

Shiseido Travel Retail embarks on makeup push into key airports



Vincent Baland, General Manager Travel Retail Americas, Shiseido Travel Retail

Shiseido Travel Retail is set to launch makeup from its top beauty brands NARS, Laura Mercier and Dolce&Gabbana Beauty in travel retail Americas to attract globe-trotting shoppers.

The product launches will take place between now until the end of the first quarter of next year in key airports with leading operators DFS, International Shoppes and Dufry.

“This will be a great opportunity to grow Dolce&Gabbana Beauty in the Americas,” said Vincent Baland, General Manager Travel Retail Americas, during an interview with *Americas Duty Free* at the TFWA World Exhibition.

Dolce&Gabbana Beauty will make its travel retail debut with Dufry at Sao Paulo Airport in mid-November 2019. The objective is to grow Dolce&Gabbana Beauty in the Americas with the brand’s signature La Casa design, which was inspired by Mr Gabbana’s living room. Shiseido Travel Retail Americas also manages the brand in the Latin American local markets.

Dolce&Gabbana Beauty’s distribution has so far been selective, with just two doors, one of which is at the upscale Palacio de Hierro department store in Polanco, Mexico City. The brand is not yet present in the US market.

Talking generally about the perfumes and cosmetics category in travel retail, Baland noted that makeup was driving overall sales.

He said that in travel retail Americas, fragrances generate 63% of sales, with makeup at 12%, and the rest skincare, but it is makeup and skincare that are growing fastest. He said fragrances had also shown a slight sales decline in 2018.

Dolce&Gabbana Beauty will therefore focus on makeup in travel retail. The brand does not offer skincare but has fragrances, and is launching its new men's fragrance line, K by Dolce&Gabbana, now in travel retail.

Speaking about activations, Baland said these were "extremely important" in travel retail. At the end of last year, Dolce&Gabbana Beauty staged a geo-fencing/localization activation on mobile for passengers in Latin and North America as they traveled around.

Meanwhile, in Sao Paulo, Brazil, Shiseido held a very successful podium activation for its makeup collection, catapulting it among the top five brands in the Brazilian travel retail and local markets.

In North America, Asian travelers – principally from China – are the main buyers of beauty products in airports such as Los Angeles, San Francisco, Vancouver, Toronto and JFK. To take advantage of this factor, Clé de Peau Beauté will be opening at San Francisco Airport.

Also, as part of the makeup rollout, NARS lipsticks will be introduced at Hawaii and Los Angeles airports. This brand is already a top-seller in the Brazilian local market.

Best-selling products in Americas travel retail include Shiseido's Ultimune and NARS Orgasm blush. For Asian consumers, lips will be a key segment, said Baland.



NARS lipsticks are set to be introduced at Hawaii and Los Angeles airports

Discussing the Latin American market, Baland observed that what happens in the local market has a big impact on travel retail, as there is a lot of value in travel retail compared to the domestic market.

Turning to trends, Baland said there is an appetite for quality, which Shiseido Travel Retail is catering to with its focus on packaging and product texture, citing the Clé de Peau Beauté and Shiseido brands as embodying this trend.

He also spoke about the trend for consumers to gather information online for their “digitally prepared purchases”.

Digital is a key focus for Shiseido Travel Retail. The company has a big presence on the DFS website with its key brands and will participate in the Dufry Red loyalty program during the upcoming launch of its makeup brands.

Separately, Shiseido Travel Retail has launched a new mobile application called Share STR, which allows the company to connect with its beauty advisors. The app seeks to provide its beauty advisors with insights into new products and how to deliver high-level service, or an omotenashi experience, to consumers.

Discussing sustainability, Baland said the company is working to improve its carbon footprint. A new eco-friendly suncare product from Shiseido will be launched next year that is respectful of the ocean and wildlife.

The subject of a responsible approach to nature and CSR has always been important to the Shiseido Group, he stressed.

Looking to the future, Baland observed that market conditions in travel retail had been “tough and challenging” last year, with a 2% dip in beauty sales in the Americas in 2018. However, the Shiseido Group grew by 5%, in part due to brands such as Clé de Peau Beauté, which outperformed the cosmetics market, with a 39% upswing.

“We’re hoping for more percentage increases when the new makeup brands are launched at the end of this year and beginning of next year,” he said.