



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.

SPOTLIGHT ON BEAUTY & WELLNESS AT SEA

by Valérie Kaminov

When you think of Zen-inspired treatment rooms, Nordic bathing rituals, mindful meditation, immersive and sensory retail experiences, you don't tend to associate these with a cruise ship. But in the world of modern-day cruising beauty and wellness are taken very seriously.

Cruising is also big numbers, in 2019 there were 30 million global passengers (2020 had been forecasted to grow by over 6%) and there are over 250 ocean vessels plus 500 river cruise ships around the world. There is no denying that Covid-19 has had a major impact on the cruise industry with many lines focusing on 2021 for a full return to service, but what is interesting to note is that many cruise lines are already reporting strong demand for 2021. This fact is testament to the exceptional loyalty that characterises a cruise passenger, it is one of the reasons why this has become such a strong channel for growth within the beauty and spa sector. The pandemic has created a pent-up demand that is leading to very positive forward bookings.

The Onboard Revolution

Today's operators are looking far beyond simply selling basic duty-free items instead they are exploring how they can make shopping a broader part of the overall cruise experience. The previous set formula has been re-imagined offering a more integrated approach that sees retail as part of the cruise experience rather than segregated. With many cruise lines, there has been a strong investment in creating an enhanced retail footprint to include more luxury stores and noteworthy brand line-ups. Retail is no longer hidden away in the corners of the ship, it has become an essential part of new ship builds.



COSTA VENEZIA

An example of this is the Costa Venezia, which launched in 2018 and features more than 8,000 square feet of retail space amid a two-deck shopping pavilion which Starboard Cruise Services has curated with some of the world's most celebrated brands. Designed with the Asian shopper in mind the luxury partners include Cartier, Jaeger-Le-Coultre, Salvatore Ferragamo and a first with their Tiffany & Co boutique. These brands are highly coveted by Chinese luxury consumers and made even more irresistible when they can be purchased tax and duty free. A further appeal is the largest beauty space at sea, measuring more than 2,500 square feet and including over 30 international brands, with the debut of Clé de Peau Beauté and Hermes, Yves Saint Laurent, La Prairie, Bvlgari, Chanel, Dior, La Mer, SK-11 and more. Asian beauty brands include Dr. Jart+, Sulwhasoo and The History of Whoo. Even the most sophisticated cosmetic brand would feel at home in this beauty-centric atmosphere.

Cruise lines have woken up to the engagement and revenue opportunities that investing in their retail offering can bring about. Like their onshore counterparts, cruise ship stores have embraced the concept of experiential retail. So much so that in 2018 it was the new cruise ship Celebrity Edge that won the top Travel Retail Industry award as the best store launch of that year. Key to their success was putting the guests at the very heart of any retail plans and decisions.

The combination of dwell time, a relaxed environment and the ability to build a qualitative guest connection makes retail on a cruise ship ideal to take time to discover a new beauty brand or experience a specially designed treatment. Adding to this positive setting for brand exposure is the passenger profile as cruising attracts a global guest with North Americans making up half the annual passengers, Europeans being a strong second and next is a growing Asian clientele. The potential to build awareness with an international and multi-generational audience via cruise retail is attracting both well-established and niche brands. Innovation abounds with brands, operators and retailers working together to deliver something unique.

Retail powerhouses like Starboard Cruise Services, Harding Retail, Heinemann and Dufry have been central to the dynamic evolution of the cruise retail experience. Their understanding of the cruise model, passenger demographics and destination ensures a synergistic alignment that is tailored to each vessel.

Starboard Cruise Services leads the way with a portfolio of more than 90 ships. Owned by luxury giant LVMH Moët Hennessy, Starboard continued its innovating standard with the introduction of a new concept Sephora Collection earlier this year. Available as a stand-alone branded gondola the specially designed Sephora Collection is all about discovery and engagement in a fun way. This continues Starboard's reputation for their transformative retail experiences; they are not about selling a bottle of perfume or the latest lipstick, it is no longer a transactional business model but one built on memorable and enjoyable experiences.



Sephora Collection Starboard Cruise

It isn't just the retail side that has undergone a seismic shift, onboard spas have become award-winning centres of excellence filled with destination-inspired treatments and wellbeing experiences. The utmost care is taken to design menus for the guest demographics, profile of the ship and where they are sailing. With itineraries typically ranging from 7 to 14 days there is time to truly enjoy the spa experience.

All this makes 'beauty at sea' one of the most competitive markets to enter, but do it well and it can be highly beneficial.

Opening the Cruise Door

The route to getting a brand on board a ship is not the same as getting your products in front of a department store buyer or a spa. It isn't easy to break into this sector and it helps to have expert advice and guidance. One such company is CC8 International founded by industry veteran Catherine Cochaud. This US-based consultancy recognised how cruise travel retail offered a valuable channel for beauty brands, Cochaud along

with her Managing Partner Etienne Kusmierek have created a specialist division within the business to focus on connecting brands with the cruise industry. They combine exceptional industry credentials gained from working with some of the world's most iconic brands with an insightful and rare understanding of the cruise ship model due to Kusmierek's previous role at Starboard Cruise Services.



Catherine Cochaud, Founder, CC8 International



Etienne Kusmierek, Managing Partner, CC8 International

"Our mission is to perfectly match brands with the right cruise lines based on their DNAs and profiles." Catherine Cochaud, Founder CC8 International "We contact the key decision makers, lead negotiations and once onboard we advise brands on the marketing, events, and training plans necessary to ensure the optimum guest experience. We also ensure that visibility is maintained as it is important to keep your brand prominent with the cruise operators to ensure strong sales and profit."

Both Cochaud and Kusmierek recognise the impact Covid-19 has had on the cruise industry not just in 2020 but in years to come as some of the major lines are pushing back their new ships launch. Cruise giant Royal Caribbean had planned to introduce 5 ships in 2021 but has postponed some to a later date. They are also seeing how some lines are selling off some of their ships to reduce their current fleet capacity, in some cases up to 15% of their portfolio. Against this is the longer-term picture with strong demand for 2021 and beyond; cruise passengers are some of the most loyal and passionate travellers to be found with many taking 2 cruises a year. This will be an important factor for the cruise industry rebound.

The pandemic has also created the time for cruise lines and their retail operators to rethink the shopping experience with more customer-focused plans. Etienne Kusmierek highlights how digital will become an important part

of the equation, "we see an opportunity for brands to connect with their guests' pre-cruise. All experiences onboard will be based around discovery, hospitality and fun. Online sales have clearly gained the upper hand, with retailers focusing on delivering a true client journey and experience through the online channel. Successful strategies include finding the perfect balance between the right physical doors and the right online presence."

CC8 International are already seeing an uptake in their services with brands looking to diversify their business channels as well as capitalise on the cruise ship setting with its time-rich consumer. Unlike other travel retail channels, cruise ships are all about a relaxed and engaged shopping experience. Passengers love the ease of access and the ability to visit at their leisure. Their mind-set is to enjoy and to purchase.

Both Cochaud and Kusmierek expect to see the product selection becoming more demanding and stricter, with brands being reviewed on key factors including:

- Innovation, sustainability, environmental credentials and consumer wellbeing
- Online consultation and personalised recommendations
- Training and education both in person and via digital platforms
- Creating a unique, engaging and positive experience – "retail-tainment" at its best

Although the well-known "classical" names are a must-stock, particularly with the growing Asian clientele, there is more demand for eco-responsible brands and not just by the younger generations. Catherine Cochaud advises "we envisage natural skincare along with essential oils and supplements being the next hot categories. Some categories we are working on are – Marine Beauty, Mineral Beauty, Science-Led Beauty, Organic Beauty etc. These are not relevant for all cruise lines but with our insider expertise we can identify and select the best fit."

Beauty buyers like CC8's curated approach to product selections as well as their recognition of cruise-specific influences such as profile, destination and duration of a cruise. Catherine Cochaud explains "all are critical for the success of the retail operations as any decision regarding selection, stock and staff scheduling is based on several factors including demographics (nationality breakdown), length of cruise and the number of days at sea".



Space on a ship is at a premium so the size of the stores is limited compared to an airport but cruise lines expect a return. Cruise ships have two main revenue channels, ticket sales accounting for around 62% with onboard purchases being 38% and retail is a key component of sales. Buyers therefore favour brands that are willing to offer a carefully chosen collection, mostly centred on bestsellers and key references. As buying gifts is also a strong purchase driver having the right mix in terms of price point and style adds value to your brand. If successful in getting your brand onboard, CC8 recommends maintaining the momentum with regular launches and editing out products.

The Wellness Factor

With features like heated ceramic loungers, light-changing cushioned treatment beds and hydrotherapy pools, cruise ships spas have gone to a whole new level over the last five years. As wellness tourism moved from a trend to a necessity, cruise lines sought to compete with land-based resorts to make their spas an essential part of the

overall cruise experience. These days the major players are vying to create a vast and inventive range of wellness offerings in a world-class designed setting.

We have seen the first ever at sea Champneys Spa with the Marella Explorer that comes complete with 12 ocean view treatment rooms and a stunning thermal suite with the largest sauna at sea. Viking Cruises Livnordic Spa also has thermal suites, these come with thalassotherapy pools, hot tubs as well as open fire places and cold plunge pools; there is even a snow grotto. Intense relaxation and mental healing are at the heart of their concept.

The Spa on the Seabourn Ovation has been created with the celebrated designer Adam D Tihany, whose portfolio includes leading hotels and resorts as well as restaurants for culinary icons Thomas Keller and Heston Blumenthal. This full-service salon draws on the line's partnership with the legendary leader in integrative and botanical medicine Andrew Weil. While the Celebrity Edge is packed full of sea-spa firsts. There is a Sea Thermal Suite offering 8 therapeutic journeys, hot yoga, a Spa Wave MLW Amphibia table and more than 120 treatments. Cruising has some impressive wellbeing credentials.



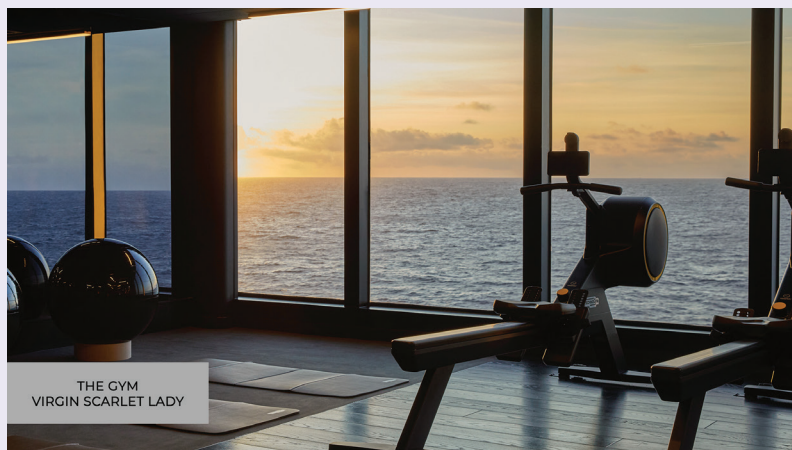
The pre-eminent global spa operator with over 80% market share is OneSpaWorld, they look after over 160 ships around the world and in 2018 over 20 million passengers enjoyed a service created by OneSpaWorld. From traditional and alternative therapies, to body and skincare treatments as well as a full array of medi-spa their market-leading expertise has created award-winning spas and pioneered a new level of onboard wellness. This comprehensive suite of premium health, fitness, beauty, wellbeing services and products makes them the partner of choice by many cruise lines.



Celebrity Edge

OneSpaWorld's primary revenue is service-driven at around 75% and retail is at 25%, although their proactivity with digital platforms such as online concierges, dedicated apps, shop & ship programmes is proving to be highly successful in growing product sales. They have a very focused approach on marketing and brand development with a highlighted importance on communication and guest satisfaction. Another important factor is training and education that includes regular interactivity via social media (Facebook is a favourite for the therapists), direct communication with the spa manager and virtual sessions. When it comes to the brands they work with destination and demographics are again key considerations in brand alignment and service selection. As experts in their field OneSpaWorld have developed a highly successful methodology and management that not only delivers for their cruise partners but also for their brand partners. Their approach is not just about what you do but how you do it, connecting the environment with the experience is at the heart of their philosophy "to travel well is to travel in wellness". This message reinforces their key areas of focus moving forward as advanced fitness, wellbeing of the body and the mind as well as sustainability will take centre stage in their spas.

This holistic-lifestyle mindset is also bringing in more health-focused cuisine, extending into the accommodation with good sleep techniques and even ashore wellness-themed excursions. Inspiring a wellbeing journey is the renewed commitment of many cruise lines and one set to be even more popular in the future. It is also being used to attract younger generations as has been shown with the much-anticipated launch of Virgin Voyages inaugural vessel Scarlet Lady in February 2020.



THE GYM
VIRGIN SCARLET LADY

Not only is the spa very cool but there are also complimentary group fitness classes in Build, Burn, Bike and Balance rooms or you can flex your muscles in the boxing ring.



The Growth Potential

Although the industry has suffered a downturn through Covid-19, the cruise sector is still an interesting and influential consideration for a beauty brand. It is a unique channel that in recent years has seen phenomenal growth, it has a global database with an affluent and highly engaged consumer, it provides a leisurely and personalised discovery platform rarely found and it creates the opportunity to test products with an international clientele. Statistically a cruise passenger will repeat purchase during their trip, which highlights the importance of training the onboard teams whether in the boutique or the spa. They are masters at cross-selling and they are quick to build relationships with the guests, they can be the best ambassadors for any brand. This is an environment that welcomes interaction, it's relaxed but customer-centric approach creates the perfect ambience for the guests to be introduced to something new. This frequently translates into long-term loyalty with many becoming regular onshore customers.

The potential is still there but it might take more time as Catherine Cochaud advised. "Prior to Covid-19 the cruise ship retailing growth for well-known skincare was double the growth of the overall industry. Post the pandemic we believe the same will apply but not immediately. Asia will undoubtedly be the first region to achieve the high returns. Guests will want to be even more pampered than before and private consultation will be even more common helping deliver a world class service to all guests."