

Shiseido Travel Retail tops ¥100 billion net sales milestone



Philippe Lesne, President & CEO, Shiseido Travel Retail, announces a “landmark year”

Shiseido Travel Retail has achieved a 19.4% rise in net sales to ¥102.2 billion (US\$936.8 million) in the financial year ending December 31, 2019 – growing fourfold in four years.

Shiseido Travel Retail remains the fastest-growing unit within Shiseido Group and now represents 9% of the group’s global business.

The strong performance was led by core brands Shiseido, Clé de Peau Beauté and Nars; the expansion of rising brands IPSA and Elixir; and the successful introduction of new travel retail exclusives and limited-edition lines.

2019 saw continued investment in the channel and strengthening of partnerships with key travel retail operators, the company said.

Philippe Lesne, President & CEO, Shiseido Travel Retail, said: “The beauty category continued to lead growth in the global travel retail channel in 2019, representing an excellent opportunity for Shiseido Group. Through investments in brand exposure and partnerships, we enhanced our competitiveness and cemented our status as a category growth engine. 2019 was a landmark year for us, with 19.4% growth in net sales to reach the milestone of ¥102.2 billion.”

Lesne said 2019 had presented a “challenging” business environment due to the global economic slowdown, continued market volatility and an increasingly diverse and highly competitive beauty sector.

“We have found strength and success in working closely with our key partners in travel retail in order to inspire travelers with our products, beauty consultants and experiences. We recognize the particularly strong performance of our brands in China and South Korea, which are not only our largest markets but were also among the fastest-growing last year,” he said.



NARS Store, Sanya International Duty Free Shopping Complex - China Duty Free Group

Lesne also announced a project to support those affected by the coronavirus outbreak. He said: “As we enter 2020, our thoughts are with those that have been affected by the coronavirus, and as a group, we remain focused on the health and safety of our employees, consumers and partners around the world. We are monitoring the situation very closely, and today Shiseido Group has announced the Relay of Love Project to support those in need.”

As part of the project, 1% of sales from Asian markets will be reserved as in-house funds to support the following activities:

- Donate to charity to support the restoration of daily lives;
- Offer utility products from Shiseido Group to areas in need;
- Offer support to invigorate people through the power of beauty.

Looking to the future, Lesne said Shiseido Travel Retail would continue innovating to meet the evolving needs of travelers, developing even stronger retailer partnerships and pushing the boundaries of consumer experience, digital marketing and product development in beauty and travel retail.

Travel retail performance

The travel retail business (sales of cosmetics and fragrances mainly through airport duty free stores) is expanding its market with the increase in travelers, mainly in Asia, the company reported.

“We are working actively to strengthen it as one of our most important businesses to further reinforce Shiseido’s position in the global prestige market as we recognize the significant potential for further growth of this business,” it said.

During the 2019 fiscal year, the company’s promotions and advertising in airports around the world resulted in continued “outstanding” growth in sales of Shiseido, Clé de Peau Beauté, Nars, and Anessa, mainly in South Korea, China, Thailand, and other countries in Asia. To accelerate growth, it expanded the introduction of the IPSA and Elixir brands and strengthened strategic sales counters.