (Italy) factory to produce mascara caps. The objectives: “*Time-To-Market*” plus agility, evolutivity and competitiveness. The technology will be applied to other products. My Flash Technology will be shown at the next Luxe Pack show in Monaco.

metallization and assembling. And the Plouhinec site in Brittany acquired a high-cadence production line for manufacturing guided mechanisms for Baystick lipstick.

The RPC Groupe began to deploy “*collaborative, easily reprogrammable robots to redistribute pieces and supply production lines,*” in its French factories according to Jean-Philippe Caspar, CEO of RPC Beauté Marolles. The factory layout was also modified. “*Instead of having production lines in a single block with assemblage and hot stamping ..., we organized them in modules that are easier to manage.*” Axilone changed the placement of its machines to optimize production flow and reduce

>>>



© Albea



© François Jorez/Verescence

stock. The Albéa factory in Tréport reorganized production for part of its lotion pump range and, more recently, for perfumes. The flows are optimized in various ways from manipulating raw materials to shipping key references. Delivery times have been reduced. Pochet invested 17 million euros over three years to improve production flow, automatize and buy new equipment for the Guimerville, Beaugency and Gamaches sites. There are less reorganization possibilities for glass since most ovens were installed in the 19th or 20th centuries. Reactivity is not a question in glass production so manufacturers have found other ways to optimize procedures.

Towards a 4.0 industry. *"Fifteen years ago, we put in place a 'combi' system. It lets us produce bottles*

"We're always attentive to innovations in terms of production tools."

Rudolf Wurm, sales director at Heinz Glas.

in different weights of glass simultaneously on the same production line," explains Rudolf Wurm, sales director at Heinz Glas. "For decoration, we installed machines with more precise digital controls and

pre-set systems to let us quickly change from a bottle to jar format for lacquering or silkscreening, for example. In the next few years, digital printing will help us save time and have more personalization possibilities. One of our German factories already did a few series of jar printings with this technology." Albéa equipped its sites in Shelbyville (United States) and Schesslitz (Germany) with the Smart-Print digital printing technology to decorate small series and launch new items faster. The group also develops this digital printing procedure for makeup boxes in Semarang (Indonesia) and plans to extend it to other packagings, especially lipsticks.

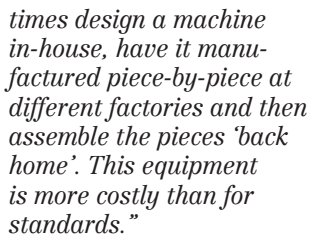
Automatization and artificial intelligence are the packaging industry's next challenges. *"We're always attentive to innovations in terms of production tools," declares Rudolf Wurm, sales director at Heinz Glas, "we have a digital project with partners. The objective is to have tools adapted to our trade as glass bottle and jar producers for beauty products. In general, equipment is intended for producing heavy tonnage like bottles for mass market products."* Consultant Gerald Martines (In.Signes) continues, *"Beauty packaging producers work hard to differentiate themselves. Obviously they prefer to preserve their manufacturing secrets. They some-*

DuPont adapts Surlyn

Raw material suppliers are also dealing with shorter delivery times and innovation. *"We increased the number of Surlyn's grades for more material effects and complex designs such as the tiny cat ears (see photo) on the cap of the Grace by Grace Coddington Comme des Garçons perfume that combines a surface finishing with a precise graphic form*



and graded effect. This innovative example, and our technical collaborations with moldmakers and cosmetic packagers, means we can make a variety of pieces efficiently," explains Maria Carcolé, EMEA Marketing Leader for Perfumes & Cosmetics at DuPont. The group will present its newest Surlyn variations at Luxe Pack Monaco 2017.



Veresence has internally modified their machines for more flexibility. *"We reinforced our technical teams,"* explains H  l  ne Marchand, CEO for France. From 2011 to 2016, the group also integrated finishing workshops in its factories in Spain (four silkscreening machines, three production lines for glueing, one for lacquering) and Brazil (two for lacquering, two for silkscreening) that had been less efficient. In 2015, after a compulsory liquidation, Stoelzle Masn  res Parfumeries (St  lzle Glass group) adopted a three-year plan for its equipment and infrastructure. The budget? 14 million euros. *"To meet brand expectations where order quantities are usually lower for launches, we integrated new tools*

© Groupe Pochet



Groups must often contend with a heterogeneous industrial park inherited by their successive purchases of other factories. *"The ideal would be to have a site for each technology, without duplication, on each continent to accompany brands wherever they sell their perfumes, skin care or makeup,"* suggests G rard Martines, strategy consultant. Not having this advantage, Texen (PSB Industries group) reorganized, in the past few months, the activities of its 11 factories worldwide (including 5 in France) *"by type of process and business,"* explains Olivier Mass , director of the group's industrial operations. Thus the Mayet company in Pierre de Bresse, France became an expert producer of mascara and gloss (100 million pieces produced a year) as is the one in Lerma, Mexico. The Ceica Industrie factory in Brion, France, bought by Texen in 1984, was transformed to help in this endeavor. *"Soon, we will*

markets,” confirms Texen’s industrial operations director. Adapting and modernizing manufacturing methods, training personnel, creating observation cells to propose innovative, unique packaging are some of the challenges facing suppliers today.

"We have reorganized the activities of our factories by types of processes and businesses."

www.cosmetiquemag.fr

Company statistics*

RPC

Capital: listed on the London Stock Exchange.

2016 sales figures: 2.2 billion pounds.

Number of employees: Over 25,300 including over 1,500 in France.

Number of factories: 185 including 12 in France.

Activities: dispensers, pumps, bottles, caps for perfumes ... and cosmetics.

Albéa

Capital: Sun Capital Partners, American investment fund.

2016 sales figures: 1.4 billion dollars.

Amount of investments: over 30 million dollars.

Number of employees: 15,000

Number of factories: 38 in 15 countries.

Activities: Tubes, pumps, mascara, lipsticks, compacts, caps, promotional items.

Pochet Group

Capital: family owned.

2016 sales figures: 500 million euros (55 percent in France and 45 percent internationally).

Amount of investments: 20 millions euros (from 2015 to 2018).

Number of employees: 4,500 including over 3,000 in France.

Number of factories: 9 in France and 5 internationally.

Activities: production, transformation and decoration of glass, plastic, aluminum and zamac, accessories and promotional objects.

Axilone

Capital: Oaktree Capital Management, American investment fund.

2016 sales figures: 181 millions euros.

Number of employees: 250 at Axilone Metal, 250 at Axilone Plastique and 1,650 at Axilone Shunhua (China).

Number of factories: 2 in France, 1 in Spain, 1 in China.

Activities: premium packaging solutions for the skin care, makeup and perfume markets. Industrial skills in metal embossing and plastic injection. The group claims to be the world leader in the premium lipstick market.

Stölzle Glass Group

Capital: Austrian family company (Dr. Cornelius Grupp).

2016 sales figures: 1,4 milliard euros including 300 millions euros for Stölzle Glass Group.

Amount of investments: 14 million euros over three years for STO Masnières Parfumerie.

Number of employees: 2,450 including 335 in France.

Number of factories: 6 glassmaking sites including 1 in France and 3 for decoration in France.

Activities: production and decoration of glass.

Texen

Capital: PSB Industries group, listed on Euronext.

2016 sales figures: 200 million euros.

Number of employees: over 1,500.

Number of factories: 11 including 6 in Europe, 1 in China, 4 in North America (USA and Mexico).

Activities: injection, bi-injection and air-blown injection of thermoplastics; hot stamping, silkscreening, tamperography; depositing transfer films, laser-printing, metallization, varnishing, assembling, soldering; makeup brushes; hairbrushes.

Verescence

Capital: Oaktree Capital Management, American investment fund.

2016 sales figures: 330 million euros.

Amount of investments: 200 million euros (2011 to 2016) and 100 million euros (2017 to 2020).

Number of employees: 2,950 including 50 percent in France.

Number of factories: 3 in France and 4 internationally (Spain, Brazil and 2 in the United States).

Activities: Manufacture of glass bottles (with finishings).

*Incomplete list

MARYLINE LE THEUF

David Beckham, the Game Goes On

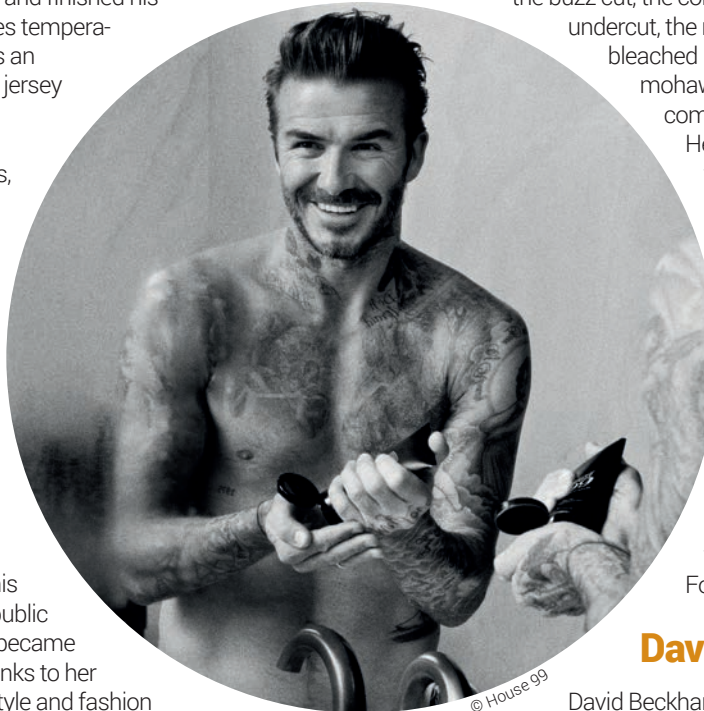
Sport, fashion, beauty: the former footballer is still in the spotlight, even though his sporting career ended in 2013. As he prepares to launch a line of grooming and beauty products for modern men with L'Oréal Luxe, we cast a look at this male version of an influencer.

A Football Champion

Voted Best Midfielder and Player of the Season 1998-1999 by UEFA, the British footballer, born May 2nd 1975 in London, made his mark with his unique technical profile. He started out at Manchester United (1992-2003) before joining Real Madrid (2003-2007), and finished his career at PSG in 2013. Sometimes temperamental on the pitch, he starred as an international wearing the English jersey from 1996 to 2009 and wore the captain's armband 59 times. Though he has hung up his boots, he hasn't left football behind him and is launching his MLS franchise in Miami with the creation of Miami Beckham United, who are competing in the American Soccer Championship this year.

The Beckhams, a Family Franchise

His meeting with the poshest of the Spice Girls, **Victoria**, at a charity match in 1997 changed his private life as much as it did his public image. While still a footballer, he became



© House 99

thanks to her a style and fashion icon. Two years later, the couple were married and had their first child, Brooklyn, then Romeo (2002), Cruz (2005), and Harper (2011). Since the end of her musical career, Victoria has launched a fashion career with her own label. She was named Best Designer by the British Fashion Awards in 2011. The eldest boys, Brooklyn and Romeo Beckham have started careers in modeling and photography.

A Second Career

David Beckham, the first result for Google searches to do with male fashion, starts a new trend with each hairstyle. Among the most famous: the buzz cut, the corn rows, the undercut, the man bun, the bleached locks, the mohawk, the



© h&m

comb-over and the slicked-back look.

He has tried everything. Familiar with tattoos (he has 32 in all), the footballer makes each one a media event and his trademark. All throughout his career as a footballer, and after, David Beckham has been chosen as the public face of a number of sport brands, like Adidas, as well as luxury, fashion and beauty brands: Biotherm, H&M, Samsung, Emporio Armani Underwear and Breitling. His total annual revenue is estimated to be €55 million, according to Forbes.

David in the House 99

David Beckham's signature first graced perfume bottles, with Coty Consumer Beauty: Homme (2011), David Beckham Instinct (2005) and Intimately Beckham (2006). In association with L'Oréal, the former footballer is today launching his brand of grooming products for men, House 99. The name is inspired by the year 1999 (a number he has tattooed on his finger) when Manchester United won a historic triple crown, including the Champions League, his marriage with Victoria and the birth of his first child. Care products for beards, faces, bodies and tattooed skin, the soberly packaged line is aimed at a premium market, for daily use by modern men. The 21 products will be available in perfume stores and large stores in March.

ANAÏS ENGLER



© Dave Benett/Getty Images

LANCÔME

PARIS



Photographie retouchée

La vie
est belle
L'Eau de Parfum