Setting the Vision

At the 2022 WWD Beauty CEO Summit, “Beauty Unfiltered: A Candid Look at the Future,” held last week in Miami, the industry’s leaders gathered to share their insights on propelling business forward. The key takeaway? Opportunities abound for those bold enough to seize the future. Our full coverage starts on page 2.

COLLAGE BY JASMINE CHEN
As the industry came together for the 2022 WWD Beauty CEO Summit, held May 9 to 11 at the Ritz-Carlton in Key Biscayne, Fla., the energy was electric.

The presenters represented all areas of the industry — brands, retailers, big tech, investors, inventors, entrepreneurs and leading executives, and the audience, the largest for a Beauty CEO Summit, was equally as varied.

The theme of the conference, Beauty Unfiltered: A Candid Look at the Future, addressed both the explosive growth and extreme volatility in the industry today, as Stéphane de La Faverie, group president of the Estée Lauder Cos., called it, “the new normal that seems abnormal.”

The description seems more than apt. On the one hand, there’s been a proliferation of new brands, dynamic retail developments and a collective consumer shift in the way that people are thinking about their wellness and self care. On the other, forces like COVID-19, climate change and geopolitical unrest continue to disrupt business around the globe, while the social justice movement has accelerated the drive for a truly inclusive and equitable industry.

Add on top of that, the dawning of a new digital age and the emergence of the metaverse, and what comes through is an industry at a crossroads. As Meta’s Karin Tracy said, “Every 10 to 15 years, there is a major technological advancement that changes the game. This is one of those moments.”

It was a moment not lost on the 35 speakers. While many different themes emerged during the Summit, there was also a common thread: These are leaders who don’t react to change — they create it.

Here, the top 10 takeaways from the 2022 WWD Beauty CEO Summit, with in-depth coverage on the pages that follow.

1. **Beauty is a vibe:** Beauty isn’t about physical appearance any longer. Consumers today are looking to connect through the power of purpose and a feeling of self-fulfillment, celebrating their individuality while opening their arms to a community that is inclusive, rather than exclusive. In the words of superstar entrepreneur Pharrell Williams, “Beauty is a spiritual thing. You can see someone who is textbook beautiful, but it’s what comes out of their mouths or the energy that they vibrate that tells you if they’re really beautiful.”

2. **Brick-and-mortar is back:** While e-commerce sales boomed during the pandemic, physical stores still account for about 70 percent of beauty transactions, according to NPD’s Larissa Jensen. That being said, stores have to evolve to provide a compelling reason for consumers to come. No surprise then, that Sephora CEO Martin Brok teased an emphasis on more services.

3. **Hello biology, goodbye chemistry:** As advances in biotech enable companies to use fermentation to make ingredients that are safe, sustainable and repeatable, look for the decline of petrochemical-based products and processes.

4. **Today, every market is an emerging market:** While the rise of the middle class in countries like China and India means there is a shifting center of gravity from West to East, winning in mature markets means applying the same level of granularity to understanding preferences and nuances in every market you do business in.

5. **Data, data, data...** Harness the power of big data to understand what consumers want — before they even know they want it.

6. **...But make it human:** That being said, savvy marketers know data analytics can’t replace the insights that come from IRL interactions with consumers. P&G Beauty, for example, lives permanently in “#consumerobsession mode,” said Markus Strobel, president of skin and personal care, joking that “the hashtag is just there to make it sound a bit cool.”

7. **Hands off:** While the M&A landscape shows no signs of waning, the way that big companies are approaching acquisitions has changed considerably. Gone are the days of corporatization in the name of synergy, in favor of an approach that allows brands to operate independently of the mothership. “It’s a partnership of values, humility,” said Unilever’s Vasikki Petrou. “Founders understand better than anybody else because they have created the brands.”

8. **The big blur:** As retail channels intersect and product categories merge, next-gen founders are rewriting the go-to-market rules that have long dominated the industry. Brands no longer feel beholden to staying in one lane when it comes to products or channels — they’re going where the consumer wants them to head.

9. **The democratization of wellness:** Once primarily the province of the privileged, wellness is entering the mainstream thanks to a consumer attuned to the necessity of self care, both physical and mental, and retailers looking to create more meaningful connections with shoppers. For Sephora, it represents the future. “It is truly about well-being,” Brok said. “We collectively have an opportunity to think about what will look like. It’ll start small at first, like the hair category, which five years ago was minuscule in prestige beauty,” he continued. Not for long though. “It’s absolutely explosive,” Brok said. “Watch this space.”

10. **Longevity is the new antiaging:** Rather than turning back the hands of time, marketers today are focused on maximizing them. As advances in science and medicine enhance our knowledge of the aging process, beauty will benefit. Said Charles Rosier, CEO of Augustinus Bader, “The focus is on the convergence of health, beauty and longevity.”

**Top Takeaways**

While the speakers at the 2022 WWD Beauty CEO Summit spoke on a variety of topics, one theme rang clear: The future of beauty is bright — and unlike anything we’ve seen before.
ONE CLEANSING BALM
SOLD EVERY 15 SECONDS*

melts away makeup, removes impurities + gently cleanses instantly

*calculated based on Farmacy Beauty’s FY2021 shipment data
Martin Brok Reimagines Prestige Beauty’s Future

Sephora’s global president and chief executive officer has a holistic view of what’s to come.

By Jennifer Weil

SEPHORA CHIEF executive officer Martin Brok is redefining the future of prestige beauty.

The former Starbucks executive’s first exposure to Sephora, which he joined in September 2020, came while working at Nike. That was at a time when the company was shifting from a wholesale to a direct-to-consumer-driven model, with sharp points in the digital space.

“[Sephora] became a reference point for us,” Brok said during the WWD Beauty CEO Summit’s opening keynote speech, in a conversation with Jenny B. Fine, executive editor, beauty, WWD and Beauty Inc.

He drew parallels between the coffee and cosmetics industries — especially “the vibrancy of the markets.”

“What’s impressed me about beauty is how quickly it’s actually changing,” Brok said. “The pandemic — absolutely — only accelerated it.”

One month after Brok started at Sephora, France went into a severe lockdown. “That was pretty difficult,” he said. “But the good news is what the pandemic has brought about is really a change in the industry as a whole.”

That involves a shift in how the consumer perceives beauty and well-being — exercise, nutrition and sleep included.

“It’s all linked together,” Brok said. “The consumer used to treat those as different compartments. And on top of that, the landscape continues to change.”

It’s at a quicker pace than before. “So the need for us to stay connected to that quickly evolving consumer sentiment and expectation is really paramount,” he said.

One key goal is to know the consumer better than she knows herself. That means digging into consumer sentiment and expectation is really important,” said Brok, who

described the beauty space as “quite overwhelming.”

Sephora’s second superpower is its omnichannel approach. Consumers today expect a seamlessness to transacting — on every channel.

“No matter where they are, they want the same experience,” he said. “It usually starts on a phone and, in the best case, ends on the phone. We are the world’s largest, and quite frankly, only omnichannel prestige [beauty] player.”

Sephora’s third superpower is community, which continues to play an increasingly vital role. The retailer operates across 36 countries and has built a fanbase of 165 million consumers. On a daily basis, Sephora engages 6 million consumers both in store and online.

“You need to understand the community on an individual and personalized basis,” Brok said. “Sephora is a company with an incredible track record of innovating continuously and disrupting along the way.”

“Our opportunity now is to take the innovation that is coming from across the globe — whether it’s home chat, same-day delivery, how we drive the personalization engine, the next evolution of the store experience, omnichannel services — and literally integrating those so that we leverage the power of the three regions that we operate in, let them be the drivers of the innovation and then scale across the board,” he said. “The opportunity for us now is to be able to do that faster.”

Consumers don’t see three different Sephora brands, he said, North America, Europe and Asia. “It’s one brand across the globe,” he said. “What happens in one part of the world, in a nanosecond, is communicated in another part of the world. So making that happen, and ensuring that we are delivering the same experience across the globe, the same drivers to grow, this is absolutely paramount.”

So is a seamless consumer experience that ingrates the physical and virtual spaces. An app, for instance, doesn’t just play a role on the phone, but in store, too.

“A consumer in a brick-and-mortar environment might be researching and choosing products through the app then picking them up and paying for them offline.”

“The role of the app for the consumer is becoming more important,” Brok said. “The good news is we know for a fact that when they’re on the app, the conversion is significantly higher and, in most cases, the average basket [is], as well.

“We also have an opportunity to bring the Sephora magic into a digital space,” he continued, characterizing the digital space as having been unidimensional, competing on price and convenience — a “no win” situation — in the past.

Sephora has brought its beauty advisors online. “We see some incredible results,” said Brok, who added: “But I want to just underline the fact that the role of the store is not going away.”

He underscored consumers’ return to brick-and-mortar at an unprecedented pace and that the role of stores is evolving.

“What we need to do is ensure that we figure out how to seamlessly integrate, but also compliment, the experience,” said Brok, who said the richness and texture of in-store experiences are key.

One way to augment them is through services — paid services and diagnostic tools, such as color, skin and ultimately hair analysis — allowing Sephora to get to know consumers better “so that we can engage and build a relationship that is deeper and more profound than ever before,” Brok said. There will be more of these to come.

Product newness and differentiation, in part through exclusivity, also continue to be important.

“Clearly there are brands that are not exclusive to us,” he said. “That doesn’t mean that our relationship can’t be mutually beneficial in the sense that there’s an opportunity to do unique things within the Sephora space that allows us to create value, excitement and experiences for the consumer. That’s our collective opportunity, whether you’re exclusive or not. That is ultimately what the consumer is looking for.”

With the convergence of traditional beauty, wellness and self care, the definition of “beauty” grows into something much more holistic, according to Brok.

“It is truly about well-being,” he said. “We collectively have an opportunity to start to think about what that actually looks like.”

It’ll start small at first, like the hair care category, which five years ago was minuscule in prestige beauty.

“It’s absolutely explosive,” Brok said. “Watch this space.”
Inside P&G Beauty’s Modern Strategy

P&G Beauty’s Alex Keith and Markus Strobel opened up about consumer obsession and doubling down on sustainability. BY ALLISON COLLINS

P&G BEAUTY HAS shifted dramatically in the last decade, first shedding luxury brands, now acquiring a curated portfolio of new ones.

The beauty business today is “definitely not the same rodeo,” said Alex Keith, CEO of P&G Beauty, in a conversation with WWD and Beauty Inc executive editor Jenny B. Fine, and P&G Beauty president of skin and personal care Markus Strobel.

Unlike before, when P&G beauty had brands across an array of categories, today, the business is focused on areas where it has true expertise. “As we looked at those categories and saw the blurring and the growth and the opportunity at different retail channels to meet different needs at different price points over and above our core beauty business, we saw a great opportunity,” Keith said.

Hence, the company’s new Specialty Beauty division, which houses acquired and incubated brands including Farmacy, Tula, Ouai and First Aid Beauty.

Keith was quick to point out that growth was also coming from P&G Beauty’s mass business, which saw both Old Spice and Safeguard grow to more than $1 billion in annual sales recently.

The new brands also have major potential. “They can grow to be incredibly big, and we’re counting on the teams that have been leading them so far to deliver that growth,” Keith said.

The shift is a major one from the way P&G used to think about acquisition integration. Strobel described today’s approach as a “two-way street” where both companies learn from one another, and said that P&G Beauty doesn’t plan to overpower brands anymore, instead preferring to move into a place of “positive Procter-ization.”

Strobel said the business continues to rely heavily on consumer insights, and is in inconsumerobsession mode. “The hashtag is just there to make it sound a bit cool,” he said. “You’d rather have skeletons in the closet than anything on the market, right?”

He cautioned leaders against jumping into things they don’t fully understand, including the metaverse and NFTs, and said that when it comes to livestreaming, P&G is working to get its beauty consultants ready to go.

Keith, who leads companywide sustainability efforts noted that executives sometimes project faux fluency in that arena, too. But going forward, she said leaders will need to do better.

“Someone can stand up and say, ‘scope one, scope two, scope three,’ and sound like they know what they’re talking about when they don’t know what they’re talking about,” Keith said. “It’s really important as leaders we all get to some fundamental understanding.”

P&G has been able to get its plants to a point where they are zero waste to landfill and running on renewable energy, which in the end helps consumers lower their individual carbon footprints, Keith said.

While 90 percent of consumers say they want to lower their carbon footprints, only 20 percent have made any changes to do so, she said.

With P&G’s manufacturing shifts, consumers can now buy their daily-use products that have a reduced footprint without making any changes, Keith noted.

“But, in order to do that, we need to have a consumer obsession — I’m not as cool as Markus, I won’t say hashtag-consumer-obsession — but we have to get those insights and we have to very creatively solve problems,” Keith said.

The Big Blur

How Live Tinted’s Deepica Mutyala and Peach & Lily’s Alicia Yoon are writing a new playbook for beauty. BY JENNY B. FINE

CALL IT beauty’s big blur.

From retail partnerships between competitors in different channels to the intersection between product categories (also known as the skinification of everything), the traditional rules of the industry are being rewritten.

WWD’s Allison Collins sat down with Deepica Mutyala, founder of Live Tinted, and Alicia Yoon, the founder of Peach & Lily, to explore the key forces driving this.

“As an emerging brand, we are redrawing the lines,” Mutyala said.

“We don’t have to play by the rules.”

As an example, she noted that she launched her line with a color makeup product, which would have been natural to launch more makeup, instead of following up with another product, the Huestick, designed to make up about consumer obsession and doubling down on sustainability. BY

Keith said hyperpigmentation. It would have been natural to launch more makeup, but I followed up with SPF,” Mutyala said. “My point is that breaking the traditional rules paid off.”

For her part, Yoon has spent much of her career breaking down barriers. A Harvard Business School grad who is also a trained aesthetician, Yoon launched Peach & Lily as a retail platform selling Korean beauty products, then launched the Peach and Lily product line in 2018, kicking off the glass skin trend. She following that up with Peach Slices in 2020, an acne-oriented brand.

Today, Peach & Lily is a top 10 prestige brand at Ulta Beauty, Yoon said, while Peach Slices is a top 10 mass brand there in the acne space. “The lines between mass and prestige are starting to blur,” she said. “Everyone shops across price points.

Now, no matter the price point, people are looking for value. “Trading up is increasingly irrelevant,” Yoon added. “It’s about hyper-targeting solutions consumers are looking for.”

Yoon said value is top of mind today, for consumers who want to know they’re getting their money’s worth, whether the price is $10 or $200. In skin care, delivering results is “table stakes,” she said, but true interest is sparked by in-depth information, such as what makes one vitamin C molecule different than another, for example.

Her brands are differentiated so that cannibalization isn’t an issue, and Peach & Lily sales consultants, whether online and in store, are trained to find the best solution for shoppers, regardless of price point. “We’re most interested in bringing consumers into the ecosystem, where each brand has its own point of view,” Yoon said.

Mutyala has crossed retail channels, too, from d-to-c to retail distribution in Ulta Beauty, and she envisions a time when categories in store start to blur, as well.

“Storytelling needs to come through more,” she said.

Yoon agreed, noting that experiential retail in South Korea is “next level.”

“For brands, your competitive peer set is not just brands in our price range. It’s about providing differentiated brand solutions.”
Target’s Plans for Diversity, Equity And Inclusion

Cassandra Jones shared plans to diversify Target’s lineup, and was joined by The Lip Bar’s Melissa Butler and Mielle Organics’ Monique Rodriguez.

TARGET IS WORKING TO create advancement in diversity, equity and inclusion in partnership with brands to allow for a purpose-driven culture, said Cassandra Jones, vice president and general manager of beauty and cosmetics at Target Corp., during the WWD Beauty CEO Summit.

“This experience starts with our core value of inclusivity,” she said. “We amplify diverse voices, create equitable experience, grounded in authenticity and respect. This encompasses our daily commitment to supporting diverse brands in every single aspect of our business. From investing in underrepresented entrepreneurs, to our accelerator programs, our brand launches, increasing visibility using our marketing efforts, we all have the opportunity to create real change through guest experience. The assortment must continue to evolve so that all guests feel seen and welcomed.”

For more than 20 years, Target has offered a beauty assortment that meets diverse needs and “provides opportunities for Black-owned and -founded businesses,” Jones said. “But there is still more work to do, and we are committed to continuing to evolve and grow that assortment.”

Jones was joined on stage by two Black founders with products sold at Target: Melissa Butler of The Lip Bar and Thread Beauty, and Monique Rodriguez of Mielle Organics.

Speaking on challenges faced in the industry, both founders discussed difficulty receiving funding, mentorship, business guidance — and dealing with the issue of being put in a box. “Yes, I’m a Black woman,” Butler said, “but also, there’s no difference between my lips and any of your lips, right? For the most part, there’s no difference in our skin. Someone may have oily skin. There are Black and brown people with oily skin, just like there are white people with oily skin. And yet, I find that oftentimes, Black-owned brands or BIPOC-owned brands can get boxed in. that you are here to only serve the Black guest and that is not necessarily true. So, I want to make sure that as you all are working with BIPOC founders...don’t treat it as a silo.”

Rodriguez agreed, saying: “Hair texture has no race, no culture, no gender, and texture hair is a growing category. My vision for the brand is to be a destination brand for textured hair. There is plenty of opportunity for us to diversify.”

Both founders said Target offered them increased brand exposure, awareness, discoverability and accessibility to diverse shoppers.

David Rodriguez agreed, saying: “Hair is a distribution network that is the largest and most sophisticated.”

He said that garners an unmatched, difficult-to-replicate level of trust.

Amazon, Hamilton continued, is a one-stop shop that “levels the playing field [in user experiences] across products and industries. Once you understand how to purchase one thing on Amazon, you understand how to use the entire platform.”

“Amazon is a very easy first step for consumers to explore the online environment,” he continued, noting it’s no longer just a platform name. “It is a motor skill that is being developed.”

Despite its ubiquity, many premium and luxury beauty brands sold in brick-and-mortar in the U.S. are still not authorizing the sale of their brands there. While 89 percent are on Amazon, only 49 percent of them actively manage their presence. That can lead to issues such as unauthorized sellers or inconsistent experiences.

“Amazon is extremely complex,” Hamilton said. “We see brands all the time that are working on creative or advertising, but not managing the brand production portion of it, or the catalogue. It’s the confluence of these different levels coming together that produce high-quality, experienced and successful brands on Amazon.”

Amazon is also a goldmine for data, which can lead to consumer acquisition and build loyalty. “Every single time a customer makes a purchase of your brand, the average basket grows over time,” Hamilton said.

Amazon: An Omnichannel Anchor

ReCommerce CEO Taylor Hamilton outlined what the platform can bring to prestige beauty brands today.

AMAZON ONCE WAS an afterthought for many brands, but “has now turned into their omnichannel anchor,” said Taylor Hamilton, chief executive officer of ReCommerce, an Amazon brand agency.

The executive maintains that a truly premium shopping experience must deliver on the promise of luxury across the customer journey.

“Time is the most valuable asset for brands and for consumers,” Hamilton said. “The ease of procurement has now become one of the primary defining characteristics of luxury.”

ReCommerce surveyed women aged 13 to 65 about their shopping preferences. Among 13- to 17-year-olds, more than 65 percent would rather shop online versus in brick-and-mortar. That level is 43 percent for 26- to 41-year-olds, and 33 percent for the 56-plus set.

Eighty-one percent of surveyed consumers research a product before making their purchasing decision and Amazon has become a key search engine.

“Are you properly conveying your brand’s proposition?” Hamilton asked. “Your brand’s presence on Amazon does have an effect on your ability to convert in-store.”

“Eighty percent of consumers would prefer to purchase products on Amazon over a brand’s direct-to-consumer website given the pricing is the same,” he continued. Part of the reason is time savings, fast delivery with Amazon Prime and ease-of-use.

Hamilton noted his three-year-old daughter was independently developing motor skills — like the swinging gesture on a cell phone — before even being able to brush her own teeth.

“Generation Alpha is the first generation that has been born into this on-demand digital economy,” he said, defining a motor skill as a skill movement that is a product of force, velocity, accuracy and purposefulness.

“That’s what Amazon is all about,” Hamilton said. “They has developed a distribution network that is the largest and most sophisticated.”

He said that garners an unmatched, difficult-to-replicate level of trust. Amazon, Hamilton continued, is a one-stop shop that “levels the playing field [in user experiences] across products and industries. Once you understand how to purchase one thing on Amazon, you understand how to use the entire platform.”

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Join Allison and the WWD, FN, and Beauty Inc editors for expert insights into the future of tech and retail on June 30th.
Pharrell Williams shared his brand development process, as well as how he selects his leadership teams. **By ALLISON COLLINS**

**DESPITE EVIDENCE TO the contrary, Pharrell Williams insists that he does, in fact, age. Asked for his age-defying secrets, the musician, producer and entrepreneur eventually landed on good vibes and humidity.**

But first, he demurred — “I do age,” Williams told the crowd of beauty executives at the WWD Beauty CEO Summit. “I happen to be one of those people, I think wrinkles are beautiful.”

Williams joined WWD and Beauty Inc executive editor Jenny B. Fine for a conversation on beauty, humanity and business.

“Beauty is really, honestly, a spiritual thing, first and foremost. You can see someone that’s textbook beautiful, but it’s what comes out of their mouth or the energy that they vibrate that tells you if they really are beautiful,” Williams said.

“In terms of the secret, I would say it is genetics, it’s environmental and it’s dietary, and it’s also what Dr. Elena Jones, my dermatologist, taught me. It is routine. That’s the one thing you can actually control,” Williams continued.

Williams partnered with Jones to launch Humanrace, a line of products that started with a three-step skin care routine, in 2021. The brand now sells across categories, including body care, ceramics, and clothing and footwear in partnership with Adidas.

Humanrace’s core skin care offering includes a rice powder cleanser, lotus enzyme exfoliator and humidifying cream.

The brand started in skin care, something Williams, 49, has been asked about for years. “I’ve gone through all kinds of products. Over-the-counter, prescription, everything — [Jones] ran me through the gamut as an exercise of not only testing things out, but also experimenting with what was going on to figure out what was for me. This was before we ever talked about doing a brand,” he said.

When it came time to create the concept for the line, “I knew what I needed like, a really good cleanser, and I knew that I would need something to exfoliate, because that was the one thing she taught me,” Williams said. “When we came to those two things, we knew we needed that, but then it was like, the idea of something being dewy — we were like, OK, clearly there’s a room that owns that,” Williams joked, referencing the crowd. So instead, the Humanrace team started thinking about the areas of the world where people age well. They noticed a thread of kindness, and another of humidity, and an aha moment was born.

“How do we synthesize the effects of being in a humid climate? That’s how we came up with our humidifying moisturizer,” Williams said.

Humanrace’s products are gender-neutral, and are meant to attract men who may not want to commit to 45 minutes with an aesthetician, but would be willing to spend three minutes on a skin care routine.

Wellness is at the core of the offering, Williams said. “The idea and the concept of people being well is where we start, and we just want to go from category to category to try to make your experience on this earth better than the way it was,” Williams said.

Humanrace’s products were formulated in line with EU ingredient standards, and Williams commended the crowd for their commitment to bettering product ingredients.

“The industry you think is the most vain happens to be the one that is the most considerate,” he said. “You talk with each other...you might be competitors, but you’re reaching out. What a world it would be if fashion and footwear and apparel did that.”

Williams is not just a Grammy-winning musician. He’s also an astute businessman who has numerous products happening at any given time. In addition to Humanrace, he’s working on a music festival called Something in the Water to be held June 17 to 19 in Washington, D.C., and he founded the clothing line Billionaire Boys Club in 2003. Regardless of the enterprise, he said he always starts with intuition, but quickly follows it up with data.

“There’s a rain stick in one hand and a computer [in the other]. It has to make sense,” Williams said.

He also advised the crowd that when building teams to look for fellow leaders who were on the same wavelength. Being good at the job is half of the hire, but the other half, Williams said, is “do they subscribe to your POV of how to get from A to Z.” If so, they would be a good fit, because they would be able to translate a founder’s intuition, he noted.

When it comes to his businesses, for Williams, it all comes back to music, which he calls “the skeleton key that’s opened every door for me,” he said. “I’ve been blessed to meet the right people.”

“What I’m good at is being a musician and a composer, and that’s really what you’re doing when you’re building leadership — composing,” Williams said. “You are bringing together a symphony of experts to bring about this new harmony as a solution for something you’re trying to solve.”

While not all of his endeavors have panned out, Humanrace has. The line is distributed on its own website, as well as through Goop, Ssense and Dover Street Market. Williams said added retail distribution will be happening in the “short term.”

Outside of beauty, Williams continues to work with Black Ambition, an organization he founded that distributes prize money and mentorship to Black and Latinx-founded businesses. The organization teams up with historically Black colleges and universities in order to find and fund entrepreneurs with good ideas, Williams said.

“We want to give them that strategic scaffolding so you can not only be funded, but you can have your hand held and sort of walk you through the troubles of what’s going to happen to you, what you’re going to face,” Williams said. The fund has raised $50 million, and the 34 companies Black Ambition has worked with generated $40 million in revenue in one year, he said.

He advised executives looking to get involved with Black Ambition as mentors to contactFelicia Hatcher, the group’s CEO.

“When you see a Black company or a Latinx company or a person of color’s company, do what you do in this room. Lean in, ask questions, ask if they need help,” Williams advised the group. “Energy’s a very real thing. That’s what karma is on a very basic level, cause and effect.”

“The universe is alive, it’s moving. It was here before you, it’ll be here after you, and it will give back to you. So when you see a founder of color who has a company and they’re in this space, lean in the same way you are in this room. It’s going to be awesome,” Williams said. “This is the beauty summit. I don’t think anything could be more beautiful.”
Evaluating International Opportunities at the Estée Lauder Cos.

Staying in step with consumer behaviors is the key to unlocking growth, said Stéphane de La Faverie, group president, The Estée Lauder Cos. by JAMES MANSO

BEAUTY MARKETS MAY not be created equal, but for the Estée Lauder Cos., seizing opportunities means treating them all the same way.

“We treat every market like an emerging market, including the U.S.,” said Stéphane de La Faverie, group president, the Estée Lauder Cos. and global brand president of Estée Lauder and Aerin. “Across the world, the center of gravity has been shifting in politics, in culture and in beauty. We only think of a shift from West to East, but instead of a one-way conversation, there is going to be a two-way dialogue between international global markets.”

Aggressively keeping pace with consumer habits is the key to unlocking growth. De La Faverie noted that consumer spend on beauty in the U.S. is $228 per consumer on average, with South Korea, China, Brazil and India reaching $228, $46, $11 and $1, respectively.

“Imagine what will happen when spending in China becomes half of South Korea, and imagine what happens when India reaches the spending power in China,” he said.

Anticipating consumer needs is paramount, and each market holds learnings that can be applied more broadly in new geographies.

“Knowledge is power, and if we take care of our consumers and get to know them better, we can sell to them better in a new world. That means we need to do a much better job of connecting our consumer knowledge and data,” he said. “In China, we connect brilliantly with our consumer online and offline. This has helped us to deliver unbelievable growth over the last 10 years. We need to fully embrace that strategy in other markets to ensure the balance between East and West.”

In Asia, de La Faverie is keen on getting closer to consumers, citing Estée Lauder’s new innovation center in Shanghai and a manufacturing facility being built outside of Tokyo.

“We are committed to long term investment in Asia and in India, and that means centralizing business development,” he said.

Part of supercharging that growth, though, will take an industrywide effort. “We think about a bigger piece for everyone, not just taking a bigger piece of the pie,” de La Faverie said.

“So let’s work together to connect with consumers seamlessly, with data and insights.”

He acknowledged the company’s sustainability milestones, and cited the power of purpose. “Beauty is a uniquely personal space, and there’s nothing more personal than what we stand for as an industry...Our consumers expect us to add value, just as they do as individuals. It is a tremendous opportunity. We like to say that we are duty-inspired, value-driven,” he said.

Gucci Westman and David Neville on Modern Luxury

“I didn’t want to just correct,” Westman said. “I wanted to have this wellness component, repair the skin.”

BY RYMA CHIKHOUNE

GUCCI WESTMAN used to hate being pigeonholed as the skin-centric makeup artist — but when she started her beauty brand, she decided to lean in to that ethos.

“I saw that there was an opportunity to bridge this gap between natural and luxury,” said Westman, of the white space she identified before launching her company, Westman Atelier.

“And I also brought the artistry component, which is a nice proposition there,” she continued, alongside her husband and cofounder, David Neville (formerly of Rag & Bone), in conversation with Marita Burke, chief Mecca-maginations officer of Mecca Beauty. “It’s different.”

The duo has had a product-first approach from the start, they said, focused on ingredients, performance and wellness. They began working on it in 2014 and launched in 2018.

During development, Westman used her artistry, years of experience working as a makeup artist — with Hollywood stars like Drew Barrymore, Gwyneth Paltrow and Cameron Diaz — while tapping into her childhood, too. From the age of 10 until her 20s, she lived in Sweden, immersed in the natural world.

“My parents grew all of their vegetables,” she said. “We went to get milk from the farmer. We were really connected to how we were living. There was a lot of focus on mindfulness. We meditated.”

That family history, combined with years of work, has influenced the creation of Westman Atelier; ultimately, it offers modern luxury that is also nourishing to the skin, setting the brand apart, Neville said.

“I looked at the landscape in cosmetics, and there were no brands that spoke to luxury and performance, clean ingredients and artistry,” he added.

The approach has been working. Westman Atelier is profitable, Neville said, with a loyal audience: “What’s been a wonderful progression is Gucci’s engagement with consumers. It’s so earnest and authentic.”

It can take Westman years to develop a product. Modern luxury to her, she said, is the time taken to ensure the final results live up to her expectations.

“I have rosacea, and that has been quite a big catalyst...I didn’t want to just correct,” she went on. “I wanted to have this wellness component, repair the skin.”

Next month, Westman will introduce her first face powder, formulated with vitamin C and probiotics to brighten and reduce pores. There’s another product in the works for fall, as the brand continues to enter new categories in cosmetics — and ultimately expand beyond beauty. But everything has to make sense in the context of the brand.

“It’s all about credibility,” Neville said. “As we grow, we’ll be given license to play in some of these areas [in lifestyle]. The brand really lives at the intersection of beauty, wellness, beauty, fashion, lifestyle, family. That feels very modern to me.”
Vasiliki Petrrou on Building and Growing Unilever Prestige

The division has reached $2 billion in retail sales—and counting. **BY RYMA CHIKHOUNE**

**VASILIKI PETROU** isn’t your typical beauty executive. Petrrou, who is group chief executive officer at Unilever Prestige, has gradually built up a stable of brands with longevity and purpose in mind.

Her division started in 2014, and today has nine brands with $2 billion in retail sales and serious growth ambitions. “We saw this white space and an opportunity,” she said.

The mission has been to support brands, distinct in their identities and “anchored in purpose,” she said. “And purpose is so integral to Unilever.”

With a portfolio of brands that includes Hourglass, Tatcha, Paula’s Choice and Ren, Petrrou sees Unilever’s role as supporter and accelerator of brand goals.

“It’s a partnership of values, humility,” she said, noting she’s not a fan of the word acquisition and prefers a gentle brand integration process.

“I have this sacred responsibility to the founders...They do represent the compass, the values and the DNA of the company. They understand better than anybody else, because they have created the brands.”

On occasion though, she has needed to intervene, she added, “when I see that there are actions that may erode the brand equity.” But as a whole, “the CEOs of the companies are very much empowered to make all executive decisions.”

As Petrrou looks for companies that may be a fit in the Unilever Prestige portfolio, she’s considering longevity, she said.

“I always think when I look at a brand, ‘Is it going to be around in 15 years? Is it differentiated enough?’” Petrrou said. And is there the potential for “a long, sustainable life of good, quality growth and an authentic mission to do something good in society.”

There is a “need for transparency, need for authenticity,” she said, as consumer crave real conversations.

She has a passion for “putting creative at the center of an organization,” she continued. “People are looking for inspirational content to join a movement.”

As Unilever Prestige looks to grow through partnerships, expansion, digital commerce and innovation, there’s no “cookie-cutter” approach, she said.

Managing a $30 million business, for example, meets different needs and strategies than a $300 million business, she said. But a common thread is investing in the “intersection of humanity and technology.” The aim is to lean into offering a human approach, as well as experimenting with virtual reality, as Petrrou looks to build out beauty tech companies.

“It’s a very interesting space,” she said.

Another key factor, while looking to the future, is focusing on “the imperfection versus the seeking of the perfection of beauty...I think actually the race to perfection is creating a lot of stress.” In thinking about what’s next in beauty and where the industry is headed, Petrrou is excited about merging categories.

“I see the convergence of the spaces of health care meets wellness meets beauty,” she told the audience. “What will that generate? I’m excited about what I don’t know yet.”

Mastering the Metaverse Early

Although it’s early days, Meta’s Karin Tracy shared numerous insights about how brands should be harnessing the power of the metaverse — and planning for a virtual future. **BY JENNY B. FINE**

**THE METaverse** is one of beauty’s biggest buzzwords, but many brands and retailers are still grappling over whether or not they need to engage — and if so, how.

The answer is unequivocal yes, said Karin Tracy, head of industry, beauty, fashion, luxury and retail, at Meta, who drew parallels between the early days of the internet and the present.

“It’s early days to talk about the metaverse, but this is the next big thing,” she said. “The metaverse is the disruptive successor to the mobile web that will combine everything we love about smartphones — all of the connectivity, the personalization. And we’ll take it to the next level.”

Meta, the company formerly known as Facebook, calls this next generation “the embodied internet,” because rather than just looking at screens, users will be interacting with them.

“Instead of being passive consumers of media, we will now be active participants,” said Tracy, “and your consumers are going to have expectations of you both physically, digitally and now virtually.”

Already — data shows that beauty consumers are starting to engage in the metaverse. According to Tracy, 20 percent of luxury shoppers are engaging in VR and AR, not just for exploring, but also for purchasing, and it’s expected that soon 25 percent of all people will be spending at least an hour a day in the metaverse, for entertainment, gaming and social, but also shopping.

“This is the piece we must think through,” Tracy said.

Meta calls its vision of future shopping “multidimensional discovery commerce,” and Tracy said channels, content and conversion will need to happen seamlessly.

“The key is you can’t be thinking of it in silos,” she said.

As an example, she cited a campaign Adidas did to relaunch its Stan Smith sneaker brand, deploying AR effects to engage and immerse consumers in the brand. Consumers could create icons of themselves that looked like the famous drawing of Smith on the sneaker, for example, and the campaign was brought to life in stores, too.

Influencers and creators, whom Tracy called the “builders and artisans” of the metaverse, will be key to the development of virtual shopping. “Sixty-three percent of younger consumers trust creators more than brands,” she said. “It is these creators who will be building the metaverse of tomorrow and it is a huge opportunity for them.”

In fact, Meta has invested about $150 million to help creators harness the power of augmented reality and virtual reality. The company opened the Spark AR Studio, to enable creators to tell their stores in more immersive and connected ways.

She also made a case for the continued strength of social shopping, noting that 60 percent of brands are discovered on Instagram and that 75 percent of people say they want to take action and purchase a product when they see it in their feed.

“The most important thing,” Tracy summarized, “is to continue to experiment, because you will lead by learning with us.”

Acknowledging that everyone is trying to figure out what the future looks like, she said the answer lies in the early days of the internet. “Every 10 to 15 years, there is a major technological advancement that changes the game,” Tracy said. “This is one of those moments.”
FROM THE EDITORS OF WWD

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FAIRCHILD MEDIA GROUP
Puig’s José Manuel Albesa on Challenging the Status Quo
Puig expects to make more than 3 billion euros in 2022. **BY RYMA CHIKHOUNE**

The Spanish company was founded in 1914. What has maintained throughout the years is a dedication to the core brand ethos, which is focused on supporting the creatives who are leading the company’s brands. “We provide an ecosystem for them,” said Albesa of his portfolio, which includes designer brands like Jean Paul Gaultier, Paco Rabanne, Carolina Herrera and, most recently, Dries Van Noten, as well as niche brands like L’Artisan Parfumeur.

Puig looks to empower and support each to allow for disruption, creativity and innovation, he added, from formulation to packaging. That includes backing conventional wisdom when needed, or, as Albesa says, "making don't into do's.”

For example, historically, China has been a very small market for fragrance. For Puig, though, it has been a key source of growth. “We are learning a lot,” Albesa said. “I say to the teams, 'Imagine a Chinese person was creating a fragrance for us and put a bullfighter, because we are Spanish, with paella and flamenco on the bottle.' No. And you do see all these brands marketing in China putting red or a tiger (on packaging). You have to go deeper, and to go deeper, you have to understand the culture.”

One learning, he said, came from discovering that L’Artisan Parfumeur’s Passage d’Enfer is very popular with Chinese shoppers. “All of a sudden, in our boutiques in Europe, we had a lot of Chinese people buying it...this fragrance became 60 percent of our sales,” said Albesa. “We saw that the juice was really appealing to them.”

Puig has also emphasized the importance of creativity and design, in all aspects of a fragrance’s creation. “We are storytellers, and the packaging plays an important role in the story you want to tell,” Albesa said. “You cannot tell a story in a square bottle with a plastic cap.”

He referenced Paco Rabanne’s 1 Million bottle, which resembles a gold bar. The scent launched during the financial crisis of 2008. Fashion was embracing minimalism, and the top fragrances looked similar — “all square and round bottles with plastic caps and romantic names,” said Albesa. “We said, ‘Let's do something different. Let's launch a fragrance that talks about money...and let's call it 1 Million.' We take this risk, because Paco Rabanne was a very visionary person...We follow his vision. We challenge the status quo.”

Challenging the status quo is working, with Puig posting solid growth — a dynamic Albesa expects to continue. “We see growth, and we see a lot of disruption,” he said. “And that is what we are working on: how to go to market in a very different way to what was in the past.”

Inside Advent’s Big Beauty Ambitions
The backers of Orveon and Olaplex are evaluating new opportunities in the beauty sector. **BY JAMES MANSO**

ADVENT INTERNATIONAL
may be nearly 40 years old, but the company still has big ambitions in beauty.

Following the successful initial public offering of Advent-backed Olaplex, the firm is doubling down on the industry. During an in-depth conversation with Beauty Inc special correspondent Emily Dougherty, the firm’s managing director Tricia Glynn and Pascal Houdayer, chief executive officer of Advent-backed Orveon, outlined the key objectives.

“There are so many investment opportunities in the industry,” Glynn said, noting that Advent’s priority is “to help to explode the growth, or unleash the opportunity” of the businesses it backs.

No other brand exemplifies that potential like Olaplex, the hair care brand Advent acquired in 2019 that is expected to reach a net sales volume of between $796 million and $826 million for 2022. Reaching that size — and scale — took resources.

“We don’t start businesses, we invest in them. The founders of Olaplex had built this product that was for damaged hair. We invested in the business and built a brand new infrastructure and foundation with supply chain and finance,” Glynn said.

More recently, Advent has extended its reach to other categories. At the end of 2021, it purchased BareMinerals, Laura Mercier and Buxom from Shiseido, and formed a new multibrand company, called Orveon. Although those businesses were said to be plateauing, Glynn saw potential in the brands’ equity. “There’s lots of reasons businesses slow down, but we did a lot of work on the BareMinerals brand,” she said. “We believe that there are loyal customers who love these products, and who want more from the brand.”

“When I think about this category, the beauty industry is really going back to the consumer,” Glynn continued. “You need to find brands you believe in.”

Houdayer described Orveon as the industry’s “sustainable face care” expert, and said he is actively looking to acquire other businesses under that umbrella. In terms of opportunity, he noted BareMinerals’ clean positioning, Laura Mercier’s makeup artistry expertise and Buxom’s untapped potential abroad. Houdayer envisions adding two new names to fill out Orveon’s portfolio.

Building a company from scratch encompassed more than sharing the future of Orveon’s brands. “We had to create everything. So it’s creating a company name, your values, your mission. The vision was to start with three fantastic brands under one ecosystem and vision,” Houdayer said. “Advent is also looking at wellness. ‘We’re talking a lot about the intersection between wellness and consumer health care, doing it inside the home,’” Glynn said, also keeping tabs on “the intersection between how we’re all communicating with customers and how we build our businesses, and the intersection between human wellness and technology. We feel well positioned.”
Ben Gorham: Inside an Iconoclast’s Mind

A chance meeting with a perfumer led him to launch Byredo.

BY JENNIFER WEIL

DEEP DIVE The 2022 WWD Beauty CEO Summit

Ben Gorham

Photograph by Chris Carter

BEN GORHAM is an atypical beauty entrepreneur, having launched fragrance — the keystone of his blockbuster Byredo brand — only after a chance meeting with a perfumer.

Up until then, the Swede’s most in-depth interaction with scent had been the wafts of curry emanating from his clothing.

“When you become aware of it, fragrance becomes a pretty powerful tool, not only in how you perceive things, but also how you remember them,” said Gorham, during a conversation with Jenny B. Fine, executive editor, beauty, WWD and Beauty Inc.

Flashback even earlier, and he seriously pursued a basketball career in Canada. Then Gorham returned to Europe and in the years following earned a degree in fine arts. That was what led to the life-changing encounter.

“I became very fascinated by this idea that smell is essentially an invisible medium and evokes so much emotion,” he said. “It is so evocative.”

So he founded a creative project, called Byredo, a name that is short for “by redolence,” Old English for “sweet-smelling perfume” and reminiscent of redolence or redolent. Storytelling was integrated into the brand from the get-go.

“I began translating very specific memories into scents with the help of a perfumer, and that became the basis for Byredo,” he said. Gorham began working with just one perfumer, Jérôme Epinette, for his collection of scents. That went against the grain, as most fragrance brands generally sign on numerous noses.

“I felt the dialogue between myself and the perfumer was extremely important,” he said.

That was 17 years ago and it was an idea that helped spark the birth of niche fragrance houses. “The only thing I knew in the beginning was that I knew nothing,” he said.

But that wasn’t totally the case, since Gorham did understand that the brands and products he loved and aspired to most had evolved over time.

“I realized from the beginning that it was going to be a long-term dedication and project,” he continued, of Byredo.

From the beginning, Gorham understood the power of an outsider’s point of view, and while today collaborations are common, Gorham has tapped like-minded creators and companies from the beginning.

“Being an outsider, you can acknowledge other people’s greater perspectives,” he said.

Thus far, he’s partnered with everyone from Travis Scott and Isamaya Ffrench to Ikea and M/M.

“I’ve been lucky and am grateful that they’ve been able to contribute to Byredo,” said Gorham, who said it’s more of an art than science when it comes to deciding who to work with.

“Far as who’s on his radar that he would like to collaborate with that he hasn’t yet? “I’m not going to jinx that one,” Gorham said with a laugh.

To him, brand- and product-building has quality at its core and is engineered with a rhythm and cadence. So Byredo launched with fragrance, and has since expanded into leather goods, eyewear and makeup.

“It’s got to the point where I believe it’s just scratched the surface of what we’re going to do,” Gorham said.

Byredo’s evolution over time has been made while Gorham keeps a finger on the pulse of the world, customers and culture.

“That idea of constant movement was a challenge,” he said. But it’s also been an opportunity.

Gorham continuously infuses products with emotion. His plan has never been to have Byredo just be about perfume.

“I always imagined there would be more categories,” Gorham said.

“It took me a few years to start realizing them.”

One reason to move beyond fragrance was to keep himself and the brand from being put in a box.

“I was able to disrupt people’s perceptions of what a brand could be,” he said.

Gorham launched handbags, and that laid the groundwork for color cosmetics, which came out years later.

“It seemed much more natural at this point,” explained Gorham, who said he has utmost respect for the category and its challenges.

The Byredo makeup line was released in October 2020 and cracked the traditional codes of color cosmetics. It includes unconventional hues evocative of emotions, clean formulas, plus iconoclastic packaging, product selection and imagery.

“It will continue to be an important part of what we do,” he said. “As we go, we learn more about the business. Defining that process is going to help us when we launch other categories, as well. Where we go — I try not to be definitive in that.”

Delving into makeup served another purpose, too. It brought back the feeling of launching Byredo — “that emotion of only seeing formulas, plus iconoclastic packaging, product selection and imagery.”

“Winning along the way is healthy purpose, too,” Gorham said.

Ever the sportsman, he views his role at Byredo as somewhat like a coach’s. Still, Gorham’s desire to win remains. “I’m so fiercely competitive,” he said.

In the context of his brand, winning comes in the guise of continuously growing and competing. Gorham is ambitious, and sets the bar high. He considers Byredo to compete with the world’s largest groups.

Striving is continuous. “We still have a long way to go,” he said. “Winning along the way is really important.”

His perfectionist streak serves a healthy purpose, too.

“That idea of perfection is also somehow unattainable,” he said.

“So that has me in a forward motion.”

“Defining that process is going to help us when we launch other categories, as well. Where we go — I try not to be definitive in that.”

Delving into makeup served another purpose, too. It brought back the feeling of launching Byredo — “that emotion of only seeing possibilities, fundamental to why I started,” said Gorham, who believes now, more than ever, brands must be able to move in multiple directions.

His mind is always whirling. Two days prior, he envisaged designing a Formula 1 car. It’s all part and parcel of a busy creative stretching his imagination in all directions.

“One reason to move beyond fragrance was to keep himself and the brand from being put in a box.”

“Winning along the way is healthy purpose, too.”

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“I believe it’s just scratched the surface of what we’re going to do,” Gorham said.
Augustinus Bader Is Building a Supersonic Skin Care Business
CEO Charles Rosier spoke on the intersection of health and beauty. 

By JENNIFER WEIN}

Augustinus Bader is a case study of how to build a supersonic skin care business.

Charles Rosier had a career in finance when a mutual friend who knew of his interest in biotech and medicine introduced him to the doctor Augustinus Bader. The friend called Bader “the best stem cell researcher in the world today.”

In his own words, Bader described his stem cell technology in a video shown at the Summit. “It is a different approach to medicine,” he said.

“If there is an auto-regenerative mechanism only in terms of neuro-degenerative diseases, auto-immune diseases and any skin disorders, we can now target the area and induce and unfold the auto-regenerative process with the [aim] to create healing where it was not possible before. We are facing a shift of paradigm.”

Rosier had heard of Bader’s work and was impressed. “I was just mesmerized by that technology.”

Augustinus Bader — the brand, which launched in March 2018 — is among beauty’s fastest-growing today. In 2020, its annual sales tripled to $70 million, and The Cream and Rich Cream were voted the top skin care product in a poll of more than 300 beauty industry insiders conducted by Beauty Inc in 2021. Rosier outlined pillars of growth for Augustinus Bader. Number one is having products that deliver. “That was the foundation,” he said.

Then there was also the support of celebrities and journalists who praised its efficacy.

When Augustinus Bader launched on Violet Grey, the platform’s total business was $5 million. “It’s a symbiotic relationship, because we broke the record of anyone there in the first year we launched, and then we tripled our size — and probably doubled the size of Violet Grey’s business as a whole,” Rosier said.

“What is the future for us?” he mused. “It’ll surely be based on technology.

“We’re very excited about the hair care category,” said Rosier, a segment which the brand entered last year — to sell-out effect.

He explained Augustinus Bader isn’t focused on hair care because it’s a surging category at present. “We want to be a problem-solver,” Rosier said. “So we need to be driven by creating solutions.”

Consumers inform the brand’s direction. It asked them what they wanted in a body cream, and the answer was solutions to stretch marks and cellulite. Those therefore became focal points.

The future will be robust with scientific studies into people’s individual biological age and longevity, Rosier said. And findings stemming from those could be applied to cosmetics.

“The focus is really on the convergence of beauty, health and longevity,” he said.

HigherDose on Stackable Beauty And the Future of Wellness Tech
The business is also launching topical and ingestible products centered around magnesium. By ALLISON COLLINS

THE FIRST TIME HigherDose cofounder and co-chief executive officer Lauren Berlinger tried an infrared sauna, it was less than chic.

“Ten years ago, there was only one infrared sauna that existed in New York City. It was behind a curtain in the basement of a colonics center. The worst experience ever,” Berlingeri said.

She was scouting up-and-coming wellness trends for a previous job when she tried the infrared sauna, and despite the unsexy circumstances, she felt calmer and slept better afterward, she said. So she brought Katie Kaps, a former investment banking analyst and startup executive, to try it, too.

Thus, HigherDose was born.

“When we tried the infrared sauna for the first time, we could not believe how amazing our skin looked. It was clear, soft, dewy, glowing to the point where everyone has to say something to you, like, ‘What are you doing for your skin?’” Berlingeri said.

“For all of you that have lived in New York City, you know you need something to calm and relax,” Berlingeri said. “I just knew I wanted to start my business around it.”

She and Kaps teamed up to open Instagram-friendly infrared outposts in New York. Currently, HigherDose has a location at the 11 Howard hotel, and another in Williamsburg, Brooklyn. The brand became famous for users’ “sweaty, sexy sauna selfies,” Kaps said.

Eventually, the duo decided to build out a product line for infrared enthusiasts to take home. There’s the Infrared Sauna Blanket, $599, the Infrared PEMF Mat, $1,095, and the Red Light Face Mask, $299.

Berlingeri and Kaps said the technologies are meant to be “stacked” and build on one another for additional wellness benefits. The sauna blanket provides a sweaty at-home sauna experience, while the PEMF mat is said to have electromagnetic frequency that is “similar to the earth’s core,” for “calming, grounding [and] relaxing,” Berlingeri said. The red light technology featured in the face mask is well known for skin benefits, but the founders also purport that red light “feeds the mitochondria of every single cell” to help cells function better.

While HigherDose has become well-known in niche circles, awareness around infrared is still relatively low, even in wellness circles. Kaps said, referring to a survey of wellness enthusiasts where 20 percent of them reported being familiar with the technology.

To build credibility, HigherDose has partnered with physicians who have “pushed thousands of units of product for us and given us a great seal of approval,” Kaps said. The company has sold more than 100,000 units of its wellness tech, the founders said.

HigherDose has also connected with audiences through podcast partnerships, and partnerships with Goop and The One Hotel.

Going forward, HigherDose plans to focus on longevity, the new trend in antiaging, as well as pair technology with effective but under-the-radar ingredients like magnesium.
Beauty’s Future in Biotech, Explained

Although biotechnology is lauded for its minimized environmental impact, executives see opportunity beyond just sustainability. BY JAMES MANSO

BIOTECHNOLOGY MAY have sustainable implications for beauty, but executives on the front lines see larger opportunities than just a single cause.

At the 2022 WWD Beauty CEO Summit, Jasmina Aganovic, chief executive officer and founder of Arcaea, sat down with John Melo, CEO of Amyris and Suveen Sahib, CEO and co-founder of K18, to discuss biotech’s growing impact on beauty.

“As it was predicated on making money, ingredients were about extractions, from plants or animals, in some cases. What we used to do is take those materials, put them in a factory, put the temperature, pressure and heat to get all of those things we use,” Aganovic said. “With biology, we can grow these ingredients in a way that is not extractive. We scale them up through fermentation, which has a series of benefits. It’s more sustainable, it’s precise, and it creates a lot of opportunity.”

Although biotech’s applications have most moved the needle in sustainability, Aganovic’s goal is to look beyond that cause to find other solutions.

“There’s been a lot of conversation about biotech as it relates to solving some of our challenging sustainability issues. One of the things that Arcaea looks at is that many of the other biology-centric technologies that have also emerged adjacent to biotech have started to move beyond just sustainability,” Aganovic said.

At Amyris, the company is “driven by a single purpose, which is making sustainability mainstream,” Melo said. “Beauty is one of the most impactful ways to make sustainability mainstream, because there are amazing storytellers, amazing creators, that can connect those stories to the consumer in a way that really helps change the game. It’s a powerful way to invest. What we do as a business is really deliver the infrastructure to enable the industry to execute.”

Amyris derives squalane from sugarcane, which has historically been harvested from shark livers. “We’ve been disrupting everything from flavors, fragrances, vitamins, skin care and now, hair care,” Melo said. “It’s finding a way to make it clean and sustainable — using the power of biology and fermentation.”

The ingredients are not without controversy, however. Genetically modified components have proven polarizing, but Aganovic noted that those processes were only developed to find cruelty-free ways to manufacture ingredients.

“An emerging area is the possibility of biotech helping us create changes for the better. GM wasn’t something that was viewed in a negative context at all in the industry, and has actually been a really common way that ingredients and materials were made across many industries,” she said. “Hyaluronic acid is made through a genetically modified yeast. While GM might sound controversial and scary, I want to use hyaluronic acid as a fantastic example of what is possible when we use technology in a powerful way,” she said.

Biotech has also allowed K18 to build its entire business around a single stock keeping unit. The brand’s proprietary peptide repairs damage at the molecular level. “When you bleach your hair, you have this entire structure that cannot just be patched together. That’s where K18’s peptides come in to strengthen the hair,” Sahib said. “It connects the cracks in the hair at the molecular level with keratin-associated proteins, and brings back the original structure of the hair.”

The NPD Group’s Global Snapshot of Prestige Beauty

Brick-and-mortar is back and so is makeup, said NPD’s Larissa Jensen. BY JAMES MANSO

THE ONLY CONSTANT In beauty is change, according to The NPD Group.

“Disruption is something our industry knows quite a lot about. I’ve been speaking about it for several years, even before the pandemic,” said Larissa Jensen, The NPD Group’s vice president of beauty, at the Beauty CEO Summit.

“The difference today is that disruptors are now constant: supply chain, employee retention, economic uncertainties, things that all used to be speed bumps are now permanent fixtures,” she said.

Jensen said the pendulum was swinging back to physical retail, with roughly 70 percent of prestige beauty sales globally happening in a physical store. “Consumers have an emotional attachment to what they’re putting on their face and body,” she said. “Depending on which age and whatever country, there’s a greater share of sales to the brick-and-mortar space.”

Beauty is also outperforming other industries in retail, growing at “two to three times the rate” of other categories, Jensen said.

Europe’s growth is driven largely by Spain, while lockdowns hampered growth in larger economies such as Germany, the U.K. and France. China’s growth has also slowed down. “The consumer base purchasing prestige beauty in China tends to have higher income, but we are starting to see a slowdown in the economy there,” Jensen said.

From a category perspective, makeup is on the rebound, while hair care and fragrance are also posting strong numbers. “Last year, designer brands, which have a 75 percent higher price point, were the fastest-growing brand type within makeup,” Jensen said, noting that skin care was softening in the U.S. and U.K.

Skin care in China paints a different story, though. “For China, three words: it’s about skin care, it’s about digital and it’s about travel retail,” Jensen said. “Skin care is the dominant category, but it’s also growing share and getting even more important.

“A lot of this is driven by functional beauty,” Jensen continued. “It’s ingredients, benefit-driven ingredient stories within skin care, and then digital, as well as live streaming.”

The top three benefits for Chinese consumers are moisturizing, brightening and antiaging, Jensen said.

In the U.S., economic uncertainties have yet to hinder growth in prestige. Jensen predicted that sales would grow 8 percent in 2022. “We have not felt the economic pressures in the market yet. A large part of that is because our consumer, the higher income consumer, makes up a bigger portion of our shopper base,” she said.

Makeup sales haven’t shot up in the U.K., Jensen said, noting the market’s growth would likely reach mid-single digits in 2022. Store closures also played a role.

The trend toward wellness will also drive growth across categories, Jensen said. “We’re seeing a rise in what we’re calling the Beauty Index. We all know the lipstick index, but the beauty index allows business to be driven by this redeﬁnition of wellness. Wellness used to be very much so about physical wellness, and now it’s about mental wellness,” she continued. “There’s very few industries other than ours that you really see consumers’ emotional need for our products.”
Maesa Supercharges Global Growth
The incubator takes an expertise-first approach to brand building, a strategy that is resonating globally. BY JAMES MANSO

MAESA IS taking its brand-building formula to global heights. The brand incubator, which started as a contract manufacturer, has reaped the benefits of building brands with longevity — and is betting that lightning can strike twice. “We don’t launch brands, we incubate them,” said chief executive officer Gianni Pieraccioni, in conversation with Beauty Inc special correspondent Emily Dougherty.

“We integrate the brand with us, we nurture it.”

Maesa has a slew of brands set to launch in 2022 and 2023, but Pieraccioni exercises discernment in picking his partners. “Incubating a brand is a learning process, you tap into the knowledge of a very knowledgeable and authentic founder partner who has expertise, and helps you find solutions,” he said. “Retail then offers you an environment accountable to be more relatable. “The audience is a lot savvier these days,” Aina said. “You have to be real.”

How can a brand do that? “Take the time to understand the DNA of each platform and find it,” Altan said. Instagram is still most suited for showcasing lifestyle content, while YouTube offers long-term educational content. Yarbro said.

“I think for the first time Instagram has competition, and they aren’t used to that,” said Aina, when asked about the future of Instagram, given the influence of TikTok. “From my end, I see a little flustering.”

No matter the platform, video content does best, they all agreed. And it’s beneficial to diversify across platforms, especially given creators have no control over the algorithms, said Hewitt, who launched her own podcast — “Life With Marianna.”

“I wanted to offer something my followers weren’t getting from Instagram or TikTok,” she said.

Photograph by Chris Carter