

The beauty of a powerful brand portfolio



Yannick Raynaud, L'Oréal Travel Retail Americas Managing Director

L'Oréal Group Worldwide has been celebrating the best sales growth in a decade, including in travel retail. In the Americas, the French beauty giant is fighting fire with water – namely the iconic La Vie est Belle, Aqua di Gio, Si Passione and also the Cologne Absolué... These are just four of the myriad products in the company's ever-growing brand portfolio targeted at all travelers, whatever their age, gender or demographic group.

We meet Yannick Raynaud, L'Oréal Travel Retail Americas Managing Director, in her Miami office. Like many in our industry, she is a well-traveled executive, having worked for two-and-a-half years in that position in Miami. Before that, she was in UK for three years, New York for five years, along with stints in Paris, Brazil and Venezuela.



The Americas is a polarized region, with the North capturing Chinese and American travelers mostly and a big skincare market, according to Yannick Raynaud

Commenting on L'Oréal's dynamic worldwide – and market-busting – performance over the last 10 years, Raynaud says: "I'm not only thrilled by it but very proud to be part of it; it's the consolidation of hard work, vision and passion of thousands of individuals in all subsidiaries. Yet beyond that, it is our incredibly powerful brand portfolio, which is the winner in this game – it is the main driver of this success. Indeed, we have the most diversified portfolio, from luxury brands to more accessible brands, from dermocosmetics to haircare brands, from legendary icons to exciting novelties... We address all consumers' needs and, in travel retail, all travelers' needs. Our mission is to offer 'Beauty for all travelers'."

Digital shopping experiences

Another driver of the group's performance is the early bets on digitalization. Raynaud is crystal-clear about the importance of the internet in driving sales and creating digital shopping experiences online and offline. "Very early on we were able to seize what was starting, which is by the way a famous L'Oréal motto."

In travel retail in the Americas, digital activations that stand out have included onboard Celebrity Edge, the first Edge-class cruise ship operated by Celebrity Cruises. Celebrity Edge, constructed in France with a reported cost of US\$1 billion, had her maiden voyage in December 2018, and is a paean to the travel experience. Enter L'Oréal Travel Retail, whose Atelier Cologne brand premium gifting fragrance has just been launched in travel retail Americas. This French Maison de Parfum, created in 2009, focuses on pure, natural fragrances, based on the legendary Eau de Cologne that both men and women can wear. The brand has really captured the zeitgeist with its genderless, ageless brand story and focus on gifting.



Atelier Cologne is in the top fragrance sales onboard the new Edge-class cruiseship Celebrity Edge

Raynaud says it was an exciting challenge to animate the Atelier Cologne brand on a cruise ship, which she calls a “digital floating door”. The permanent activation started in January 2019 and was developed specially for Celebrity Edge. It enables shoppers to learn all about this new-generation brand using a digital screen. When you pick up the fragrance, the screen explains the natural ingredients, the different notes, and you can compare fragrances. “It’s self-service in many ways,” explains Raynaud. “The screen is animated and allows you to make the best choice.” Gifting is key: when the fragrance is selected, you will choose a complementary leather case in a selection of eight colors that can be engraved with any message you want on-site, using a bespoke engraving machine. Your gift is then wrapped in a beautiful blue box with ribbon. “Now Atelier Cologne is in the top fragrance sales. The trial is working very well – it’s a different way to engage the consumer. Celebrity Edge wanted to do things differently, and we want to bring something new and current to the ship.”

Personalized products

L’Oréal Travel Retail has also incorporated digital in its pop-up spaces. For example, with Kiehl’s, the US skincare brand focused on helping the local community. You can select a design for your complementary tote bag and see it printing live. “This engagement uses digital to personalize your own experience and it’s working stunningly well,” she says. “In our Hawaii flagship with Lancôme we’ve integrated L’Oréal’s ModiFace augmented reality technology so consumers can discover different lip shades, try them on and be playful. You can discover them and buy them on the spot or back at home.”

Turning to the all-important e-commerce sector, Raynaud highlights Dufry Brazil’s click-and-collect service. L’Oréal has created brand pages and shop-in-shops so its brands are displayed in a “unique and engaging” way. “We are recruiting another type of consumer. They are all about planning, convenience and reassurance to get the products on their way back home. It’s friction-less”

Another exciting Dufry partnership took place recently in Brazil with famous DJ Ansel Elgort for the launch of Polo Red Rush by Ralph Lauren. “Creating a desire for what’s exclusive and scarce, Ansel

signed a selected number of bottles and we designed a consumer journey around it online, activating Dufry's social media. You had to get this precious bottle."

This type of influencers' initiative in pop-ups and events will continue.

All these digital initiatives undoubtedly help to recruit new consumers and engage loyal ones.



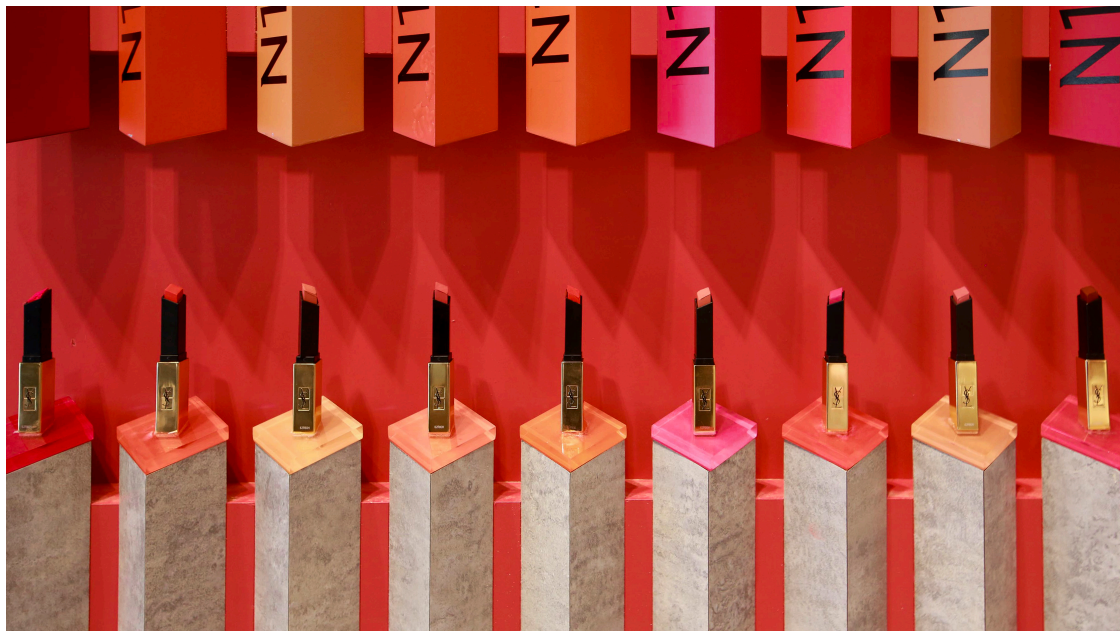
YSL's Black Opium fragrance is "on fire" after its launch in Brazil

L'Oréal Travel Retail boasts a powerful, crowd-pulling portfolio of iconic brands. In the luxe category are Lancôme, Armani, Kiehl's and YSL. These top four brands are showing strong resilience in the Americas despite the "unfavorable" current market situation, according to Raynaud. "We have brand appeal worldwide for global shoppers who are keen on icons and hot new products."

Immersive pop-up

YSL's "The Slim" lipstick has been a worldwide phenomenon generating incredible enthusiasm in its immersive pop-up in Los Angeles International Airport in partnership with DFS. YSL's Black Opium fragrance is also "on fire" after its launch in Brazil, she enthuses. And Lancôme's iconic Genifique, the bestseller, is expected to meet new success this year with the upcoming major Microbiome scientific innovation.

Atelier Cologne, which met such success on the Edge-class cruise ship as mentioned above, has been launched in key airports with big Chinese traffic such as Vancouver, Los Angeles International (LAX), Montreal and New York JFK. "Atelier Cologne is going from strength to strength. It's an exciting new brand, with a unique proposition, bringing additional revenues for the shop... and already a brand favorite for the Chinese passengers loving the personalization and giftability," she enthuses.



Top luxury brand YSL is showing strong resilience in the Americas despite the “unfavorable” current market situation

New to the portfolio is NYX Professional Makeup. This fast-growing professional makeup brand opened its first travel retail boutique worldwide in JFK Terminal 4, and also has a “stunning” store in London Supply’s Iguazu store in Argentina. It has also made its debut in Uruguay with DFA. “NYX Professional Makeup is a unique offer in travel retail: a makeup heaven, high-quality products at an accessible price, allowing travelers to indulge guilt-free. It is proven to recruit new consumers to travel retail and increase the overall spend per passenger in the airport/shop overall revenue.

Boosting American spend

One challenge the travel retail team faces is to engage North Americans more, as they don’t tend to shop much outside their domestic market. The US is the biggest beauty market in the world (Source: internal panel), but recently released m1nd-set figures showed that only 2% of international American travelers buy beauty in airports. “There is a big potential here, yet it is certainly the most difficult to crack. Travel retail offers need to be adapted to the mindset of this specific traveler, to the ecosystem surrounding him/her and be more disruptive. Proofs of concept have been done in LAX and New York, where results were promising. As long as there is disruption, a relevant offer and a unique experience: it works.”



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Asked about how Americas travel retail differs from other regions, Raynaud notes that the Americas region captures global shoppers with a strong diversity of passengers, both in traffic and spend. It is also a polarized region, with the North capturing Chinese and Americans mostly and a big skincare market, while in the South, the main travelers are Brazilians and Argentinians and the leading category is fragrances.

"In the Americas, with the powerful and diversified portfolio of brands we manage, we will continue developing this market with relevant offers for all travelers," Raynaud concludes.