

## Asian brands are making their mark

### INSIDE THIS ISSUE

#### BUSINESS

**Global Cosmed to expand its production facility in Poland**

page 3

#### ASIA FOCUS

**South Korean cosmetics exports shoot up 26%**

page 4

#### INTERVIEW

**Jo Lee, Buying Director – Beauty and Jewellery, QVC UK**

page 5

#### SUPPLIERS

**Lab-grown epidermis may offer testing alternative**

page 7

#### RETAIL

**Julep Beauty introduces the first customisable beauty box**

page 8

#### PRODUCT

**Jeanne en Provence's Pivoine Féérie scents Mother's Day**

page 9

#### SPOTLIGHT

**The dichotomous consumer: appealing to diverging needs**

page 12

It has been a busy year for Asian brands, increasing their sales both within and outside of Asia – and setting their sights on some of the most well-known brands on the planet.

South Korean exports of cosmetic brands shot up 26% in 2013 and 24.8% in the first quarter of this year. The country's second biggest cosmetics firm LG Household & Health Care (LG H&H) recorded overseas sales of KRW600bn last year, of which some KRW400bn came from Japan. And the company is going from strength to strength. Just under a year ago, LG H&H owned retailer TheFaceShop purchased Canadian body care and fragrance retailer Fruits & Passion. Later in the year it added to its retail portfolio with the acquisition of Japanese direct marketing company Everlife. But this year it has its eyes on bigger fish as it considers making a bid for Elizabeth Arden. Further news on that deal is expected soon.

Meanwhile, TheFaceShop is building its presence in the Russian market with its first shop in the country due to open in June. The company plans to have opened ten TheFaceShop stores in Russia by 2017.

Korea's number one cosmetics firm AmorePacific saw its export sales shoot up 49% year on year for the first quarter of 2014. Already thriving in China, the brand has firmly set its sights on strengthening its mark further afield with its Laneige premium skin care brand. Already sold in 400 Target stores in the US, AmorePacific plans to up the number of Target doors to

750 by the end of the year.

Japanese brand Kosé Corp recently announced that it was acquiring New York based Tarte Cosmetics, in a move that it said would help it strengthen its stature in North America as it continues to expand its overseas operations.

One brand that has already made its mark internationally is Kao Corporation, with international brands including Kanebo, Bioré, Jergens, Goldwell, Molton Brown and John Frieda.

Shiseido, on the other hand, has decided to focus more on Asia. Having divested itself of the Decléor and Carita brands (selling them to L'Oréal), it has turned its attention to strengthening the position of its Za brand in India's premium skin care market. It plans to sell the brand through 250 outlets by the end of the year.

Meanwhile, Indian consumer products company Godrej has its eyes on opportunities in the African hair care market. It has made four acquisitions in the last five years, putting it in a position to compete with major western companies with brands such as Inecto, Renew, Tura and Darling. The company said its pan-African personal care product business has been growing by 15% annually.

It is clear that Asian brands are making their mark on the world of cosmetics. And, as the alphabet creams and other trends begin to stale, Asian innovations such as multi-step rituals and anti-pollution claims will start to gain ground and provide inspiration worldwide.

Kathleen Armstrong

## CosmeticNews Weekly

### HPCI Media Limited

Unit 1, Vogans Mill Wharf, 17 Mill Street,  
London SE1 2BZ, UK  
+44 20 7193 1279  
subscriptions@hpcimedia.com

### Acting Editor

Kathleen Armstrong  
+44 20 7193 8184  
kathleena@hpcimedia.com

### Reporter

Georgia Seago  
+44 20 7617 7114  
georgias@hpcimedia.com

### Layout Sub-editor

Ross Murdoch  
rossm@hpcimedia.com

### Correspondents:

**Argentina** Muireann Prendergast  
**Australia & New Zealand** Sarah de Castro

**Brazil** Sueli Ortega

**Canada** Marjo Johnne

**China** Keith Crane

**France** Patricia Mansfield-Devine

**Germany** Annie Kruse

**India** Chitra Gopalak

**Italy** Corinne Blanché

**Japan** David Kilburn

**Russia** Eugene Gerden

**South Africa** Bambina Wise

**Spain** Lola Gavarrón

**UK** Imogen Matthews

**US - East Coast** Laura Klepacki

**US - West Coast** Kavita Daswani

**Travel Retail** Kevin Rozario

### US Sales Manager

Suzi Richardson  
+1 305 461 0861  
suzir@hpcimedia.com

### Managing Director

Colin Bailey-Wood  
+44 20 7193 6066  
colinbw@hpcimedia.com

### Chairman

Michael Harrington  
+44 20 7193 1092  
mikeh@hpcimedia.com

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

### Subscriptions

+44 20 7193 1279  
juliew@hpcimedia.com  
one year subscription: US\$1,585/€1,250/£990  
two year subscription: US\$2,800/€2,250/£1,780

### CosmeticNews Weekly

CosmeticNews Weekly n°600  
19 May 2014

Articles published in this newsletter may only be reproduced with permission. The publisher accepts no responsibility for any statements made in signed contributions or in those reproduced from any other source.  
ISSN 1953-0633



Following the acquisition of **Decléor** and **Carita** brands by L'Oréal, **Delphine Viguier-Hovasse** has been appointed General Manager of Decléor and Carita International. The company said Viguier-Hovasse had had "a remarkably successful career and has demonstrated entrepreneurial and brand development qualities throughout her 17 years in the group". The Decléor and Carita business in the UK will continue to be led by **Carolyn Taylor**, Managing Director of Decléor (UK) Limited. She will report to Kenneth Campbell, Managing Director of L'Oréal's Professional Products Division UK&I. In Spain, **Ainhoa Aramburu** has been appointed as CEO of Decléor and Carita for L'Oréal España. Aramburu is also CEO of Kérastase and Shuemura Art of Hair. She has worked for L'Oréal España since July 2000.

**Dr May Shana'a** has been appointed Head of Beiersdorf Skin Research for **Beiersdorf**. She will replace **Professor Klaus-Peter Wittern** who is retiring on 1 October. Shana'a, has more than 26 years of expertise in the management of global R&D organisations of multinational companies, most recently at Ashland Specialty Ingredients.

"We are very happy that we could win over Dr Shana'a to Beiersdorf. With her vast wealth of experience in global R&D management she will advance product innovations and give further stimulus to the regional focus already started in our Research & Development," commented Board Member Ralph Gusko, Brands.

Global packaging company **Clondalkin Group** has appointed **Mark White** as Managing Director and **Peter Richardson** as Sales Director of its UK Carton and Label business. White has been with the company for a number of years and held various senior management positions in the UK and Europe. Richardson has 25 years' experience working in the packaging industry.

Global luxury lifestyle brand **Michael Kors Holdings** has appointed **Cathy Marie Robinson** as Senior Vice President, Global Operations. Robinson has 24 years' experience in operations,

logistics and supply chain management at various retail companies.

**Parfums Givenchy** has announced that Grammy Award-winning artist **Alicia Keys** is to become a future face of the brand. Global President Thierry Maman said: "Alicia is a remarkable woman whose charismatic personality and magnetic beauty are perfectly in line with what Givenchy has always been: noble, distinctive and unexpected. We very much look forward to working with her on an exciting new perfume project."

Keys added: "Givenchy has long been one of the world's most iconic luxury fashion houses, and a personal favourite of mine. I'm honoured to introduce the world to the newest scent by Givenchy."

Givenchy's campaign featuring Alicia Keys will be unveiled in September 2014.

## BRAND AMBASSADORS

**Coty** has announced that **Georgia May Jagger**, supermodel and face of Coty's colour cosmetics brand Rimmel and fragrance brand Just Cavalli, has been appointed as the first Coty Global Ambassador in the fight against blood cancer. Coty is founding corporate sponsor of Delete Blood Cancer-DKMS, the world's largest bone-marrow-donor-registration centre. As the Coty Global Ambassador, Jagger will serve as a spokesperson for the cause and help support Delete Blood Cancer.

**Yves Saint Laurent Beauté** has appointed British model **Edie Campbell** as brand ambassador for its new fragrance Black Opium. Named Model of the Year at the 2013 British Fashion Awards, Campbell will be seen from this summer in a Black Opium TV campaign directed by Daniel Wolfe.

"Edie embodies all the contemporary codes of the Yves Saint Laurent Beauté woman: elegant, cultivated, spirited, she is a model with attitude," said Stephan Bezy, International General Manager of Yves Saint Laurent Beauté. Campbell added: "Yves Saint Laurent brand's modern vision of beauty is very inspiring and I am particularly proud to represent such an audacious archetype of woman."

### CD&R acquires Mauser Group

German industrial packaging company Mauser Group is to be acquired by the private equity firm Clayton, Dubilier & Rice (CD&R) in a transaction valued at approximately €1.2 bn. CD&R Operating Partner Vindi Banga, former member of the Unilever Executive Board, will assume the role of Chairman of the Mauser Supervisory Board at the close of the transaction, expected in the third quarter of 2014.

"CD&R is well-known as a business builder and has demonstrated a deep understanding of our industry and our value proposition in sustainable packaging solutions," said Mauser CEO Hans-Peter Schaefer.

### Brenntag Q1 sales up 2.9%

German chemical distribution firm Brenntag has reported sales for the first quarter of 2014 of €2.416bn, up 2.9% on a constant currency basis compared to Q1 2013. Year on year gross profit rose 4.4% on a constant currency basis to €483.6m. Highest growth was in North America where external sales rose 6.9% compared with the same period of the previous year on a constant currency basis to reach €771.7m. Growth was also positive in Europe with external sales reaching €1.1756bn, up 2.7% year on year on a constant currency basis.

However, in Latin America, operating gross profit fell 4.1% on a constant currency basis to €37.6m, impacted by the macroeconomic developments in Venezuela in the first quarter of 2014. Similarly, in Asia Pacific, operating gross profit declined by 2.1% on a constant currency basis to €27.8m.

### Henkel reports Q1 'good start'

Germany based FMCG company Henkel has reported a "good start" to 2014, despite the challenging economic environment. In the first quarter of the year, it achieved organic sales growth of 4.3%, excluding the impact of foreign exchange and acquisitions/divestments. However, when foreign exchange effects were taken into account, sales fell 2.6% to €3.929bn. Reported operating profit (EBIT) grew by 7.6%, from €565m to €608m.

The Beauty Care business unit also continued to generate profitable growth

## Global Cosmed to expand

Polish cosmetics manufacturer Global Cosmed is planning to expand its production facility in Radom, in the country's central region. The investment is estimated to be worth over 20m Polish zloty (US\$6.6m), the company said in a statement. Under the plan, Global Cosmed will take on 30 new employees at the factory. Its investment will allow it to double the plant's output and improve the effectiveness of the production processes, the statement said.

"We are happy that we can launch a new investment phase. Currently, we are implementing an overhaul of the existing production hall and relocating the installed machines. We are also finalising the formalities related to securing a permission for the planned construction works," said Ewa Wójcikowska, Chief Executive Officer of Global Cosmed. "Accordingly with our investment schedule, we want to start with expanding our production capacities, and, as a next step, start building storage facilities and a wastewater treatment plant."

Headquartered in Radom, Global Cosmed provides its output to a number of major retail chains, including Lidl, Kaufland and Jerónimo Martins subsidiary Biedronka. The firm also markets various cosmetics under its own brands. Global Cosmed's product portfolio includes shower gels, liquid soaps, balms and personal hygiene products.

Jaroslaw Adamowski, Warsaw

## Cosmebio looks at road ahead

A new French study has come up with four possible future scenarios for organic cosmetics that may help market players identify key drivers in the sector. The study, *Les Marchés du Bio à Horizon 2025*, was commissioned by Cosmebio, the French professional organisation for ecological and organic cosmetics, and Organics Cluster, a network of organic producers in France's Rhône-Alpes region.

*Bio émergent* is a market similar to today's and struggling to organise itself. In this scenario, market complexity will limit the development of the organic segment and SMEs will face stiff competition from conventional manufacturers. If this occurs, organics producers will need to provide consumers with greater transparency and traceability. *Bio référent* is a scenario where organic products will become a safe haven amid repeated health and environmental crises. In this case, organic operators will successfully unite and organise themselves, with demand driven by citizens willing to pay for good health. An ethical approach to the supply chain will be key to success. *Cosmétique bio financière et libérale* is the third scenario, in which companies team up to become more competitive in a difficult economic environment and smaller businesses will be bought up by major groups. In this scenario, players will need to provide more accessible and innovative cosmetics. Finally, *Cosmétique bio suspecte* is a scenario with no real differentiation for the sector as more stringent regulations force conventional cosmetics to become more ecological. In this case, consumers might focus on other values, such as local providers, and a winning strategy will involve maintaining a close and trusting relationship with the consumer.

Patricia Mansfield-Devine, Rennes

in the first quarter of 2014, the company said, achieving 3% organic sales growth and nominal sales of €856m compared to €873m in the prior-year quarter. Beauty Care sales were also strong in the emerging markets,

driven by the business in Asia which achieved double digit sales growth. The Africa/Middle East region also posted strong growth while Eastern Europe "continued to show solid development", the company said. Sales also rose in

## ASIA FOCUS

### North Korean cosmetics grow

In May last year, a photograph of the North Korean leader and his wife walking through a shopping mall in Pyongyang sparked some surprise, as the couple were passing a boutique selling AmorePacific's Laneige among other international brands. Cosmetics are one of the many products whose export to North Korea is prohibited by the UN. Even so, the North has proved adept at finding sources for the brands it wants. However, in a new move, North Korea is applying its philosophy of *Juche* or 'self reliance' to manufacture its own cosmetics.

The *Chosun Sinbo* newspaper, the mouthpiece of a pro-North Korean organisation, reports that a variety of cosmetic products have been manufactured by the Pyongyang Cosmetics Factory and introduced in the North under the Milky Way brand name. The range includes a UV protection cream, moisturiser, gel, foundation and anti-ageing cream.

According to the newspaper, the products are designed to be suitable for use at the office, outdoors, in the mountains and on the beach, in accordance with the policies of North Korean leader Kim Jong-Un. Commentators consider that Jong-Un's wife Ri Sol-Ju has played a key role in developing the brand initiative.

### South Korea exports rocket

South Korea exported US\$1.05bn worth of cosmetics last year, 26% up on 2012 and about six times more than the \$173m exported in 2004, according to the Korea Customs Service. The growth is continuing: cosmetic exports came to \$288m during the first quarter of this year, up 24.8% from the same period a year earlier.

South Korea is also exporting cosmetics to more countries than a decade ago. Exports in 2013 went to 129 countries, compared with 87 ten years ago. Over the same period, the country's export prices for cosmetics nearly doubled to \$22.88 per kilogram last year. In 2013, some 25% of Korean cosmetic exports went to China, followed by Hong Kong (19%) and Japan (12%). The top ten markets also included the US and Russia. The country's two largest cosmetics makers were the leading beneficiaries. AmorePacific posted first-quarter sales of KRW1.825 trillion with overseas sales jumping 49.7% to KRW192.3bn and Chinese earnings showing 50% growth. The number two player, LG Household & Health Care, saw overseas sales worth KRW600bn last year, of which some KRW400bn came from Japan.

David Kilburn, Tokyo

luxury cosmetics continued to decrease, while travel retail showed robust growth thanks to an increase in the number of Chinese travellers. Domestic premium and mass market cosmetic sales showed solid growth in all channels – retail and digital.

Overseas sales for the company shot up 49% year on year to KRW192.3bn. Revenue in China displayed robust profitable growth delivered by increased sales of popular products for major brands such as Laneige (BB Cushion, Sleeping Pack) and Sulwhasoo (First Care Activating Serum) and the diversified channel portfolio. Other Asian markets also showed solid growth.

Further afield, there was robust growth in the US market, supported by the launch of new products such as IOPE Super Vital Cream, while in France growth was driven by increased export sales of Lolita Lempicka.

### Spanish cosmetic exports rise

Exports of cosmetics in 2013 rose 11.8% in Spain, according to a recent report from Stanpa (Asociación Nacional Perfumería y Cosmética). Published in partnership with Nielsen, the figures exceeded earlier forecasts. The domestic market, on the other hand, fell 3.5% to €6.4325bn – although on the positive side the decline was less than that experienced in 2012 and less than overall domestic retail trade which dropped 3.9%, according to the Instituto Nacional Estadística figures.

According to UN Comtrade, Spain is the sixth largest exporter of perfumery and cosmetics globally and the fifth largest in the EU. In 2013, foreign sales reached €2.755bn, above the level of such iconic sectors as wine, oil or footwear. Spanish cosmetic and perfumery products are present in 85 countries around the world, with the top ten destination countries being Portugal, France, Germany, the UK, the US, Italy, Russia, the Netherlands, UAE and Poland, according to the Stanpa report. Spaniards spend an average of €137 a year on perfumery, cosmetics and personal care.

### Demographics key to Latin American market growth

In Latin America, strong economic growth does not always go hand-in-hand with the emergence of a robust middle class, according to market analyst Euromonitor International. In its report - *From the bottom of*

the mature markets of western Europe and Asia Pacific. However, the picture was not so rosy in North America where sales fell below Q1 2013, as a result of intensified price competition.

"The economic environment will remain challenging with the latest developments in Eastern Europe creating additional uncertainty in the markets. A high degree of agility and flexibility will remain key to success. We will therefore continue to simplify and accelerate our

processes and structures," said Henkel CEO Kasper Rorsted.

### AmorePacific Q1 sales robust

AmorePacific has reported that sales during the first quarter of 2014 rose 15.9% to Korean won KRW931.8bn, while operating profit increased 25.3% to KRW175.7bn. Revenue for cosmetics reached KRW607.6bn in the quarter, up 12.3% year on year.

Domestically, door-to-door sales for

the pyramid to emerging middle classes in Latin America - it said growth alone cannot be used as the sole indicator of an attractive market. What is key to successfully serving consumers in the region is a detailed knowledge of income, expenditure and demographic trends.

While the region is a similar size to China as a consumer market, in per capita terms consumer expenditure is far higher. Its chief advantages include natural resources, a young population, proximity to the US and increasing economic stability. However, all countries in the region remain notably unequal, with many consumers remaining bottom of the pyramid (BoP) poor. More than 60% of the region's 87 million middle class households are in the two largest economies – Brazil and Mexico. And even the so-called 'middle class' households vary widely in income from country to country, with those in Bolivia earning less than US \$5,000 per year and those in Chile earning over \$20,000.

### Fancl reports a challenging year

Fancl Corp, a Japanese manufacturer of preservative-free cosmetics and health foods, has reported a 2% fall in net sales, to Japanese yen JPY81.118bn for the fiscal year ending 31 March 2014, mainly due to a decline in sales for its nutritional products. The year also saw Fancl liquidate its Taiwanese subsidiary and withdraw from retail business in Taiwan and Singapore.

However, cosmetic sales, which account for almost 60% of the business, increased by 1.7% to JPY47.525bn. The strong performer was brand Fancl whose sales went up 3.7%. Brand Fancl accounts for 81% of cosmetic sales and made up for a small decline in sales of Attenir cosmetics and a drop of almost one third in other cosmetics. The Fancl brand's growth was attributed to good sales of facial cleansing products and a mild cleansing oil. Attenir's decline was more or less in line with the overall market, with sales of key products very similar to the previous year.

For FY 2015, the company forecasts a 0.1% decrease in sales to JPY81bn, an increase in operating income of 1.4% to JPY4bn and an increase in net income of 63.7% to JPY2.2bn.

## INTERVIEW

Jo Lee, Buying Director – Beauty and Jewellery, QVC UK

# The story is the message

**T**V shopping channel QVC began broadcasting in the US in November 1986 and seven years later launched in the UK. Since then, the now multimedia retailer has expanded into Germany, Japan, Italy and China. **Cosmetic News Weekly** talks to Jo Lee, Buying Director – Beauty and Jewellery for QVC UK about the role of beauty in QVC and the secret to its success.

### How important is beauty to QVC?

Beauty as a category is incredibly important to QVC, especially in the UK, where we have by far the highest mix of beauty. It makes up 35%-36% of the overall business, and it's a premium business, which we're very proud of. We're not looking to increase our beauty mix. What we want to do is concentrate on the areas of beauty that we do best, nurturing premium brands and being educators about beauty.

### How do you select the products?

We are inundated every day with suppliers and brands that want to work with us. Our queue is endless. Our selection process is: is it premium? does it deliver? can this brand or supplier offer something that is different to the market, exclusive to us and has a point of difference? is it advanced technology that is a rarity to some degree on the high street? We like quirky, different but deliverable.

Of our more well-known brands, Elemis is our biggest seller, along with Decléor and L'Occitane. Our most popular brands, however, tend to dip in and out because we're constantly bringing new entrepreneurial brands to the viewer.

### Who is your target audience?

We have spent a significant amount of time in the last 12-18 months dissecting our customer segmentation into core groups that we know shop with us. We have a group that are 'designer housewives', who are very savvy about department stores and the premium beauty market. Another group is the 'girls about town'. They are a smaller group for us – aged 35-50, nurses, school teachers, etc – but they shop regularly in our beauty channel. Then we have the 'golden girls', aged 55+, who have been shopping with us since we began 21 years ago.

### What is the secret to QVC's success?

Our success lies in our ability to tell a story and to educate the customer. The brand owner or creator can come onto live TV and talk about the brand's evolution, the ingredients, how to apply it and how to use it. Our presenters become experts in their field as well. Last year we were voted the UK's second most trusted retailer in the Nunwood Top 20 Customer Experience Excellence Index.

### How do social media and your various channels link up?

It's very much part of the QVC mantra that we stay very in tune with the customer. On the Live Channel people can tweet and Facebook, and the presenters all have blogs that talk about the products on their shows and what is coming up. We respond very quickly to customer feedback [positive and negative] and can hone our offer to the customer. Our Beauty Channel is a pre-record of anything we do live. We're also starting to provide a lot more information about the brands we're selling, so it cements the bigger picture in terms of our ability to educate.

Kathleen Armstrong, London

## PACKAGING

### **Qosmedix applies new lip gloss**

Qosmedix has introduced a new collection of lip gloss packaging with three types of applicator tips in order to meet specific preferences. The range comprises three different matte black caps with applicator tips and wiper including a Nylon Flocked Doe Foot, a Nylon Brush Tip and a Silicone Spatula Tip. All three items fit the corresponding 5ml clear PETG vial. They are also suitable for use with any liquid make-up, gel or serum formulation, Qosmedix says.

### **Neopac makes tubes air tight**

Switzerland based tube manufacturer Neopac presented its new patent pending AirShield tube to a large audience for the first time at Luxe Pack in New York. The tube has a valve in the tube head with a special protective shield function that prevents exposure to oxygen. The valve opens when pressure is exerted on the

tube and closes again when the pressure abates, preventing air from flowing back into the sensitive contents.

Neopac says AirShield is particularly suited to oxygen-sensitive contents such as beauty products or natural cosmetics. The air-tight system enables cosmetics products to retain their consistency, colour and effect even after the packaging has been opened and is in daily use.

### **Verreries Brosse broadens offer with Pariche Nigermat partnership**

French glassmaker Verreries Brosse has signed an agreement with fellow French firm the Pariche Nigermat group, specialist in completion and finishing, to enable the former to offer a more complete service.

"Decoration is a stand-alone trade which requires a very specific know how," said Olivier Caspar, CEO of Verreries Brosse about the decision. "The Pariche Nigermat group undoubtedly has this know how along with the comprehensive offer that we need to satisfy increasingly demanding

customers in this area."

SAS Gérard Pariche was founded in 1981 by Gérard Pariche, an artisan who specialised in decorating glass perfume bottles by hand for big-name perfume companies. Nigermat was founded by Pariche in 1986, as a separate factory on another site a few miles away. Both, along with Verreries Brosse, are situated in France's 'glass vallée' in Picardie, which produces 75% of the world's luxury bottles. The group's clients include many of the world's leading fragrance brands such as Loewe, Jean-Paul Gaultier, Jimmy Choo, Lancôme, Ralph Lauren and Sonia Rykiel.

### **Oekametall changes name**

German packager Oekametall has renamed itself Oeka Oehlhorn GmbH & Co KG to reflect its production of plastics.

"Many of our business partners, mainly potential customers who do not or hardly know us, might be confused by the name Oekametall, which gives the impression that we solely produce metal products,"

Sign in to your account today:

- ★ *Breaking News*
- ★ *Industry Analysis*
- ★ *Market Reports*
- ★ *The Latest Innovation*
- ★ *Leading Insight & Research*

For even more content - Online. Anywhere. Everywhere.

Contact [subscriptions@hpcimedia.com](mailto:subscriptions@hpcimedia.com) for your log in details

**cosmetics  
business**

the firm said in a press release. "For these reasons we have decided to change, as from 1 May 2014 and in the year of its 100th anniversary, our company's name to Oeka Oehlhorn GmbH & Co KG.

"In the future, we will make better use of our broad experience in both metal and plastics processing, surface finishing and assembly systems to grow equally in any of our three business areas: OekaBeauty, OekaTech and OekaMed."

## INGREDIENTS

### Harke to distribute EGgroup's olive actives in Germany

German chemicals manufacturer Harke Chemicals has teamed up with the Barcelona based EGgroup to distribute the latter's actives derived from Spanish olives in Germany.

Actives include oliveactive Maslínico 85%, a strong natural anti-inflammatory on which EGgroup has two patents for redensification activity and elastase inhibition; oliveactive Hidroxitiroso 40%, which the firm says is an electron scavenger, DNA protector, metal ion chelator and stable active that also has a whitening effect and also boosts SPF efficacy; and oliveactive Omega9, a high-quality olive Empeltre oil, rich in Omega9 and polyphenols and which is very stable.

Both companies foresee the actives' application in a range of cosmetics products, particularly anti-ageing products.

### Ashland creates clear lotion

Ashland Specialty Ingredients says its HydroSheer II formulation technology can modify emulsion behaviour in such a way that finished lotions appear clear or virtually clear during rub-out on wet skin. Its ingredients include Escalol UV filters, for SPF protection, and ProLipid141 lamellar gel, for smooth feel, application uniformity and formulation stability. This enables formulators to produce stable creams and lotions that apply clear on wet skin, including the hydrophilic-lipophilic balance or HLB, the company says.

The technology won the first ever Beiersdorf Innovation Pitch award at this year's in-cosmetics trade show.

## Lab-grown epidermis may offer cosmetic testing alternative

A team led by King's College London and the San Francisco Veteran Affairs Medical Center (SFVAMC) have created what they say is the world's first laboratory-grown epidermis. The team said the new epidermis has a functional permeability barrier that is similar to real skin and may provide a cost-effective alternative for testing drugs and cosmetics.

The study, which was published in the journal *Stem Cell Reports*, used human induced pluripotent stem cells (iPSC) to produce an unlimited supply of pure keratinocytes – the predominant cell type in the outermost layer of skin – that closely match keratinocytes generated from human embryonic stem cells (hESC) and primary keratinocytes from skin biopsies. These keratinocytes were then used to manufacture 3D epidermal equivalents to build a functional permeability barrier.

"Our new method can be used to grow much greater quantities of lab-grown human epidermal equivalents, and thus could be scaled up for commercial testing of drugs and cosmetics," said Dr Dusko Ilic, leader of the team at King's College London. "Human epidermal equivalents representing different types of skin could also be grown, depending on the source of the stem cells used, and could thus be tailored to study a range of skin conditions and sensitivities in different populations."

## Unilever reduces plastic use

Anglo-Dutch chemicals giant Unilever has announced that the bottles for its Dove Body Wash will now contain at least 15% less plastic thanks to a new technology. MuCell Technology for Extrusion Blow Molding (EBM) was created in collaboration with two of the firm's global packaging suppliers, ALPLA and MuCell Extrusion. It uses gas injection to create bubbles in the middle layer of the bottle wall, thereby reducing the density of the bottle and the amount of plastic required.

The technology will be deployed first in Europe across the Dove Body Wash range, saving up to 275 tonnes of plastic a year. A full roll-out across every Unilever product could save up to 27,000 tonnes, the company said.

Unilever said it will waive specific exclusivity rights by January 2015 so that other manufacturers can start to use the technology. "There's only so much that Unilever can achieve on our own," said Paul Howells, Vice President R&D Packaging at Unilever. "By opening up access to other manufacturers we will really start to see an impact."

**Patricia Mansfield-Devine, Rennes**

### Solazyme supplies sustainable algal oils for Lux soap

Solazyme, a renewable oil and bio-products company, has announced the supply of its sustainable algal oils for one of Unilever's Lux soap. Solazyme said its algal oils are derived from oil-producing microalgae that are cultivated sustainably and responsibly. The oils are produced in a matter of days using a fermentation process designed to produce oils of the highest purity and performance.

Unilever said its decision to use algal

oils was in keeping with its objective to double the size of its business while reducing its overall environmental footprint and its commitment to use only sustainably sourced agricultural raw materials by 2020.

The majority of the oil for the soap products will be produced in a new renewable oils facility in Moema, Brazil, and Unilever expects to purchase the full volume within 12-18 months. It said the use of algal oils in this initial trial was the first step in the brand's long term plan of leveraging on this raw material.

## Julep Beauty introduces the first customisable beauty box

**F**ast-growing beauty brand Julep Beauty has announced the first fully customisable monthly beauty box subscription. Beginning this month, subscribers to the Julep Maven service can create their own personalised mix of products for their boxes, choosing from among two million possible combinations of full-size beauty products and limited-batch nail polishes.

In the past, 'subscription' has meant 'set it and forget it' – sign up, give up your credit card and then each month receive a selection of products chosen per the brand's schedule. Julep is changing that paradigm by asking customers to actively engage in their subscription each month, choosing exactly which products they would like to receive. Subscribers will be able to choose from innovative new products or Julep bestsellers, discovering the latest in skin care, colour cosmetics and nail colours.

"We want women to engage with us each month," said Jane Park, CEO and founder of Julep. "With this new service, we're bringing the beauty counter experience to our community of Maven subscribers; letting them actively engage in product selection so they receive exactly the combination of monthly products that works for them."

## The high street not beaten yet

**A**ccording to global market research firm The NPD Group, the high street is still the place Britons choose to shop for their beauty products. Online sales of prestige products accounted for £102m in 2013, just 6.2% of the total market. Although the high street is currently dominating beauty retail, the online prestige beauty market grew by 35% in 2013 – a growth rate that far outstripped the high street. Make-up and skincare reported solid figures online, but fragrance saw the greatest growth in the sector.

Chanel was shown to be the best-selling brand online. Of the top 10 brands in the prestige sector, nine had a lower share of the market online when compared to the total market. The best-selling brand for online and offline combined was Clinique. "Buyers continue to shop in store for their beauty needs and the high street looks set to maintain its dominance for many years to come," commented June Jensen, Director for The NPD Group Beauty UK. "It's interesting to note that despite the boom in beauty bloggers and video make-up tutorials, online only has only secured a 6.2% share of the beauty market to date. What the last year has shown, however, is that online sales in prestige skin care, fragrance and make-up are driving the business forward. Not necessarily taking away from the high street, but adding to it."

Ross Murdoch, London

### Paula's Choice gets retail space

US based skin care brand Paula's Choice has landed its first brick and mortar retail space at Pharmaca Integrative Pharmacy. Initially available in two locations in California and one in Denver, Colorado, the brand plans to roll out to further Pharmaca locations

throughout 2014. Paula's Choice has built a direct to consumer following via e-commerce and mobile at PaulasChoice.com.

"This exciting partnership is another important step in our brand's growth strategy and the expansion of our distribution to key retailers," said David

Lonczak, CEO of Paula's Choice. "Our physical presence at Pharmaca raises the visibility of our brand in key markets and, for the first time, makes our products available to consumers in retail stores."

### Out with the old, in with the new for Holland & Barrett

UK naturals chain Holland & Barrett is encouraging customers to swap their old beauty products for more natural alternatives with its Big Beauty Swap, taking place from 23 May to 11 June.

During this period, customers can get 25% off all beauty products simply by bringing in their old products. The Big Beauty Swap promotion is the latest in Holland & Barrett's public commitment to natural beauty products, after banning all toiletries containing chemical preservatives, such as parabens and sodium laurel sulphate (SLS), five years ago.

As part of the promotion, any old, empty or partly used toiletries such as shampoo, shower gel and moisturiser can be taken into any of the brand's 720 stores and swapped for a discounted, more natural alternative. All the bottles collected nationwide will be recycled at the retailer's distribution plant.

### Tom Ford slings into Singapore

American designer label Tom Ford has now opened its first South East Asian stand-alone store, located at the Marina Bay Sands resort in Singapore. The store spans over 2,000sqft and will house a complete collection of the American designer's Menswear and Womenswear collections, including shoes and accessories, as well as the Tom Ford Beauty range of cosmetics and fragrances and Tom Ford Eyewear.

The retail space is modelled on the brand's first flagship store which opened in New York in 2007 and is designed in monochrome palettes of pale grey and deep brown tones, accented with chrome and glass. The architecture features a series of salons unfolding on a single axis, providing a view through the entire suite of rooms. The store can be found at #B1-128 of The Shoppes at Marina Bay Sands.



### Darphin revitalises and nourishes

Darphin is launching a new addition to its Vitalskin range – Vitalskin Replumping Energic Cream. The cream was developed with up to 85% natural ingredients to help visibly energise the look of the skin, acting to revitalise, hydrate, re-plump and nourish.

Its ingredients include Ernestim Complex, a blend of two powerful botanical extracts which serve as energy activators; *Sapindus mukorossi*, the fruit of an Asian tree used in oriental medicine to help correct skin conditions; and *Laminaria digitata*, a brown seaweed recommended in thalassotherapy for body wraps. A well-being cocktail containing apple, watermelon and lentils makes up the new hydrating complex for devitalised dry skins.

Vitalskin Replumping Energic Cream will be available from June, priced at £39/€49.

### Wildflowers nourish the body

UK luxury cosmetics brand Baylis & Harding has introduced a new body care collection which harnesses the power of botanical extracts of British wildflowers to condition, nourish, firm and refresh the skin when used as part of a daily skin care routine.

The Great Body Collection has been developed to work on all skin types. Packaged in what the brand says are “the spring’s hottest pastel shades”, the range includes Body Polish, Body Wash, Body Lotion, Body Firming Cream and Body Mist. The products retail at £6 each.

### Scrub up with Sapien Women

Sapien Women is Surya Brasil’s newest natural, organic and 100% vegan skin care collection for the face and body. Created with a coconut, mango, raspberry and vanilla scent and exotic ingredients from the Amazon rainforest from sustainable organic farming, the collection is suitable for all skin types and does not contain ingredients like ethyl alcohol, sulphates or silicone.

The range includes Sapien Women Body Scrub, made with 100% natural exfoliants from coconut bark and organic buriti; Sapien Women Facial Scrub; Sapien Women Shower Gel containing

## Mugler makes exceptions

French couture house Thierry Mugler has launched a new fragrance collection: Les Exceptions. The fragrances, in edp concentration, will only be available in Canada and Italy for the time being. The range consists of five unisex perfumes: Chyprissime, Fougère Furieuse, Oriental Express, Over the Musk and Supra Floral, all of which come in art-deco style 80ml bottles with a silver stirrup that runs over both body and cap. Chyprissime has head notes of bergamot, oak moss, cistus labdanum, patchouli and pear. Fougère Furieuse has notes of geranium, oak moss, bergamot, coumarin, amber and neroli. Oriental Express has notes of bergamot, sandalwood, vanilla, bois de carotte (carrot core) and carrot seed. Over the Musk has notes of musk and hibiscus seeds (ambrette seeds), and Supra Floral has notes of hyacinth, amber and oud.

All the fragrances were created by IFF perfumers Jean-Christophe Héault and Olivier Polge (before Polge left for Chanel) and will be available from own-name Mugler stores and Hudson’s Bay stores in Montreal, Toronto and Vancouver, where they were soft-launched recently. The fragrances are built on the pillars of “structured, statuesque and glamorous”, said Héault at the Hudson’s Bay launch, and use modern molecular distillation to remove the dark notes of patchouli.

They cost CAD\$185 for a refillable 80ml bottle and the refill costs \$127. Another five fragrances are set to follow in the future.

## September’s new shadows

In September, to celebrate its 30th birthday, French professional make-up brand Make Up For Ever is relaunching its eyeshadow range with new formulations. Called Artist Shadow, the range will offer 210 colours and five textures, and will cost €22 per colour. The new shadows make use of gel formulations which the brand says result in intense colour that is easier to apply, even for non-professional users.

There will be five finishes – matte, satin, iridescent, metallic and diamond – replacing the current four in the range. The matte eyeshadows will contain up to 88% pigment; nylon powder to make the product easy to apply and layer; and zinc oxide and talcum to provide staying power. The shadows with diamond, iridescent, metallic or satin finishes will use a water-blend technology that encapsulates pigments, powders and 3D gel polymers, then evaporates them to create a homogenous ‘gel powder’. The new line will replace the brand’s current eyeshadow offering, which currently makes up 4% of turnover, and the brand hopes to increase this percentage. Make Up For Ever will promote the new range during Paris Fashion Week in September and the products will be available from Sephora.

Patricia Mansfield-Devine, Rennes

Pracaxi oil, aloe vera, amaranth protein and vitamin E; Sapien Women Shave Gel, with organic aloe vera and vegetable glycerine; and Sapien Women Body Moisturizer, which is rich in exotic organic Amazonian ingredients like cupuaçu and murumuru butters.

### Early summer for Banana Boat

New from sun care brand Banana Boat (Energizer Personal Care) are five new products available in the US: Triple

Defense Sunscreen Lotion for Men and Clear UltraMist, available in SPF30 and 50+, with ActiveProtect Technology to provide heavy-duty broad spectrum UVA/UVB protection with an odour combatting formula; Kids Free Clear UltraMist Sunscreen, available in SPF50+, an alcohol-free, tear-free and sting-free clear spray that provides powerful protection and helps make sunscreen application simple and enjoyable; Sport Performance Clear

### Sweet notes from Barcelona

Six years after Custo Barcelona and Idesa Parfums created its first fragrance, Custo Woman, a new version, Custo L'Eau, has been born. Created by perfumer Alberto Morillas around the concept of a symphony, the fragrance keeps the playful, addictive notes of the original but has added sparkling, light notes to make it fresher and younger. The result is a floral, fruity, wooded fragrance. At the top are notes of soft, balsamic galbanum and the refreshing citrus notes of grapefruit and bergamot. Its heart features jasmine petals, red rose, peony and the bittersweet notes of exotic fruits. At the base is the warmth of wood, sweet and intense tonka bean, blended with sensual musk.

The fragrance has been designed to appeal to the women who like Custo Woman but would also like to change their fragrance at different times of the day – without changing their fragrance.

In similar bottle and packaging to the original, Custo L'Eau also maintains the emblematic rose-fuschia colour of the Custo brand.

Custo L'Eau will be launched in global selective channels from 15 May for a price of €60 (100ml) €40 (50ml) and €29.75 (30ml) for the edt spray.

Lola Gavarrón, Madrid

### Peonies for Mother's Day

On the last Sunday in May, to tie in with French Mother's Day, budget fragrance house Jeanne en Provence will release Pivoine Féérie (peony fairy). The fragrance, named for a flower that traditionally blooms in May and is very popular in France, has head notes of green citrus and peony buds; heart notes of white flowers, peony and violet; and base notes of musk and vanilla. The juice is bright magenta pink in colour while the flacon is round with gilt lettering and a retro-style pink bulb atomiser. The outer packaging is magenta with oversized images of peony flowers, reminiscent of a tissue box.

The fragrance costs €11.90 for a 50ml eau de parfum and is also available as a 165g scented candle in a clear glass pot, costing €8.90.

The firm is also releasing a new scented candle in its Rose Envoûtante (bewitching rose) range, which also includes body products but not a stand-alone fragrance. Rose Envoûtante was the firm's summer release in 2013.

All the brand's fragrances are developed by a master perfumer in Grasse and the products are manufactured in France and contain no parabens or animal fats.

Patricia Mansfield-Devine, Rennes

rice bran extract, combined with the brand's Aloe Comforting Complex to help condition and comfort skin.

Modern Friction Instant Brightening Pads are priced at £31 for a tub of 40 pads and are available in June.

### Bobbi Brown goes Colour Crazy

The latest releases from Bobbi Brown (Estée Lauder Companies) focus on colour for the lips and nails. On counter from June, the Rich Lip Color collection will welcome five new shades in a light-weight, colour-saturated formula: Blazing Red, Miami Pink, Electric Violet, Taffeta and Cosmic Pink.

The new shades will bring the existing shade range up to 26. For nails, the brand introduces an edited ten shade collection of polishes that boast superior finish and wear, according to the brand. The colours are: Pale, Nude Beige, Roza, Cherry Tomato, Valentine Red, Red Plum, Spiced Wine, Bittersweet, Navy and Ballet Pink Glitter.

Rich Lip Color lipsticks are priced at £19 while Nail Polish will retail for £11.

### Molton Brown goes to Brazil

Bath and body brand Molton Brown has released a limited edition collection named Caju & Lime, inspired by the Brazilian cocktail Caipirinha. The collection includes a Body Wash (£18), Nourishing Body Lotion (£25) and Eau de Toilette (£36). Caju & Lime is described as a "lively, joyful, summer scent – a refreshing blend with a citrus twist".

The scent features a refreshing top note of lime, a spearmint heart and base notes of Amazonian Forest Accord, designed to capture the colour and spirit of the Rio Carnival. The products' key ingredient is caju fruit extract, containing antioxidants and vitamin C. Suspended in the Body Wash are colourful micro beads which burst on contact to moisturise the skin.

To mark the release of the collection, the brand has created 'Brazilian wish bracelets' to test the fragrance in-store. Inspired by a Brazilian tradition, customers are encouraged to make a wish as the bracelet is tied to their wrist, which is said to come true when the bracelet naturally falls off.

UltraMist Sunscreen with Powerstay Technology, available in SPF15, 30, 50+ and 100, designed for active types with Powerstay Technology to help the product stay on strong throughout outdoor activities; and Protect & Hydrate Sunscreen Clear UltraMist, available in SPF30 and 50+, a 2-in-1 combination of sunscreen and all-day moisturiser, combining aloe vera with vitamins C & E to leave the skin feeling soft and looking healthy.

All products are available in mass grocery and drug retailers.

### Origins brightens with pads

Naturals brand Origins' (Estée Lauder Companies) new Modern Friction Instant Brightening Pads are formulated to improve skin's texture, tone and clarity, with the brand likening the effect of the textured pads to a chemical peel.

The gentle, non-irritating formula is designed to loosen surface cells, smooth the skin and restore vibrancy. According to Origins, skin is visibly more even toned and uniform after eight applications. The formula contains a Rice Exfoliating Complex of fruit acids and

## TOP TWEETS ON THE STREET

### We track the latest beauty news in 140 characters

#### @HuffingtonPost

This invention could potentially destroy the cosmetics industry [huff.to/1kQuq0e](http://huff.to/1kQuq0e)

#### @MarketingWeekEd

Unilever seeks to premiumise its personal care portfolio by focusing on beauty over cleanliness [bit.ly/1l65CCZ](http://bit.ly/1l65CCZ)

#### @lucybarbour

Booming demand for Australian beeswax. [www.abc.net.au/news/2014-05-07/beeswax-boom/5435374](http://www.abc.net.au/news/2014-05-07/beeswax-boom/5435374)

#### @visiongain

What Does The Future Hold For #Cosmetic Packaging Companies? <http://goo.gl/XXWQte>

#### @aliciakeys

So proud to be part of the @ParfumsGivenchy family! Much love & Divine energy! Love forever, Alicia

#### @chemistscorner

Biomimicry is the future of cosmetic ingredients / packaging.

#### @CosmopolitanUK

15 brilliant beauty hacks that make life hella-easier [on.cosmo.uk.com/1kSjDb](http://on.cosmo.uk.com/1kSjDb)

#### @MTVUK

.@CherylCole confirms plans to release her first ever fragrance #StormFlower this summer...<http://mtvne.ws/FVZfaP>

#### @VirginiaALee/

Is gluten-free next big beauty trend? [hawaiiitribune-herald.com/news/features/gluten-free-beauty-products-demand](http://hawaiiitribune-herald.com/news/features/gluten-free-beauty-products-demand)

#### @nowsmellthis

"The 10 Best-Selling Celebrity Fragrances in the US" [blog.euromonitor.com/2014/04/the-20-best-selling-celebrity-fragrances-in-the-us.html](http://blog.euromonitor.com/2014/04/the-20-best-selling-celebrity-fragrances-in-the-us.html) ...

## 3D make-up printer unveiled

Inventor and Harvard business school graduate Grace Choi took to the stage at the Tech Crunch Disrupt NY show on 5 May to introduce the Mink 3D Printer for make-up, a new desktop printer which enables users to take a colour from any image and instantly transform it into a colour cosmetic. Choi remarked: "The Mink enables the web to become the biggest beauty store in the world. It not only unlocks images, it unlocks pixels. So we're going to live in a world where you can just take a picture of your friend's lipstick and just print it out."

Choi argued that as selection in many cheaper mass and convenience outlets is limited to popular shades, customers are forced to look to the higher end of the market in order to obtain niche colours. This is the main obstacle which the Mink printer aims to eradicate. The straight-talking Choi commented: "I'm beating the prestige [market], because I'm giving you the selection of the internet, and I'm beating the convenience of the mass [market], because I'm giving you the convenience of your own frickin' house."

Working like an inkjet printer, so no new software is needed, the Mink will be priced at US\$300 initially and is targeted at girls aged 13-21. Products which the Mink is able to create include eyeshadow, lipsticks, powders and cremes.

## Michelle Phan and Endemol align for new lifestyle network

Endemol Beyond USA, a premium channel network affiliated with Endemol North America, has aligned with digital beauty pioneer Michelle Phan and her multi-channel network, For All Women Network (FAWN), to build a premium, female-focused lifestyle network.

Phan will spearhead the development of original content for both the digital and broadcast spaces, as well as mentor new talent. Michelle Phan commented: "Since 2007, I've been deeply committed to creating quality content for my audience, and partnering with Endemol not only gives me the opportunity to develop more premium content, but the ability to tap into the global audience in a bigger way."

Charlie Corwin and Cris Abrego, co-chairman and co-CEO of Endemol North America, commented: "Michelle is one of the most sought after talents and entrepreneurs in the digital space and FAWN is one of the most trusted beauty and lifestyle brands on the digital platform. There are a multitude of opportunities that a collaboration like this will generate."

## Google+ Shoppable Hangout makes its Taiwanese debut

Google+ Shoppable Hangouts, a combination of Internet technology, social media and online shopping, has been launched in Taiwan, providing a new experience for consumers. The platform will include celebrities discussing cosmetics products, with viewers able to click on products they are interested in on the screen at any time for more information.

The products are not sold by Google directly, with the site simply attracting consumers to the products' vendors. Up to ten people will be able to participate in a video conference at once and interact with each other as the show progresses.

21-22 MAY

## INNOCOS EUROPE

Venue: Rome, Italy  
Email: registration@innocosevents.com  
www.innocosevents.com

27-29 MAY

## BEAUTYWORLD MIDDLE EAST

Venue: Dubai International Convention & Exhibition Centre  
www.beautyworldme.com

3-4 JUNE

## ANTI-AGEING SKIN CARE CONFERENCE

Venue: Royal College of Physicians, London, UK  
www.summit-events.com

10-12 JUNE

## HBA GLOBAL EXPO

Venue: New York City, US  
Email: TShowReg@ubm.com  
www.hbaexpo.com

12-13 JUNE

## MAKEUP IN PARIS

Venue: Paris, France  
Email: contact@makeupinparis.com  
www.makeupinparis.com

17-18 JUNE

## COSMETICS BUSINESS REGULATORY SUMMIT

Venue: Brussels, Belgium  
Email: chrism@hpcimedia.com  
www.cosmeticsbusiness.com

9-10 JULY

## SUN PROTECTION & ANTI-AGEING SKIN CARE CONFERENCE ASIA

Venue: Hilton Hotel, Singapore  
Email: info@summit-events.com  
www.summit-events.com

9-10 SEPTEMBER

## IN-COSMETICS BRASIL

Venue: São Paulo, Brazil  
Email: incos.help@reedexpo.co.uk  
www.in-cosmeticsbrasil.com

9-11 SEPTEMBER

## COSMEETING & CREATIVE BEAUTY PARIS 2014

Venue: Porte de Versailles, Paris  
Email: cosmeeting@cosmeeting.com  
www.cosmeeting.com

17-19 SEPTEMBER

## INTERCHARM UKRAINE

Venue: IEC, Kiev, Ukraine  
www.intercharm.kiev.ua/eng

23-24 SEPTEMBER

## MAKEUP IN NEW YORK

Venue: CENTER548, New York  
Email: contact@makeup-in-newyork.com  
www.makeup-in-newyork.com

30 SEPTEMBER-1 OCTOBER

## PACKAGING INNOVATIONS LONDON

Venue: London, UK  
Email: uk@easyfairs.com  
www.easyfairs.com

20-22 OCTOBER

## COSME TOKYO

Venue: Tokyo Big Sight, Japan  
Email: cosme-tokyo@reedexpo.co.jp  
www.cosmetokyo.jp

22-25 OCTOBER

## INTERCHARM

Venue: Exhibition Center Crocus Expo, Moscow  
Email: intercharm@reedexpo.ru  
www.intercharm.ru

27-29 OCTOBER

## LUXE PACK MONACO

Venue: Grimaldi Forum  
www.luxepack.com

4-6 NOVEMBER

## IN-COSMETICS ASIA

Venue: Bangkok, Thailand  
www.in-cosmeticsasia.com

12-14 NOVEMBER

## COSMOPROF ASIA

Venue: Hong Kong  
www.cosmoprof-asia.com

## SPOTLIGHT

### The dichotomous consumer

Today, across industries, appealing to consumers is less a matter of this *or* that and more a matter of this *and* that. Finding the 'compelling value proposition' is a combination of appealing to both realities often within the same consumer – value and investment, innovation and familiar, the choices for 'me' and the choices for 'we'. The elements may seem opposed, but they are often simply sides of the same dichotomous consumer coin. By definition, the word dichotomy refers to a division into two parts. When the division is dichotomous, the two parts are also considered to be mutually exclusive, opposed and even contradictory. Yet, while the behaviour of today's consumer may quite often seem divided, the dichotomy is not as opposed as one might think.

Take, for example, the dichotomy of value and investment. As we know, the recession has shifted the definition of value and it's no longer just about the lowest price. While price is what a consumer pays, value speaks directly to what benefits a product or service adds to a consumer's life, and their spending decisions are made accordingly.

The desire is both for the frugal chic and the pragmatic luxury. On one end of the spectrum, frugal chic appeals to our desire to show that we spend smart. We delight in the unexpected value often found in cool entry price point brands or items. At the other end of the spectrum, pragmatic luxury connects to the mindset on luxury spending for an enhanced quality of life. The value is long term. The needs fulfilment is for quality and performance.

Across countries, prestige beauty reflects this reality. Offering the greatest savings and perceived value, gift sets have been steadily carving out a greater share of sales across countries and categories. While fragrance has traditionally been the forum for gift sets, in recent years sets in the make-up and skin care categories have also been gaining in appeal throughout the year and even during the holidays. While the appeal of saving helps fuel gift set sales, the appeal of the best investment has driven premium price sales to new heights. Of the countries tracked, all were positive in premium price sales performance for 2013, and three of the five posted double digit growth. Leading the charge was the UK which posted growth of 21%, with the US a hair's breadth behind growing a robust 20%. In continental Europe, France led growth at 16%, followed by Italy and Spain, up 8% and 5% respectively.

The trend might seem contradictory. Despite the economic challenges and mixed consumer sentiment, premium price beauty grows not only on the topline but also has categories of double digit increases in all countries. Such is the case with today's dichotomous consumer. The choices are definitely more deliberate, but the exact decisions are personal, context-dependent, and relative to the day or the state of their lives and mindsets at any given moment.

Karen Grant, NPD Group