

# LVMH Perfumes & Cosmetics: Together we go further as one team



LVMH's Perfume and Cosmetics' dream team: From left: Javier Rodriguez: Regional Director- Americas at Loewe, Carlos Rodriguez, Regional Director - Travel Retail Americas at Guerlain, Meliha Lozano, Regional Director - Travel Retail Americas at Benefit, Julien Ottenwaelter- Managing Director- Travel Retail Americas at LVMH Perfumes & Cosmetics, Edouard Mariotti, Regional Director - Travel Retail Americas at LVMH Fragrance Brands

Just over a year ago, LVMH's Perfume and Cosmetics unit created a new travel retail structure to manage the group's portfolio of cosmetics brands. Among the luxury brands in the portfolio are such luminaries as Givenchy, Guerlain, Benefit Cosmetics, Kenzo, Acqua di Parma, Loewe and Fresh. Parfums Christian Dior and Bulgari are not included in this structure.



Givenchy's L'Interdit EDT

*Americas Duty Free* caught up with Julien Ottenwaelter, Managing Director Perfumes & Cosmetics Travel Retail Americas, and asked how the new structure is working out.

“It’s a new culture, a completely new approach, because we used to work individually by brand,” he said. “The most important thing for us is to protect and highlight each brand’s DNA, respect our ‘maison’, each individual brand.”

With a portfolio of some 15 perfumes and cosmetics brands, the LVMH group is organized vertically and each brand is responsible for its own results. The new organization was put in place by Gianluca Toniolo, Managing Director Global Travel Retail at LVMH, in early 2018. It was intended to leverage the strength of that vertical structure to develop the business of the whole group’s fragrance and beauty portfolio.



Flower by Kenzo Eau de Vie

The goal was to develop new and stronger partnerships with the key retailers. “In general, and especially in travel retail, there’s consolidation among the operators and we were losing a business opportunity – losing the opportunity for space and visibility – to our main competitors,” explained Ottenwaelter. “So in the last 18 months we have needed to learn to work together, while respecting the individual brands. My job is to give more visibility, more share of voice, more share of media generally to all the brands, even those which are quite small.”



Julien Ottenwaelter, Managing Director Perfumes & Cosmetics Travel Retail Americas

Retailers have welcomed this new approach. “The feedback from retailers is that we are better organized, more straight to the point,” he commented. “We can use synergy when trying to negotiate space, using the power of the group, and it’s working pretty well.”

And this is just the beginning. The plan is that between Q4 2019 and Q4 2020 we will be enlarging our portfolio in travel retail,” explained Ottenwaelter.

Mentioning Fenty Beauty by Rihanna, an exciting addition to the portfolio, he commented: “If you take Fenty Beauty by Rihanna, for example, we are going to launch in Asia in September 2019 in some specific locations. And - to be confirmed - there will be a rollout in Q3 or Q4 2020 for the Americas.”

Skincare brand Fresh and perfume brand Acqua di Parma are also set to be successful in travel retail. “We have a few key doors already for Fresh with DFS in America and Asia, and we are working also on Acqua di Parma (pictured below)

which we are putting into New York JFK - one of the first doors in the Americas.”





Participation at industry trade shows is a key element for the future, according to Ottenwaelter. “Last year was the first year for the new LVMH organization at Cannes [TFWA World Exhibition]. It was a rush, but we met a lot of buyers from all regions. We had amazing feedback from all visitors to the new booth.



Benefit is another sought-after brand under the LVMH umbrella

The Orlando show is also on the radar for next year. “Our wish is to help and sustain regional initiatives,” he said. “We want to put the Americas back in the game, back in our strategy.”

Edouard Mariotti, Travel Retail Americas Regional Director, LVMH Fragrance Brands, who joined the new organization in July 2018, agreed. “The new collaborative approach with retailers means that each director, marketing team and commercial team can present the strategy of their own brand, but we have a share of voice with all of the brands at meetings. We go together to the retailer meetings as a group.”

“The new structure is a success,” Mariotti added. “Our people are the most important aspect. We have a super-motivated and dynamic team – we are all part of something bigger.”



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Mariotti believes that the new structure has revolutionized the way LVMH deals with its partners and its consumers. “We are getting more client-centric and consumer obsessed,” he said. “We are also reinforcing our business intelligence. This is new and very productive. Previously, brands had their own research, whereas now we align on the findings about trends, market insights, and so on. And finally, we are working in closer collaboration with our retailers.”

We have also adapted our field structure to be close to our markets,” Mariotti revealed. “We have Mandarin, Portuguese and Spanish field executives to understand and be close to our consumers. We are also leveraging the collaboration with our Latin American subsidiaries by having our travel retail teams based within the subsidiaries to be close to their markets.”



LVMH Fragrance Brands has around 20 people in the Americas travel retail department (pictured above). Some resources, such as the digital and retail design team, are shared with the export and local markets. “We have a common approach between travel retail and the local markets. We share the same consumer, so we have to target them with one voice.”



Conscious of the retail transformation brought about by the digital revolution, LVMH created a position of E-Retail and Digital Manager and hired a specialist in 2018 to spearhead the development 7



of LVMH in digital. "We started with DFS, Duty Free Americas and Dufry, developing online activations to be aligned to in-store animation. Next will be e-boutiques and e-retail partnerships," Mariotti revealed. "To us, this is very new; we have not done that before."

To mark the anniversary of the new integrated structure, LVMH Fragrance Brands staged an event in Miami last month under the banner 'Together we go further as a team'. The motivational event gathered all the teams (pictured below) together for presentations on market trends, big client analysis, fashion and couture trends, new perfumes and cosmetics competitors, with an opportunity for each brand to present their strategy and performance.



"The event enabled us to align and fine-tune our strategy. It was important to have all our people at the same time - all the teams together. It was great," enthused Ottenwaelter.