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## Interview with Wilfrid Moulin (Metropolitain Cosmetics)

Founder and managing director



Since launching in 2005, South-African niche beauty retailer Metropolitain Cosmetics has carved out a place in the country's retail landscape. Founder and managing director Wilfrid Moulin catches up with CosmeticNews to talk about how the company is contending with soaring inflation, reinforcing in-store and web services and emphasizing doctor's brands.

### How has Metropolitain been faring, and what strategies are you privileging?

In 2007, our sales reached R35.7m/\$4.6m, compared with R30m in 2006. We had hoped to reach R40m/\$5.2m last year, but the year's end was rather disappointing. We saw good levels of growth without having to raise prices, thanks to [favorable] exchange rates. However, since the year began, we haven't been able to operate normally because we had serious problems with electricity between January and April, which led to a drop in in-store sales. Now electricity tariffs will increase 53%. We're also suffering from high inflation in South Africa, which is affecting sales, particularly with middle-class customers who had started to come in thanks to our doctor-brand offering. 2008 will be a challenging year, and we've been emphasizing our web activity as a response. The greatest growth we've seen this year has been in the web channel. Internet and mail order represented 11.2% of sales in 2007, and between January and April 2008 that increased to 17%.

### Can you tell us more about how you've developed your web activity?

This year we'll put a video site into place, Metrocosmetics.tv, which will be filled with videos and "how to" beauty tips. The idea is to create an interactive site that will have a purchase option for each product presented, with a link to our e-commerce site. For VIPs, there'll be a "one-on-one" service providing consultations with beauty advisors via a web-video application. We'll still focus on traditional retail because that's our core business, but we've realized how strong the potential is for the web in South Africa.

### Which brands are performing the best, and what are your major plans for 2008?

Doctor's brands like Dr Brandt and Dr Sebagh are in high demand, pushing us to extend our offer this year by introducing [US brand] Zo Skin Health by Dr Obagi from August. A [French] spa brand, Cinq Mondes, has also done very well. Other new brands this year (all exclusive to Metropolitain) include Zirh, Stila Cosmetics, and in fragrance, Vivienne Westwood and Paul Smith. We're introducing Talika Light in August, a collagen-boosting skincare device, that we expect will drive new traffic to our stores, and for which we've spent 30% of our advertising budget. In 2009, we'll add brands including Zelens and Organic Elements. Otherwise, we're closing our Cape Town location [the company's fourth], because sales there were a fifth of what we've seen in Johannesburg—we'll be opening another door in Johannesburg in 2009 to replace it. We'll probably return to Cape Town at some point, but through a franchise model.

Courtney Traub

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For information contact: [mktg@cosmedias.fr](mailto:mktg@cosmedias.fr)

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