

Beauty industry weighs up big pay packets

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A vote by the US Congress last week to rein in salaries and bonuses paid to employees of financial institutions receiving government bailouts has trained the spotlight on executive pay, and beauty industry executives are coming under scrutiny.

Notifications filed with the US Securities and Exchange Commission (SEC) reveal that Fabrizio Freda, the incoming ceo of The Estée Lauder Companies (ELC), is eligible to receive \$12.5m in salary, bonuses and stock options in his first year on the job. Meanwhile, an analysis of an Avon Products proxy statement by The Associated Press news agency estimated chairman and ceo Andrea Jung's total 2008 compensation package at \$19.6m.

While such packages may have seemed unexceptional a year ago, they now come at a time when both companies are slashing jobs and trading at heavily reduced share prices. Both ELC and Avon declined to comment when contacted by *CosmeticNews*.

According to the Avon SEC filing, executive compensation at the company is reviewed annually and benchmarked against a peer group of 12 beauty and consumer goods companies including ELC, P&G and Revlon.

Peter Lupo, managing director of US-based compensation consultants Pete Pearl Meyer & Partners, tells *CosmeticNews* that pay levels in the cosmetic sector are on a par with other industries. "In

financial services, we can predict pay practices will change because their pay level is so much higher than in other industries," says Lupo. "But in areas like the cosmetics industry, pay levels aren't necessarily higher than in other industries; the reasons to change are more subtle."

Jung, who is widely credited with driving a turnaround at Avon in recent years, saw her total compensation package jump 76% in 2008—a year when the company's share price dropped 39.2% and which was followed by the February announcement of up to 3,000 job cuts, as well as salary and hiring freezes.

In the case of P&G chairman and ceo AG Lafley, who received a \$3.5m bonus in February for his role in the 2005 acquisition of men's shaving brand Gillette, the "onus of the bonus" is more easily identifiable. "The Gillette deal was good for P&G from a number of standpoints—bringing new brands into the fold, adding significant overseas distribution, bringing skills in consumer trade-up and merchandising," notes Morningstar chief operating officer for equity research Lauren DeSanto. "Certainly high payouts now are especially gratifying to shareholders given the underperformance of P&G's stock. [But] it's important to recognize, given the current environment, how well run and financially sound P&G is."

Lupo believes the current scrutiny of executive salaries will prompt companies to more thoroughly review their pay structures, but notes: "You really wonder what will happen once the economy gets better."

Sophie Douez with Laure Guilbault

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PEOPLE

US beauty company **The Estée Lauder Companies** (ELC) has announced that **Daniel Yarosh** will succeed senior vice president of research and development worldwide **Daniel Maes** when he retires July 1. Yarosh will take up the position of ELC senior vice president, R&D, basic science research, and report to Harvey Gedeon, ELC executive vice president of global research, development and product innovation. Maes, an ELC veteran with 22 years' service at the company, will see his functions effectively divided into two roles. Yarosh will oversee new fields of research and overall management of R&D projects including external research partnerships in the US, Europe and Asia, while ELC executive director of research and development **Nadine Pernodet** will take over managing several of the group's laboratories. She will report to Yarosh. Prior to joining ELC, Yarosh was president at Applied Genetics Incorporated Dermatics, a company with a commercial application of DNA repair acquired by ELC in 2008.

STRATEGY

L'Oréal reshapes Luxury Products Division

French beauty group L'Oréal has announced it plans to reorganize its iconic Luxury Products division, regrouping production and logistics in its northern French plants and accelerating the integration of YSL Beauté. The group will build a 40,000m² global logistics center at the group's Roye plant, to be operational in the second half of 2010. Manufacturing of all division brands, including Yves Saint Laurent, which the group acquired last July, will be designated to three facilities in Lassigny, Caudry and Gauchy. A fourth unit located in Albesa, Spain is to be converted into a logistical center. As a result of the reorganization, 85 employees will be reasigned within the group. **SD**

Yes to...global distribution

Israeli natural beauty brand Yes to Carrots is launching on 11 European markets, under an exclusive deal with LVMH-owned Sephora (500 outlets). The launch, which includes Turkey, Italy, Spain and Greece, will offset the primacy of the US market, which accounts for 70% of Yes to Carrots' sales. The new Yes to Tomatoes and Yes to Cucumbers lines are currently being launched in the US, where the brand is widely distributed at Walgreens, Safeway, Riteaid and Duane Reade drugstores. The San Francisco-based brand began international rollout in 2006 and is now available in 25,000 points-of-sale in 28 countries. *"The expansion has been very quick but we want to keep the special feeling of our brand designed to make people happy,"* Yes to Carrots founder Ido Leffler tells *CosmeticNews*. A Yes to Babies line is set to launch in 2010. **CB**

P&G sells Johnson Products

US consumer goods giant Procter & Gamble (P&G) has sold off its ethnic haircare products business Johnson Products Company to RCJP Acquisition Inc, a newly formed entity comprising several private-equity firms. California-based Johnson Products Company, which commercializes around 30 hair-care products catering to African-Americans, including the Gentle Treatment and Ultra Sheen brands, achieves annual sales of some \$23m, according to the company. The newly formed company will continue to operate as Johnson Products Company and will be managed by husband and wife team Eric Brown and Renee Cottrell-Brown, who take on the roles of ceo and executive vice president, respectively. Brown was most recently president of ethnic haircare firm Pro-Line International (Alberto Culver). Cottrell-Brown also held executive roles at Pro-Line. **CTr**

RESULTS

Shiseido readjusts forecast

Japanese beauty company Shiseido has again adjusted its sales and profit forecasts for the fiscal year ending ►

► March 31, 2009 “due to an increase in extraordinary losses”, according to a company press release. The forecast for net income has been revised down by 30% to ¥21bn/\$215.9m from a previous forecast of ¥30bn/\$308.4m issued in late January, when the company released its third quarter results. Citing continued declines in domestic consumer confidence, Shiseido revised its net sales forecast to ¥690bn/\$7.09bn, down from the previous forecast of ¥700bn/\$7.2bn. Shiseido had already lowered its performance forecasts for the full year in January, in light of results for the nine months ending 31 December 2008. The company is expected to release definitive full-year results in early May. **SD**

Physicians Formula suffers net loss in Q4, full year 2008

Pointing to a rapidly deteriorating US economy and tight retail inventories, US-based beauty brand Physicians Formula Holdings Inc recorded a Q4 net loss of \$24.5m compared to net income of \$4.9m in the prior-year period. During the full fiscal year, ended December 31 2008, the group posted a net loss of \$19.8m, down from \$8.7m in fiscal 2007. The manufacturer of makeup and skincare products designed for sensitive skin said results were hurt by reduced orders for new products from retailers. Physicians Formula saw its net sales slide 16.7% in the fourth quarter to \$28.2m. Full fiscal year sales climbed 2.2% on year to reach \$114m. Citing market researcher ACNielsen, the company said it made market share grabs in the masstige category for the 52-week period ended February 21, 2009, rising 1.3% to an 8% share. **CTR**

NORTH AMERICA

Lafley blasts Obama tax plans

AG Lafley, chairman and ceo of US consumer-goods giant Procter & Gamble (P&G), has blasted a budget proposal by US President Barack Obama's administration that would repeal or limit the ability of US multinational companies to defer tax pay-

ments on foreign income. Current US tax regulations allow multinationals to defer paying tax on foreign income until it is brought back into the US. Writing as a guest columnist in *The Cincinnati Enquirer*, Lafley said the proposition would have a dramatic impact on net income, lead to reduced employment and lower wages for American workers, and

put US multinationals at a substantial disadvantage to foreign competitors. “It would be like penalizing a winning US Olympic runner by tacking on extra seconds to his time just because he's American,” Lafley wrote. “If the budget proposal to eliminate tax ‘deferral’ is adopted [...] it would create an uneven playing field and give our foreign competitors an unfair advantage.” **SD**

Interview

Friedrich Kroos *Jafra Cosmetics, president & ceo*

Growing Jafra into Europe

Part of German direct-sales giant Vorwerk, US beauty company Jafra Cosmetics International is aiming to recapture a strong position in Europe after seeing its activity in the region slow for several years. Following market leader Avon, Jafra is one of North America's leading names in direct-sales cosmetics, with a significant brand awareness among US communities including Latinos, who tend to be strong patrons of the channel. With newly nominated president and ceo Friedrich Kroos at its helm (see CNW#379), Jafra, which had sales of \$520m in 2007, is also targeting emerging markets including Latin America and Asia. Kroos tells *CosmeticNews* about the company's priorities in 2009. Below are excerpts.

What are your strategic objectives for Jafra this year?

Key objectives for this year are to focus on growth in the US and in Europe. After [several] years in which we struggled a little bit in Europe, we'll be coming back to growth again. We had some declines in Germany over the last few years, and in Switzerland. We have established new strategies and programs for our sales consultants in the past year. There has never been a particular need for product development in Europe [as these are already strong]—the problem was how to support our sales consultants there. We are working to re-establish the kind of growth we had in the past in Europe—10 or 15 years ago it was much stronger.

What other markets are you planning to strengthen or enter in the coming year?

In terms of existing markets, we opened Brazil last August and that market has been doing very well, and we expect to develop Russia as well. Russia is a new business for Jafra—we launched there in 2006, and it is a market we're concentrating on. It's a very young market [...] and it has enormous potential. Next year we have a plan to enter Asia. Within Asia Pacific, a division [of Vorwerk] is already doing door-to-door sales with high-ticket items. We have to see what approach we'll take with Jafra. We have some countries in mind but I prefer to wait until plans are more firmed up [to confirm].

Some suggest direct sales is benefiting from the rough US economy. Do you agree?

The last few years did not provide such an easy environment for Jafra, [but] we started several new programs [in the US] last year and we've predicted double-digit growth for the market [in 2009]. Our programs are focused on gaining more market share and getting more consultants in. We want to double the number of our consultants from more than 50,000 in the US [today]. I strongly believe this crisis will give us opportunities.

Courtney Traub

STRATEGY

Falic Group sells Urban Decay

Private-equity firm Castanea Partners has bought a majority stake in US niche beauty brand Urban Decay from travel retailer Falic Group. Financial terms of the transaction were not disclosed. Urban Decay was bought by Falic in 2003 from French luxury group LVMH.

Castanea, which is venturing into the beauty sector via the buyout, said in a statement it plans to strengthen Urban Decay's product line and launch the brand in new markets. The company's existing management team, including general manager Tim Warner, co-founder and executive creative director Wende Zomnir, and worldwide retail sales director Eric Jimenez, will remain in place. "Castanea was interested in Urban Decay because of the brand's potential internationally," Eric Jimenez tells *CosmeticNews*. "We are not turning over the brand to Castanea; they are in place to support our proven efforts and strategy and accelerate them with long-term support financially," he says, adding that one primary goal is to boost consumer recognition in Asia and Europe.

Steve Berg, partner at Castanea, says Urban Decay was an ideal pick because of its distinctive image and loyal consumer base. "We're not as interested in mainstream brands," he says.

Courtney Traub

TRADE NEWS

Players react to new European Cosmetics Regulation

Following the European Parliament's March 24 vote on the Cosmetics Regulation, which will replace the current Directive (see CNW#384), new measures on nanomaterials were given widespread press coverage, but other aspects are expected to have a strong impact. Many cosmetic players see the advantage of the new regulation's uniform application in all 27 Member States—until now each country was responsible for transposing the Cosmetics Directive. "In globalized markets, we can only delight in the adoption of a single European Regulation, whose provisions will be interpreted in the same way EU-wide," a spokesperson from French ingredients supplier Alban Muller tells *CosmeticNews*. Jean-Louis Pierrisnard, director R&D at Occitane, is also optimistic: "The new Regulation is a guarantee of safety for the consumer, as it provides a streamlined, harmonized framework for all."

Consultant Pierre Perrier of Essential Consulting says that while the new Regulation is flawed, it represents progress. "Misgivings aside, it is a well-balanced text that has been improved and updated." However, "the new safety assessment requirements will compel the industry as a whole to revise all its [product safety] dossiers in 42 months, which is a tall order in economic terms," he warns. "It's a sound measure, but involves a lot of work."

Claire Thévenin

AWARDS

FIFI again lauds Jacobs

US industry body The Fragrance Foundation FiFi has selected US fashion designer Mark Jacobs as the recipient of its annual Hall of Fame award, to be presented at the 2009 FiFi Awards

ceremony on May 27 in New York City, US. Jacobs won the FiFi Fragrance of the Year Award last year for bestselling scent Daisy by Mark Jacobs. "Marc's contribution to the fragrance industry started with his very first signature fragrance [...] He has built a fragrance brand with a broad appeal and brought along with him a whole new gen-

eration of loyal fragrance lovers for the ride," The Fragrance Foundation president Rochelle Bloom said in a statement. CTr

TRADE NEWS

French authorities pull stocks of Bioderma cream

French beauty group Laboratoire Bioderma has seen stocks of one of its popular anti-stretchmark products removed from shelves in France by consumer health and safety authority Afssaps, after the agency received complaints of minor skin irritation from consumers. Afssaps said it decided to remove all stocks of Bioderma's anti-stretchmark cream ABCDerm Maman Vergetures with expiration dates prior to October 2011, as a "measure of precaution" after receiving five complaints from pregnant women who had used the cream. The agency said the issue is currently being investigated. Laboratoire Bioderma was not immediately available for comment. CTr ■

OBITUARY

Naz Toloui, vice president of sales and education at French beauty brand **Orlane Paris**, died of cancer March 24. She was 44. Toloui, who joined Orlane in 1996 as account coordinator, was later promoted national training manager, before being named vice president of sales and education in February 2007. She was based at Orlane's California, US office. "Naz was one of the most loyal, dedicated, enthusiastic and successful Orlane employees I had ever met not only for the US, but for the entire world," Orlane Paris general manager of the Americas Luigi Rivetti said in a statement. "She left an incredible impact on everyone with her energy and professionalism. She will be greatly missed." Toloui, who was born in Iran, was actively involved in several human and women's rights campaigns, notably with association Afghan Hands. Donations can be sent to www.afghanhands.org in honor of her memory. ☐

Johannesburg, South Africa

As South Africa's economic powerhouse, Johannesburg is a major hub for beauty retailers

A sprawling metropolis with a population of over nine million people, Johannesburg is South Africa's financial capital and the single-largest contributor to the gross domestic product at 16%, according to market-research firm Statistics SA. As an undisputed African economic powerhouse, shopping here is serious business, as evidenced by the city's many monolithic malls, as well as the smaller strip shopping centers that dot the urban landscape—some still under construction or undergoing expansion.

Secure open-air retail areas prosper

Though the city generally boasts beautiful weather, there is very little street-level shopping. With rising rates of violent crime that show little signs of abating, shoppers tend to feel safer in closed-in malls guarded by armed security. "In most places one talks about location," says Wilfrid Moulin, founder of South-Africa based beauty distributor Metropolitan Cosmetics. "In Johannesburg, however, it's all about security."

The Sandton City mall in suburb Sandton's business district, built in the 1970s, as well as Hyde Park, Eastgate, Cresta and the new Maponya mall in Soweto, are examples of shopping centers designed with what Moulin calls "bunker mentality". In contrast, Nelson Mandela Square, adjacent to Sandton City, and Rosebank, a cluster of shopping centers, have indoor and outdoor retail areas. Melrose Arch, a new secured urban development scheme, which includes the Piazza retail area, promises an open-air, pedestrian-friendly approach to shopping.

"Melrose Arch is a completely secure environment, a city-within-a-city, multi-purpose and vibrant," says Donovan Borsato, leasing agent for Retail Africa, which oversees the Melrose Arch development. When completed in 2012, it will

comprise over 50,000m² of retail space, 200,000m² of office space, not to mention five hotels, including the chic Melrose Arch Hotel, and hundreds of luxury apartments. With retail space leasing at an average of R550 per square meter, Melrose Arch is already 95% leased out. Anchor tenants include domestic department-store giants Woolworths and Edgars, who are introducing completely new flagship concepts, according to Borsato. MAC Cosmetics, Metropolitan Cosmetics and L'Occitane are among the beauty retailers who opened doors in Melrose Arch last month.

High-end retail makes its mark

The preponderance of malls attests to the diversity of the many metropolitan areas that make up Johannesburg. The Johannesburg city center itself is chaotic and congested. Efforts are underway to restore it to its former glory, but in the meantime, action has moved to what is known as the Northern Suburbs, epitomized by Sandton. Residents in these areas do their shopping at Sandton City mall and at Nelson Mandela Square, where practically all the major chains, including Edgars, Clicks and Woolworths, have flagships. Luxury standalones including Gucci, Bally and Patek Philippe can also be found at NMS. The smaller, compact Hyde Park Shopping Centre nearby is home to more exclusive multibrand boutiques purveying high-end designer fashion such as A2 and Wizards, and beauty is represented at luxury retailer Aspley House and pharmacy Galleon.

Although black Africans account for 73% of the population, the legacy of apartheid in South Africa means that the white minority continues to enjoy a much greater percentage of wealth in the country. That is rapidly

changing, however, as previously disadvantaged communities join the ranks of the middle class and the affluent. In fact, the business generated by South Africa's emerging black middle class has become a very important market in all retail sectors, including beauty.

Niche trend set to break through

Kerry Evans, brand manager for ELC-owned brands Jo Malone, Bobbi Brown and La Mer, says the beauty market here is evolving. There is the distinct presence of tried and trusted brands, but niche brands are also on the rise as consumers get ever-savvier. "The Johannesburg shopper is globally knowledgeable, informed of new product lines, product innovation and technology and seasonal makeup trends. She demands to be served according to her international expectations," Evans says.

Even in these economically uncertain times—in the last six months alone the rand has dropped more than 40% against the dollar, surging past R11/\$1 at one point—cosmetics is expected to weather the storm relatively well in Johannesburg. "I feel women will always shop cosmetics, in good or bad times. It is the 'feel-good' they are after, and they will expect to find this in the service ethic of the consultant, their product knowledge and their recognition of the customer's worth," Evans comments.

Bambina Wise

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- **Retail tour:** A closer look at the retail scene
- **Key retail contacts**

* Log on to CosmeticNews.com for the full Johannesburg City Focus

KEY CONTACTS	Retail tour
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KEY CONTACTS

► **Gentleman's club**

Croft & Co, 66 Tyrone Avenue, Parkview

Atmosphere: Genteel and so British.

Standout features: A unique gentleman's purveyor, the only one of its kind in Johannesburg. Service is extremely personalized, often extending to home deliveries and opening off-hours for preferred customers.

Offer: Lorenzo Villoresi, Hierbas de Ibiza, Acqua di Biella, Truefitt & Hill, The Art of Shaving, Santa Maria Novella, D.R. Harris and L'Artisan Parfumeur, all displayed alongside luxury men's clothing and accessories like Vilbrequin swimwear, Jack Spade bags and Cohiba cigars.

Positioning: Luxury and niche

Bestselling item: Lorenzo Villoresi

What they say: *"Our business is personal and will stay personal. Our customer is moneyed but low-key, sophisticated and educated when it comes to fragrances and grooming. He looks for scents that are not easily recognizable, yet recognizably 'him',"* says Croft & Co owner Grant Ravenscroft.

Website: www.croftandco.co.za

E-commerce: No

► **Steeped in tradition**

Apsley House, Hyde Park Shopping Centre, Hyde Park

Atmosphere: Sumptuous, rarefied, with a strong European sensibility.

Standout features: A big four-poster bed dressed in Ralph Lauren linen adds to Apsley House's country estate-feel decor. Shelves flank the walls brimming with Acqua di Parma and Floris beauty products

Offer: Acqua di Parma, La Côté Bastide, Penhaligons, L'Artisan Parfumeur, Etro and Cire Trudon candles sold alongside homeware and accessories such as William Yeoward crystal and china and sleepwear by Little Joe.

Positioning: Luxury and niche

What they say: *"What we have is an extremely exclusive offer sourced directly from the European fashion capitals,"* says Apsley House owner and buyer Lauren Abelheim.

Website: None

► **Bold and bright**

Red Square, Sandton City Mall, Rivonia corner 5th Street, Sandton

Atmosphere: Compact and contemporary.

Standout feature: Although it is an offshoot of its parent store Edgars, Red Square has forged its own distinct identity. International prestige and masstige brands are well-represented, be it in skincare, cosmetics or makeup. A new service has just launched, called Color You Right, in which customers are assisted by specially trained beauty consultants to find the combination of skincare and makeup that best suits them.

Offer: Skincare, makeup and fragrances from Estée Lauder, Clinique, Dior, Clarins, Trind, Revlon, Yardley, L'Oréal and Coty.

Positioning: Prestige and masstige

Bestselling item: Dolce & Gabbana Light Blue

What they say: *"As the largest distributor of cosmetics and fragrances in South Africa and, for some products, on the continent, Edgars and Red Square offer brand choice and a range of price points for our customers. We have exclusive distribution rights for many popular offerings and our focus is on service,"* says Edgars ceo Hugues Witvoet.

Website: www.redsquare.co.za

E-commerce: Yes

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WHOLESALEERS /DISTRIBUTORS

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RESULTS

AS Watson grows 8% in 2008

Despite reporting "worse than expected" results in the UK and France, Hong-Kong based conglomerate Hutchison Whampoa registered an 8% increase in sales for retail division AS Watson in fiscal 2008. AS Watson, which owns beauty chains including Marionnaud and The Perfume Shop and drugstore chain Rossmann, reported full-year sales of HK\$118.49bn/\$15.29bn. Outside the UK and France, the division saw "improved results" for the year in markets including Western and Eastern Europe, Asia and mainland China, Hutchison Whampoa said. Global sales for the group were up 13% on year at HK\$348.37bn/\$45bn. **CTr**

MIDDLE EAST

Boots heads to Bahrain

Leading UK health and beauty retailer Boots opened its first store in Bahrain in February at Bahrain City Centre, a prominent shopping mall in the Kingdom. The move into the new market highlights the retailer's growing regional presence—Boots already has numerous doors in the neighboring United Arab Emirates. Occupying 180m², Boots Bahrain has a mall-side and an outdoor entrance. "The distinguished store layout furthers our strategy and strategic positioning," says Della Pass, a Boots spokesperson. The store offers promotions and a retail mix tailored to the Bahraini market, she says. **CZ**

OCEANIA

David Jones gets gorgeous

Australian makeup artist brand Gorgeous Cosmetics has opened its first department-store counter at Australia's David Jones in Sydney. The 19m² unit is on the lower ground floor of David Jones' Elizabeth Street store. Founder and ceo McConnell describes the new space as "more than a counter". "It is an interactive environment that is private and opulent, giving the consumer an exclusive experience rather than a sterile one," he says. Furniture plays a key part in the space and allows the consumer to feel at

home, rather than in a beauty department, he says. Gorgeous already operates five standalone boutiques in Australia. **AF**

SOUTH AMERICA

Juleriaque reopens Cordoba flagship

Argentine perfumery chain Juleriaque relaunched its domestic flagship store on April 1 in Patio Olmos, one of the country's chief shopping malls in the interior city of Cordoba, in a larger

location within the complex. "Our chief standalone in Patio Olmos [...] is now in a larger site of 400m², whereas before it was 120m²," Juleriaque marketing manager Candela Zamarguilea tells *CosmeticNews*. The new store features five brand-operated treatment cabins. Christian Dior, Sisley and Lancôme each have their cabin with Estée Lauder and Clinique, and Givenchy, Guerlain and Kenzoki sharing two others. The store's beauty lineup includes ranges by Helena Rubinstein, Biotherm and L'Occitane. **MP ■**

Interview

Joaquín Bueno *Sephora Spain, general manager*

Selling Sephora in Spain

LVMH-owned perfumery chain Sephora first entered the Spanish market in 1998. Joaquín Bueno, appointed general manager in April 2008, joined the chain in 2004 as director of operations for Sephora Spain and Sephora Portugal. In his first year as general manager, he has seen sales jump 18%, which he believes justifies an optimistic outlook for the year ahead. Below are excerpts of a conversation he had with *CosmeticNews*.

How did Sephora Spain perform in 2008?

Quite well on the whole, with a particularly good first half. Then, from September on, sales fell substantially. The Christmas season was worse than in previous years. However, we are satisfied with overall sales, which hit €74m, up 18% over 2007.

How many doors are you in?

We've got 50 Sephora stores and 25 corners in El Corte Inglés department stores. We opened 16 stores and seven El Corte Inglés corners in 2008. We will be operating a more conservative new store locations policy in 2009. We are looking to open up in Granada and La Coruña and boost our presence in Bilbao and Valencia. We recently closed a store in Marbella because it was outmoded.

What do you believe are Sephora Spain's primary assets?

All the doctor brands. [In addition], the Benefit Brow Bar is doing well, [as are] two buoyant brands, Bare Minerals and Make Up For Ever. Benefit rolled out in 2006 and is faring very well indeed. The brand isn't stocked in the El Corté Inglés corners because it has its own counters, but it is in great demand in Sephora doors. We are confident too that [Israeli natural brand] Yes to Carrots, which is launching [this month], will be successful because it's just the sort of stylish, good-value line our customers expect.

Do you see many differences between Sephora Spain and Sephora France?

Sephora is the market leader in France, which gives its initiatives greater [media] coverage [there]. In Spain, we're in third place in terms of doors and sales after Marionnaud and Douglas. To be specific, we are third in the sector, which also includes Gala and Perfumerías Julia. Bodybell and If are much bigger than us, but offer a mix of selective and mass. 2009 will be a tough year, no matter what, as there are too many perfumeries in Spain. Most are bearing up, however. **CA**

Lola Gavarrón

SKINCARE

ELC boosts Night Repair

US beauty group The Estée Lauder Companies (ELC) is introducing Estée Lauder Advanced Night Repair Synchronized Recovery Complex, in a major revamp that ELC hopes will lead to a doubling in sales for its biggest skincare franchise.

"The new Advanced Night Repair is our biggest launch of the year. It is the centerpiece of our skincare strategy," Estée Lauder worldwide president Thia Breen tells *CosmeticNews*.

First launched in 1982, Night Repair was the first lightweight serum on the market. The company since boosted the offer with Advanced Night Repair in 1991, and with the latest addition ELC is incorporating a new DNA technology called Chronolux which is said to boost the skin's natural repair and protection processes at exactly the right time. The revamp comes after ELC acquired AGI Dermatics in 2008, a company focusing on commercial applications of DNA repair.

The product is slated to launch in July worldwide. It will reach around 2,200 doors in the US and 15,600 doors internationally, the brand's full distribution. Advanced Night Repair is priced \$47.50 for 30ml and \$74.50 for 50ml.

An ad campaign will roll out worldwide from August consisting of print advertising featuring Estée Lauder face Hilary Rhoda. A TV campaign featuring Rhoda as a "sleeping beauty" and an online campaign are also planned. ☞

Laure Guilbault

Pupa diversifies skincare offers

Italian beauty brand Pupa Milano (Micys Company) is boosting its skincare business on both the domestic and international markets. The brand is currently launching three anti-age night facial care products on the Italian market, as part of its Milk Therapy range which is formulated with milk proteins. In Italy three products will be included in the brand's newly launched Love Price discounting operation with the new skus retailing at a 20% reduction. The products are usually priced from €20 to €23.50. "The aim is to win market share and offer high-quality products at 'democratic' prices," Pupa marketing director Cristina Penso tells *CosmeticNews*.

In other news, Pupa, encouraged by the success in Italy of its Breast Enhancer cream launched in May 2008, will roll out the product to international markets starting in Spring 2009. The brand is developing the "volumizing" concept with two new products: Buttock Enhancer gel and Cheekbone Enhancer cream—priced at €32 each, which will hit the Italian market in April, and international points-of-sale in spring 2010. "The aim is to make Pupa an all-inclusive cosmetics brand able to meet even the most specific beauty requirements for all women," Penso explains. ☞

Corinne Blanche

FRAGRANCES

Puma launches Urban Motion

Procter and Gamble (P&G) is launching a new fragrance duo in April called Urban Motion for its sport fashion license Puma. P&G worked with Symrise to create the sparkly,

tangy citrus women's juice, while Givaudan collaborated on the men's minty, herbal concoction. The product lines each include four EdTs, priced from €16 to €42, as well as deodorants, shower gels, an after-shave for men and a body lotion for women. The products will be avail-

able in 17,000 to 20,000 mid-selective doors worldwide. An advertising campaign supporting the launch features print visuals shot by Ruud Baan and a television spot which was directed by Alex Smith. ☞ SdC

MAKEUP

Freeze 24/7 enters makeup

US high-tech anti-aging brand Freeze 24/7 will diversify into makeup with the launch of the Freeze 24/7 Minerals range. The category debut will kick off with a makeup kit called The Freeze 24/7 & Glow Basics, available in three tones: light, medium and medium tan. The kit, which retails for \$85, contains two Age-Less Mineral Foundations SPF18, one Bronze-to-Glow bronzing powder, one Cheeky Highlighter blusher, and two application brushes. The products are based on Vita-Nutriplex technology which is said to "provide a protective elastic film that holds moisture intact", according to the company. The Freeze 24/7 & Glow Basics kits will be available from April at selective points-of-sale in the US and Canada. ☞ SdC

HAIRCARE

Schwarzkopf introduces new home haircolor line

Haircare brand Schwarzkopf (Henkel) will launch a new permanent home haircolor line for its mass distribution network, called Essential Color. The product is said to include up to 80% ingredients derived from nature. Available in 10 shades, Essential Color will be available from April worldwide, priced at €11.24. Free from ammonium hydroxide, the product includes lychee extract and features berry notes. Also in April, Schwarzkopf Professional, the German manufacturer's salon sub-brand, is set to globally relaunch the "core" lines of its salon specific BC Bonacure range with new packaging and new formulas. The revamped lines include Repair Rescue, Color Save, Moisture Kick, Volume Boost and Hair & Scalp Expert. ☞ SdC ■

Brand / Product	Olfactory family / Function	Size	Price	Launch date	Channel
MAKEUP					
FREEZE 24/7					
Freeze 24/7 Minerals: The Freeze 24/7 & Glow Basics Kit	mineral powder makeup SFP18/multi-product kit with 2 foundations 1 bronzer, 1 blusher and 2 brushes/in 3 harmonies	kit	\$85	April 2009 (US, Canada)	Selective
FACIAL CARE					
ESTÉE LAUDER					
Advanced Night Repair: Advanced Night Repair Synchronized Recovery Complex	with Chronolux technology	30ml 50ml	\$47.50 \$74.50	July 2009 (Worldwide)	Selective
ISSEY MIYAKE					
L'Eau by Issey Miyake: Le Fluide de L'Eau by Issey Miyake	anti-aging face lotion/with kirishima water	30ml	€110	May 2009 (Worldwide)	Selective
HAIRCARE					
SCHWARZKOPF					
Essential Color: Essential Color	permanent home hair dye without ammonium/in 10 shades	170ml	€11.24	April 2009 (Worldwide)	Mass
WOMEN'S FRAGRANCES					
CHRISTIAN DIOR					
J'adore: L'Eau J'adore EdC L'Eau J'adore Dry Silky Body Oil L'Eau J'adore Hair Mist	floral	75ml 125ml 100ml 30ml	€71.03 €97.25 €48 €31.03	April 2009 (Worldwide)	Selective
ELIZABETH ARDEN					
Green Tea Exotic: Green Tea Exotic EdT	floral, lush	50ml 100ml	\$27 \$37	April 2009 (US); May (Worldwide)	Mid-selective
KENZO PARFUMS					
Kenzoamour: Kenzoamour EdT Floral	floral	40ml 85ml	€53 €75	May 2009 (Worldwide)	Selective
MARIAH CAREY					
Luscious Pink: Mariah Carey's Luscious Pink Deluxe Edition	floral limited edition	50ml	\$75	February 2009 (US) April (Worldwide)	Selective
PUMA					
Urban Motion: Urban Motion EdT Urban Motion Shower Gel Urban Motion Body Lotion Urban Motion Deodorant Vaporizer	citrus	20ml 40ml 60ml 90ml 200ml 200ml 150ml	€16 €22 €32 €42 €12.50 €13.50 €12.50	April 2009 (Worldwide)	Mid-selective
MEN'S FRAGRANCES					
PUMA					
Urban Motion: Urban Motion EdT Urban Motion After Shave Lotion Urban Motion Deodorant Vaporizer Urban Motion After Shower Gel	fruity, minty	25ml 40ml 60ml 90ml 60ml 150ml 200ml	€16 €23 €33 €38 €19.50 €12.50 €12.50	April 2009 (Worldwide)	Mid-selective
UNISEX FRAGRANCES					
DIPTYQUE					
L'Eau de Tarocco: L'Eau de Tarocco EdC	orange	200ml 100ml	€90 €70	May 2009 (Worldwide)	Selective
L'OCCITANE EN PROVENCE					
Bergamote Tea: Bergamote Tea EdT	bergamot	20ml 100ml	€18 €39	June 2009 (Worldwide)	Mid-selective

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SPOTLIGHT

Fake tan gets clever

With self-tanning makers investing heavily in innovation and achieving better-performing formulas, the category is finally breaking away from the "orange streaks" syndrome. With an increasingly sophisticated offer, combined with growing awareness of the dangers of UV exposure and an economic crisis favoring home application, self-tanning has unprecedented potential.

A dynamic segment

"Fake tan" products generated combined sales of €205m in 2008 in the European markets of France, Spain, Germany, Italy and the UK, according to market researchers Mintel. Growth was in double digits from 2006 in all markets except Germany, which saw sales drop, and in France, where growth was flat. The US is also a boon market, accounting for 23% of self-tan launches in 2008. The recession should only boost the category, Mintel senior analyst Alexandra Richmond says. "We've seen people bringing self-treatments into the home and with self-tanning it should be the same," she notes.

Apply more liberally

Self-tanners have evolved to offer a host of combined benefits like anti-aging and moisturizing, in addition to less messy application and a more attractive result. Brands like US-based Purminerals are introducing mineral-based self-tanners, while certified-organic self-tanning lotions are appearing on the market from brands including French brand H2bio. The category also spans distribution channels, from mass to prestige and medical: Hollywood star Lindsay Lohan is launching a self-tanner called Sevin Nyne at Sephora, while Australian firm Clinuvel Pharmaceuticals is developing a drug which it claims stimulates melanin production and protects photosensitive, immune-suppressed patients from skin cancer. Some expect the drug to be embraced for cosmetic purposes if it passes regulatory muster. But despite this trend toward diversification for the self-tanning segment, Richmond says only 5% of products launched in 2008 offered UV protection—an insufficient percentage given that many are marketed promising a "safe" tan.

Tackling odorific offenses

Addressing foul smells is another area of innovation. CPL Aromas has developed patented technology, AromaGuard, that has been used in products including St Tropez's reformulated self-tan range. It claims to effectively remove strong odors associated with traditional products. "AromaGuard doesn't just disguise the odor, but interacts with the chemicals responsible for the foul smell to eliminate it," CPL Aromas group marketing and brand director Francis Pickthall tells *CosmeticNews*. Consumers are more willing than ever to self-tan, but they want to enjoy doing it—and see perfect results.

Courtney Traub