



VALÉRIE KAMINOV – BIOGRAPHY

Valérie Kaminov is Founder and Managing Director of the highly successful International Luxury Brand Consultancy based in London.

For over 20 years Valérie has been at the forefront of the global cosmetics industry and has worked with a vast array of luxury, premium and niche beauty brands and fragrances.

Her extensive expertise, commercial acumen and practical experience are much sought after by both iconic global brands and newly emerging talents. Valérie's wealth of knowledge in international growth strategies and business development is combined with an inspirational and forward-thinking approach.

Through her exceptional insight and understanding of the industry Valérie has helped brands amplify their market reach on an international scale, elevate their brand presence and improve their performance.

To her clients, she is more than a consultant, she is a trusted asset, advisor, partner and brand guardian.

Valérie's expertise in brand evaluation, acquisition due diligence, risk assessment and commercial growth is particularly highly valued by Private Equity Funds, multi-national organizations and financial investors.

Her advanced qualifications and her proficiency in corporate governance have made her a much-desired Board Advisor and Non-Executive Director to well-established companies and pioneering Indie brands.

Valérie is also dedicated to passing her knowledge along through a range of conferences and events.

She has been a guest speaker at the non-profit organization CEW's Mentoring Services where leading executives offer guidance and professional development support.

As the International Manufacturers & Distributors Forum (IMF) Master of Ceremony, Valérie organizes this influential conference in Europe; it has become a key global gathering for manufacturers, brand owners and distributors to come together to discuss the opportunities and challenges facing the industry and their businesses.

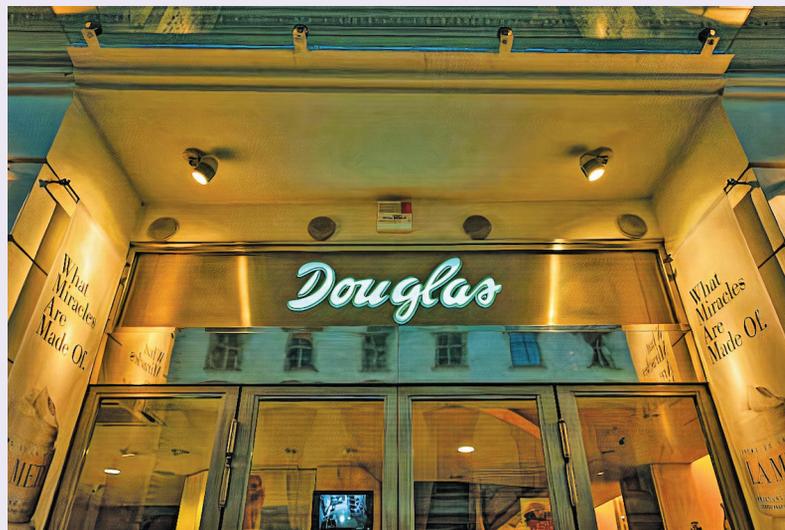
THE CHANGING FACE OF BEAUTY RETAIL

by Valérie Kaminov

The beauty industry has seen enormous innovation and entrepreneurship in the last decade with retail undergoing a dynamic transformation, shaped by social media, technology, e-commerce and most importantly a changing consumer mindset.

A major catalyst of this has been the rising influence of the newer indie brands who challenged the traditional channels and altered customer expectations. Their impact led established brands to think differently about products, packaging and routes to market. Retail brands must and are doing more to survive and grow in this altered landscape where it is less about the beauty counter and more about the community. From pop-ups and experiential stores, to try-before-you buy apps and advanced technology; the retail space has evolved at an unprecedented pace.

This momentum has undergone a shift with Covid-19 and we are only just beginning to see what the longer-term affect will be across the industry but there is one thing that the beauty business has proven time and time again, and that is, it knows how to adapt.



The Re-Imagined Buying Journey

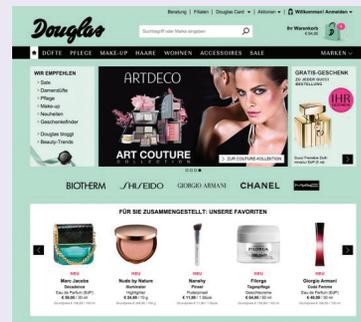
As consumers are revising their expectations of the buying journey we are seeing more and more brands using online and direct-to-consumer routes to market.

Smart beauty brands are making good use of social media to reach a wider audience and gain more insight. Over the past decade blogs and digital platforms like Instagram, YouTube, Facebook and TikTok have radically changed the way people can shop for their beauty products. These online communities are now a major stimulus to the retail journey.

Pre-the era of online advice and articles, we used to look to the expertise of an in-store beauty consultant to find the perfect shade of lipstick or that ideal moisturiser. Now we have a more open and accessible marketplace, consumers can learn tricks and techniques from experts or get personal recommendations from their peers. Brands that prepare themselves by establishing strong digital relationships will be the ones best-equipped to attract this digitally engaged customer. People also crave personalisation and a smarter use of data translates into an improved customer journey.



Retailers such as Sephora have been committed to creating a seamless experience with its shoppers, from in-store to at-home they deliver a high-level of integration merging digital and beauty for the benefit of their customer. They use events to add value and to drive footfall whilst offering innovative technology to improve how we can shop. They understand the importance of building the relationship with their customer, they excel at tapping into the consumer mindset and maintain a high-level interaction rather than just a sales transaction. It is vital to recognise that today's consumer is interested in more than the superficial elements; they want to know about ingredients, ethics and the brand itself. The role of the retailer has grown into a storyteller, educator and so much more.



Creating a more holistic beauty experience is becoming increasingly popular leading to the rise of two-in-one concepts such as the MAC & Bumble & Bumble collaboration in

Dallas. By becoming a fully integrated beauty retail and hair studio they have found a point of differentiation from the norm.

Today's consumer wants an even greater diversity with their product selection,

something that leading European retailer Douglas recognised. Last year they launched an exclusive partner programme to become the number one marketplace for beauty products in Europe. Through a platform economy model Douglas have been able to expand their assortment of premium quality products and provide their customers with a unique one stop shopping experience that will continually evolve.

This approach is reflective of how important e-commerce has become as a sales platform for beauty. The industry was already driving up its digital presence but the recent lockdowns the world has undergone has forced a change in how we shop. It has accelerated a move towards digital platforms and brought new audiences to e-commerce channels. The online winners have been those that found ways to replicate the emotional and discovery elements of the in-store experience. Several brands experimented with new ways to engage remotely by bringing their bricks and mortar expertise into the homes of their consumers. Deciem introduced the virtual consultation service Deciem At Home offering consumers the opportunity to video chat or instant message with their local Deciem sales assistants. They could also send images of their skincare concerns for personalised recommendations. Glossier trialled their Live Edit video chat function where consumers can book appointments with the brands team. While virtual consultation plans may have been pushed forward out of necessity the innovation highlights the long-established idea that to survive in retail the combination of people and technology are key.



From Smart Mirrors to Virtual Try-Ons

Technology is fundamentally changing the retail landscape. Although still in its infancy, expect to see a speeded-up implementation of Augmented Reality (AR) and Artificial Intelligence (AI) by both brands and retailers in-store and via online channels. Add in facial recognition, DNA analysis and new interaction technologies; consumers



are loving this increased personalisation plus the ever more sophisticated ways to 'try before you buy' which often comes with the added benefit of being able to experiment with different looks for a fraction of the time of a real-life makeover.

A very significant indicator of the importance of this fast shifting technological environment was the acquisition of beauty tech specialist ModiFace, a leading provider of AI and AR, by Estée Lauder. Stores like Harrods have incorporated AR smart mirrors which personalise and visualise beauty recommendations in a simple, fast and convenient manner. LVMH owned retailer Sephora and Pantone Color IQ use photography to appraise skin tone and recommend foundations and concealers based on personalised data. Some companies are using DNA to make beauty recommendations. Smart beauty devices are getting smarter.



Changes powered by artificial intelligence are driving personalisation which allows for a more effective implementation of sampling, loyalty rewards, cross and upselling as well as promotions which are all key to successful direct-to-consumer sales. However, beauty is such a sensorial thing, and the need to test, feel and try the product means that many digital native brands still look for ways to create a direct experience.

The Art of a Pop-Up

As the pop-up strategy continues to revolutionise beauty retail, we are seeing it becoming increasingly used by brands looking to create that real-life connection with their customer. Glossier, the cult beauty brand, has been transforming the industry since it launched and created a new blueprint for success. Its pop-ups are pure retail theatre and wherever they appear the Glossier beauty playground is the hot ticket. As a brand, it has become culturally pertinent, most of its sales are digital as the business thrives on its passionate online community but it has two permanent stores in LA and NY and occasionally hype-inducing temporary pop-ups. The recent one in London's Covent Garden was the perfect example of its trademark focus on experiential rather than transactional.



This more meaningful brand engagement is at the centre of the brand's purpose. People are key to the Glossier vision, they are at the centre of the brand and have driven its development directly so for Glossier it is important to understand and inspire their consumer at a rarely found level.

Big brands also leverage pop-ups for specific purposes, such as Shiseido with its multi-sensory pop-up in collaboration with the retailer Watsons in Singapore. Advances in technology are also leading to more digital pop-ups with touchless tech and motion activated touchpoints.

Enter a World of Experience

The retail space has been undergoing its own exciting evolution through the inclusion of interactive, immersive and sensory experiences. Brands such as Lush are centred on turning the everyday into a fun shopping experience; L'Occitane demonstrate their stance on natural ingredients with their décor elements – take their Toronto store where the roof has been designed as a flower field which contributes to the sense of wellbeing. Shiseido's Ginza store has been reinvented into a stunning space to explore health and beauty.

Tom Ford's first stand-alone store in London brilliantly showcases beauty expertise with digital content. Customers can test different lipstick shades via AR, experiment in the 'personal scent laboratory' and book in for a tailored make-up consultation where their customised 'how-to' tutorial will be recorded to take home.

Lancôme's 'House of Happiness' new flagship on the prestigious Champs-Élysées in the heart of Paris is much more than a retail store. 52 Avenue des Champs-Élysées is a celebration of modern beauty, a place of Parisian style and a place where every woman can embrace their own beauty and share their style through discovery and experimentation. Different zones create experiences linked to Lancôme's brand values and triggers to happiness. The 'Joy of Now', 'Generosity', 'Empowerment', 'Togetherness' and 'Trust' are designed around connectivity, engagement and self-expression. Other features include 'Spread Happiness' postcards, 'Capture the Moment' interactive photo wall and 'Samples of Happiness' goodies. This stunning new beauty address breaks with the traditions of the past to create an inspiring environment for Lancôme's happiness activists.

Retail innovation is re-imagining what a shop can be, it is rewriting the rule books and delivering something completely unique. It has also created new ways to be introduced to beauty and fragrances.

Beauty on Subscription

The popularity of the beauty box has turned this originally niche concept into an influential retail offering with brands such as Birchbox, Latest in Beauty, Ipsy, Glossybox, Scentbird and FabFitFun having a significant impact on how the consumer is introduced to products. The success of the subscription box concept speaks to the profound effect the direct-to-consumer model is having on the retail industry which is now encouraging

mainstream retail chains such as Dermstore, Target and Sephora to get in on the act. Brands are seeing the power of partnering with beauty boxes and the ability this creates to reach new customers. Not only does this give them an opportunity to get their products in the hands of a highly engaged and loyal audience but beauty box businesses offer more insight into their customers which allows for a more targeted approach. The original powerhouse Birchbox took this further with its London pop-up and more recently with its partnership with Walgreens in the US.

The in-store partnership concept has been picked up by Marcia Gilgore's Beauty Pie with its debut pop-up at Harvey Nichols in London.

The beauty box trend caters to all kinds of niche markets as well with specialists in organic, clean beauty and wellbeing emerging. Ones that offer an inclusive approach such as Latest in Beauty's fully personalised build-your-own boxes have a competitive advantage as they empower the consumer to select according to their needs. For brands to be successful it is important that they align their goals with which beauty box suits their strategy and their values.



We have also seen a rise in the more functional subscription model with examples such as the highly successful Dollar Shave Club and L'Oréal's new Color&Co which offers shoppers a personalised hair treatment formula specifically created for them after a live video consultation with a hair colourist. This combination of ease of access and personalisation is very appealing to a time-poor consumer. It is easy to see why the subscription e-commerce market has grown by more than 100% a year over the past 5 years, beauty by subscription is here to stay.

The Importance of Omnichannel

In a world of rapidly developing distribution models it is essential to look at all the different channels available as where and how we shop for beauty has expanded. For example, in Continental Europe, the most dynamic retail network for skincare is not the big brand stores and beauty retailers but the pharmacies. Well-known as sources of beauty inspiration pharmacies have been luring the consumer away from specialist retailers and chains like Sephora and Douglas. They were early adopters of the natural and organic trend; this success has led to an increase in space being given over to beauty. Italy has one of the most powerful pharmacy distribution channels with more than 70% of personal and cosmetic products being sold through them. Italian pharmacies have become world-renowned as the place to go to discover new home-grown cosmetic treasures like Seed to Skin and Irene Forte as well as from their European neighbours.

There is a wealth of channels to choose from and as the beauty retail landscape continues to re-define itself it will evolve even further.

The Evolving World of Fragrance Retail with Nathalie Pichard, toPNotes



Nathalie Pichard's passion and expertise in fragrance began 30 years ago, she has developed her exceptional knowledge, market intelligence and retail skills through working in sales and animation for prestigious brands such as Chanel, Hermès, Patou and Guerlain as well as the training for Serge Lutens, Paco Rabanne and Carolina Herrera. In 2009, she founded her much-sought after agency toPNotes that helps established and niche brands all around the world with their CRM, marketing, education strategy and business development. Her insights into the world of fragrance offer an in-depth and expert understanding of its ongoing evolution.

“Since I began working in the fragrance industry I have witnessed a lot of important changes that have influenced the way we sell perfumes to consumers, the way we treat them and how we create the customer experience.



The fragrance market has exploded with huge launches each year and the introduction of new types of brands, these niche players seemed to come out of nowhere and their market entry was facilitated by the success of the internet, e-commerce and social media. This created a business competition with the established groups having to contend with young fragrance start-ups with big ambitions, who were targeting those all-important Millennials and Asian consumers. A natural result of this competition has been big players buying potential ‘golden stones’.

Another key factor is how the channels of distribution have been extended to become much more global, hybrid, combining traditional physical retail with digital, multiplying all points of contacts. This has led to the emergence of new consumers, new e-influencers from the Middle East, Africa and especially Asia; with the increasing and must have Chinese market much more open to fragrances than before. The travel retail sector also exploded to become one of the most important retail channels for perfumes. Recently, we have seen new expectations and demands in terms of naturality, transparency, inclusivity and eco-responsibility.

In this current context, retailers must be much more customer and experience centric than simply being a transactional vendor. Previous sales and training strategies are obsolete, it is now a much more multi-faceted and customer oriented focus (often built on data insight). We want our sales people to be actors, community managers, storytellers, super vendors and super agile! It is a tough challenge and it is why the training tools continue to evolve to help these front-line sales teams adapt their speech, their mindset and their learning methods.

In the next decade, this trend is set to increase, emotional IQ, soft skills combined with artificial intelligence and digital tools will be key. This recent lockdown period has proved how invaluable interaction is to humans. Retail will only survive if it emphasises a new personal approach to its consumer strategy, this focus is even more important to build into a business as the industry recovers from the recent pandemic. Physical retail will have to pivot, to adapt to this new context (less tourists, less travels, less physical contacts and less people) and to embrace the opportunity to awaken a new way of selling. One that is centred on the emotive element of the discovery and purchase experience, caring small details can make a meaningful difference. Retailers will have to become creators of unexpected experiences (workshops, encounters, private moments) that online cannot give. It is about giving the consumer reassurance by expertise and pleasure. They will have to be more empathetic and invest in their staff with effective training in emotional intelligence rather than just sales and marketing.

Emotional Intelligence (EI) is an area that I believe adds value to retail as a sale is often much more than a commercial transaction particularly with perfumes. Emotional Intelligence training provides the soft skills which help the beauty ambassadors anticipate situations, understand clients' behaviours or desires and build up a relationship that offers long term loyalty. An empowered vendor creates a good client!

This innate and confident service approach combines well with the new codes of discovery many fragrance brands and retailers are incorporating.

Scented ceramics, ribbons, cabins, diffusers, automats are all ways to provide different olfactory experiences that enhance the senses. Initiatives with VIP salons or special appointments are an interesting way to bringing the personal into a fragrance consultation. Smelling is such an amazing and unique sensory ritual that brands and retailers should highlight it more. Sephora Champs-Élysées in Paris had a perfume organ in the middle of the store with raw materials to smell and a library dedicated to perfumes. It was a fantastic way to demonstrate how perfumers were not just 'finished products' but patrimony, heritage, know how, creativity and precious art. Another defining example was the Cartier Nuage also in Paris, which was the vision of in-house fragrance nose Mathilde Laurent who wanted to elevate how to experience scent and to show perfume is more than just a product but something that truly touches your senses. Every retailer can adapt and bring out the delight in discovering a fragrance.

Storytelling is a fantastic weapon when it comes to selling perfumes and it is a great way to build connectivity with the consumer even if the initial introduction is online. Digital platforms are a powerful method to create desire whether through interviews with perfumers, movies, chats or educational workshops they bring the fragrance to life and immerse the reader in this sensory universe.... without smelling anything! When you combine emotions and desire, you will gain a happy customer. To quote Patrick Suskind "Odors have a power of persuasion stronger than that of words, appearances, emotions, or will."



Cartier Nuage Ambience Option