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From left: Caroline Fabrigas, Doreen Arbel, Katia Beauchamp, Trudi Loren, Salvatore Mauceri and Kate Oldham

A stimulating program, a stellar breakfast and a glimpse into the future of beauty marked The Fashion Group International's Beauty Visionaries presentation, held at The Hilton's Mercury Ballroom in New York City on May 14. A panel of experts shared their insights into current trends and the growth of customization in the beauty market.

**Margaret Hayes**, president of FGI, welcomed guests and introduced moderator **Caroline Fabrigas**, CEO, Scent Marketing, Inc., who in turn introduced guest speaker **April Long**, executive beauty editor of *Elle* magazine, and the Beauty Visionaries panel: **Doreen Arbel**, SVP, marketing, Lancôme; **Katia Beauchamp**, cofounder and co-CEO, Birchbox; **Trudi Loren**, SVP, corporate fragrance development, The Estée Lauder Companies, Inc.; **Salvatore Mauceri**, CEO, Wella North America; and **Kate Oldham**, SVP/GMM beauty, lingerie & swim, Saks Fifth Avenue.

Fabrigas said the event offered the perfect opportunity to celebrate beauty's vision, as well as FGI's 85th anniversary, and announced that Scent Marketing Inc. had created a signature scent for the occasion, inspired by Margaret Hayes, that was, like FGI's membership, "fearless, purposeful, powerful, compassionate and creative."

**Beauty Market Innovation**

Long gave a preamble to the discussion, noting that of the 10,000 products launched each year, only one in five will be on the shelf 18 months later. "We are not chasing trends, but rather representing the here and now. Just being new doesn't guarantee success," she said. She cited three types of products that enter the market today. First, the pivot products, which take preexisting products and adapt or pivot them, like the interpretations of Clarisonic's cleansing device. Pivot products offer an element of surprise.

Refinement was the second category, where new launches optimize technological advances, for example, with sheer face masks in skin care, and fragrance refinements. The third product type is the “lightning bolt,” and includes products like Lip Venom and Bioré Pore Strips. “These products prove themselves and resonate with consumers via their innovation. Lightning-bolt products, rather than ‘me-too’ products, make a significant impact on the market,” she said.

Fabrigas opened the panel discussion with the topic of Innovation and Reinvention, asking panelists to address recent disruptions in the beauty market. Arbel said, “Our Grandiose Mascara was the biggest launch for Lancôme this past year. The design and the collaboration with our makeup artist took the industry by storm, with 11 percent of market share.”

Beauchamp, who cofounded Birchbox four years ago, pointed to her own company as a disruptor in the beauty industry. She explained how she and her business partner saw an opportunity to create a monthly subscription program offering five different beauty products to customers. Customers get to try a range of products, navigate the beauty market and select their favorites.

“The way we’re approaching the consumer is key,” said Loren. “Putting the consumer at the center of the experience, like with Le Labo, with personalized perfumery, shows the importance of this high-touch model.” Mauceri also emphasized the customer. “I have managed global marketing in Europe, South America and Africa, and I’ve really learned about the lifestyles of beauty consumers. If you focus on specific innovations and on the biggest blockbusters, you are successful. We found that 90 percent of consumers color their hair. Our Color ID, which we’ve had for 20 years, delivers color on color for consumers. We’ve combined science and creativity for our colorists to use in salons and this is now becoming more mainstream.”

### Points of Differentiation

“Experiencing a product drives differentiation. We have created a ‘Stop and Stare’ moment for our customers with our windows at Saks. We are letting them know that there is something new for them at Saks,” said Oldham. Arbel noted that while Lancôme is celebrating its 80th anniversary, the brand’s mission continues. “Women are coming to the counter to look more beautiful and they leave feeling happier. That mission will not change. It will continue to drive Lancôme. We’ve elevated our image and modernity and have chosen **Lupita Nyong’o** as a perfect fit for Lancôme in representing happiness and self-confidence for the brand,” she said.

“Our unique point of differentiation at Birchbox is that we’re reimagining the beauty industry forever by delivering a personalized selection of beauty brands for our customers.” Loren cited the creation of new molecules that impact the quality and performance of fragranced products. “In every case, we’re talking about creativity. The connection with the consumer through scent is always significant. Rollerballs and solids have been with us for years, but innovation comes from quality and creativity,” she said.

Mauceri said, “We help stylists create an experience for the customer in the chair, and educate them about the product and how to deliver the service.” He noted the impact of digital as having both an e-commerce and educational aspect, taking stylists to the next level to deliver higher quality and innovation. Fabrigas said that salons have become entrepreneurial with this approach.

Oldham said Saks leverages the digital world to create stronger links to their customers, allowing associates to virtually “view their closets,” to understand their needs, what they’re buying and what they will need for the future. “The digital age has given us a lot of new opportunities to reach consumers,” added Fabrigas.

### Market Trends

“Most innovation is coming in the makeup category. Highlighting and contouring are on fire this year,” Arbel said. Lancôme launched Le Duo, a dual-ended highlighter and contouring stick. A second trend is cushion technology, very popular in Asia. “Lancôme launched Miracle Cushion in Asia and one million units sold in two months. Quick, fast and on-the-go are key factors,” said Arbel.

“We’re going through this digital revolution together,” said Arbel, noting a variety of social influences bringing relevancy to consumers, reflecting the brand and creating authenticity. Beauchamp explained Birchbox’s transition from being solely an online entity to brick and mortar. “We recognized anecdotally that the concept was changing for the beauty customer. We saw that the average Birchbox consumer was doubling her beauty product consumption, so we also wanted to try to be offline for her with unique brick and mortar. It’s a marriage of data and technology to turn consumers into purchasers of the right products.”

Loren added, “High-end, niche brands are bringing the qualities of this métier into the industry, particularly in the fragrance segment. In the Middle East fragrance represents 76 percent of the beauty market. In Brazil this is significant too, with Orientals, spices, and mixed woods coming into play in high-quality products. This is important in emerging markets as well, so we are addressing all levels of consumer interest.”

Mauceri added, “We have a traditional approach to trends, working with fashion houses, as well as tapping into local trends, by exploring digital influences. In South Beach, we’re looking at Latin influences, and our analysts educate and train our salon stylists so they can interpret local markets. Our stylists are our biggest source of connection.” Oldham commented, “We’re offering an elevated experience for our consumers, letting them know they’re in the right place for the products they want. The whole store has aligned with consumers’ product needs.”

Arbel remarked on Lancôme’s expanded portfolio and multicultural positioning. “In the past few years we’ve looked at our portfolio and addressed different ethnicities and different skin types and foundation shades. We offer 200 different shades, and we’ve opened our portfolio as well as sought an ambassador to represent our brand. Lupita Nyong’o perfectly marries our philosophy and has brought modernity to the brand.”

Beauchamp said, “We engage with more than 50 million consumers each month and consumer data is at the core of what we do. It starts with a quick beauty profile, which becomes a living, breathing thing. We use algorithms to adapt to your profile and customize your Birchbox. When you log in, we know what is relevant to you.” Loren noted that while testing is used to determine if a concept is viable, it should not be used without knowledge of what a consumer will love. She said that some of her fragrance partners are doing research into what drives a consumer’s attraction to a certain scent, which she referred to as “liquid emotion.”

Oldham said that everything is put through a filter at Saks. “We see how our customers react when they walk into the store and we differentiate the fragrance experience for our customers, letting them know that we have everything from Le Labo to Frederic Malle and beyond,” she said. Beauchamp also noted the company’s customer demographic, which is a diverse age group. “For us, it’s more of a psychographic than a demographic. Our customer is, by definition, ‘underserved,’ because she doesn’t have time in her life. She’s a multitasker. Our personalization ability allows us to speak to customers in six markets, and soon more,” said Beauchamp, adding, “Using personalization, individual experience and micro-data is highly efficient for us.”

In sum, the panelists agreed that being consumer-centric in creative ways and offering innovation and quality, are key. Product exclusivity, personalization and customization are significant. “It’s always important to have a 360-degree view,” concluded Fabrigas.

— Nancy Jeffries

Contributing Writer, [bnjcasa@aol.com](mailto:bnjcasa@aol.com)



## wearable technology

From left: Leslie Muller, Liza Kindred, Christina Mercado and Amy Puliafito

At the annual meeting of Fashion Group International's Regional Directors, held May 7 to 9, one of the most interesting events was a panel discussion examining wearable technology.

The program was introduced by moderator **Liza Kindred**, founder of global fashion-tech think tank Third Wave Fashion, which helps companies manage the breakneck speed with which fashion and technology are converging. She introduced the panel, which consisted of **Amy Puliafito**, director of communications for Misfit, **Christina Mercado**, founder of Ringly, and **Leslie Muller**, design director of Marchon.

Kindred asked the panelists how their companies are creating wearable technology. Puliafito's company, Misfit, produces modular accessories. Its recent partnership with Swarovski has allowed the fitness-monitor company to appeal to a woman's fashion sense by feminizing the product with the addition of the latter's crystals.

Mercado explained that Ringly creates rings that, via an app, connect to the wearer's telephone. Through the app, the consumer can set custom color and vibration patterns for different types of notifications. The accompanying ring box acts as a charging station when the battery is low.

Muller works with the research division of Marchon, the famed eyewear company. Devoted to health for eyes, this division is working on a prototype that will allow all of one's healthcare data to be gathered via one's eyeglasses. The idea was hatched when glasses were prominently featured in a 2013 Diane Von Furstenberg fashion show.

Kindred asked the panel how their products are modified to appeal to women. She mentioned, as an example, that products are often tested on men and some of the original devices got caught in women's longer hair. Mercado emphasized to Ringly engineers that their product must evince beauty rather than technology. As beauty was to come first in their product's design, no buttons or switches were to be visible.

Kindred stressed the need, therefore, for wearable-technology companies to have fashion knowledge. They must ask themselves a series of questions, such as: Would I wear it? Is it beautiful? Is it wearable? Would I buy it again? Does the world really need it?

Puliafito admitted that there are many day trackers in the market. Some of the ideas that they are working on to differentiate Misfit's product is determining how much movement can be tracked. This includes how long a battery can be made to last and if continuous wearing is a must. They are working to create an elegant piece of technology by offering 10 colors and an assortment of bands.

A discussion was brought up about current connected devices, which operate outside the body, leading to the future where connected devices would be located within the body.

In this vein, Muller mentioned that the long-term goal of her product is to track data and personalize it to the individual wearer. It will track steps, calories and intimate details that can be shared with one's doctor or healthcare provider.

Kindred reinforced the idea that a product must not only be beautiful but useful too. Consumers are demanding that the product must do something for them before they are willing to buy it.

Kindred asked about each company's future plans. Mercado mentioned her brand is planning to make its product smaller. Adapting to her customers' lifestyle is key. Puliafito hopes to partner with other fashion brands. Muller says her goal is currently a work in progress and feels that after two and a half years, they are on the way to accomplishing their goal.

A short question period followed. Some asked about the long-term use of the products. Puliafito mentioned that they had medical personnel on staff who tested reactions to wearing a watchband for long periods of time. Members were also concerned about safeguarding the personal information that Muller's eyeglasses would contain. She mentioned that since no cameras are involved, security would be a priority.

The audience was interested in the panelist's background. Mercado said that although she was not an engineer, she had a background in computer technology. This brought up the importance of directing future generations of women towards the new fields of technology. In this male-oriented field, the career path toward technology must be fostered. Perhaps by adding a little glitter to the new products, women will be encouraged to use their minds while assuring that they can walk in beauty too.

— **Carolyn Moss**

Contributing Writer, [carolynkmoss@gmail.com](mailto:carolynkmoss@gmail.com)

ROBINREPORT


 THE fashion GROUP INTERNATIONAL, INC.

# RETAIL REALITY CHECK



From left: Paul Charron, Robin Lewis, Karen Katz, Nancy Berger Cardone, April Uchitel and Steve Bock

The changing face of the retail landscape was the main topic of discussion at FGI's Retail Reality Check breakfast held at The New York Hilton on Thursday, June 4. The event kicked off with an introduction by **Robin Lewis**, an author, speaker and consultant with expertise in the retail and consumer products industries. Lewis mapped out how retailers can stand out in the overcrowded retail marketplace during the current sluggish economic situation. According to Lewis, retailers need to target millennials, who will account for 40 percent of all retail sales by 2020. In order to lure this increasingly important demographic, Lewis suggested creating a compelling retail experience, developing an omnichannel approach and implementing a vertically owned and integrated value chain.

Lewis then introduced **Paul Charron**, former chairman and CEO of Liz Claiborne, Inc., who served as the moderator for the lively panel discussion that followed. Throughout the discussion, Charron challenged the panelists to explore how retailers can create an interactive experience for consumers. The panel included **Steve Bock**, president of Bedrock Manufacturing, parent company of Shinola and Filson, two prominent made-in-the-USA brands; **Karen Katz**, president and CEO of Neiman Marcus Group; and **April Uchitel**, chief brand officer of the innovative shopping app Spring.

The panelists began by giving a brief overview of their respective brands. "Shinola is a brand and concept-driven by design," said Bock. Shinola's products span shoe polish, bicycles, watches and leather goods but the company's core mission of creating design-driven products and jobs in the U.S. is at the heart of everything they do. "We think we have a very compelling story," said Bock.

Spring is a direct-to-consumer marketplace that aggregates a variety of brands in a single destination for consumers. Despite launching just nine months ago, Spring already works with a roster of upwards of 760 brands with more launching every week. Spring's mobile-first approach allows them to provide "a turnkey solution for brands on mobile." They encourage their partner brands to offer exclusive merchandise on the platform and they have sophisticated data that helps brands figure out what's working.

Coming from a heritage brand like Neiman Marcus, Katz shared a different perspective. Neiman Marcus currently runs the largest luxury e-commerce business in the world and the customer is at the center of all of its strategies. "As a result of technology, it's completely transformed how we think about our customers," said Katz. "Our goal is to be as seamless as possible. Omnichannel is how we do business, it's no longer a strategy," she continued. Katz said Neiman Marcus' next big challenge is personalization.

Charron moved the discussion along by asking the panel to discuss how they are incorporating analytical marketing and big data in their strategies. Spring can "really give brands a snapshot of the consumer," said Uchitel. "It's very much an educational process." Since Spring is a tech platform, they capture everything from how long a consumer is using their app to what products he or she is browsing. With all of the data Spring can provide, brands are able to use the platform to test out different strategies and quickly adjust if something isn't working. "We encourage brands to think uniquely. It's more hand-holding than I thought," said Uchitel.

At Neiman Marcus, Katz said they've made a big investment in customer-experience tech. All 5,000 of their sales associates were given iPhones

and they've also distributed numerous iPads to their salesforce. While this was an expensive move, Katz said it's the single biggest factor that has transformed their business. "We have shifted quickly from old world to digital marketing," said Katz. According to Katz, one of the biggest challenges in implementing new strategies is getting her team to embrace taking risks and the idea that some strategies will fail. One such failure was Neiman Marcus' attempt to set up e-commerce in China. However, this failure led her team to realize they needed to acquire a partner to help them expand their e-commerce business internationally. "Out of failure came something really positive," said Katz. Their misstep in China led the brand to acquire and partner with international e-commerce juggernaut MyTheresa.

Charron also asked the panelists to share what gives them sleepless nights. At Neiman Marcus, Katz is most concerned with the customer experience. "When we have a dissatisfied customer, I take it very personally," she said. Katz personally receives e-mails from customers every day and she responds to every single one. Katz said one of her other major challenges is figuring out where to place bets and take risks when it comes to technology.

At Shinola, Bock said things are moving so quickly that his major challenge is ensuring "whatever falls through the cracks, make sure no one sees it." Uchitel shared similar concerns saying that given the fast pace of the digital world, Spring is challenged to innovate, reposition and deliver quickly.

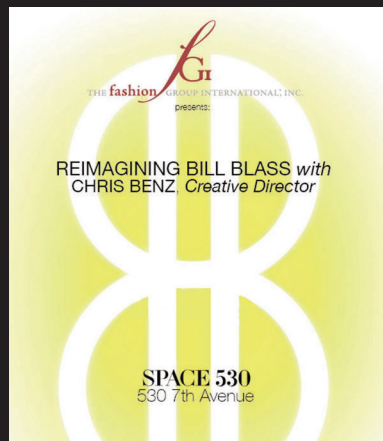
Overall, each of the panelists was optimistic about the future of retail and agreed on the importance of adapting and adjusting to the new wave of highly educated consumers. "Some retailers will be toast because they aren't adapting," said Charron.

— Melissa Pastore

Contributing Writer, [Melissa.Pastore@swarovski.com](mailto:Melissa.Pastore@swarovski.com)



Chris Benz



On June 17, Fashion Group International's Next Gen Committee hosted an evening with **Chris Benz**, the new creative director of Bill Blass, at Space 530 on Seventh Avenue. Over the course of the evening, Benz shared insights on relaunching the iconic American sportswear brand. Benz has a solid fashion pedigree with a degree from Parsons, an internship at Marc Jacobs and a stint on the design team at J. Crew, where he worked under retail legend **Mickey Drexler**. "I went to Mickey's graduate school," he said of his time at J. Crew. Benz then went on to found his namesake fashion line, which lasted for five years.

Benz took on his role at Bill Blass just six months ago, with three employees on staff. While he was attracted to the heritage and legacy of the brand, he also wanted to think about fashion in a completely new way. "Our answers are in the future," said Benz. He compared reviving the Bill Blass brand to renovating a house that is "crumbling but it has a good foundation." Benz has access to an impressive archive featuring more than 2,500 samples, sketches and audio and video recordings collected over 30 years.

The new Bill Blass collection will fall in a bridge price point and will target a broad age range. Benz said their target demographic is the "casual American girl who wants to feel as though she's wearing jeans and T-shirt even if she's wearing a floor-length dress." Benz said the original notion of a "lady who lunches" is just not practical anymore.

"Mr. Blass always had an ongoing dialog with the consumer," said Benz. He hopes to continue this dialog through new channels like social media and video. The new Bill Blass brand will launch entirely through e-commerce in order to maintain this direct conversation with consumers. Benz said this strategy will democratize fashion and bring the Bill Blass brand to as many people as possible. "Mr. Blass would have been the first person on Twitter," he said.

BillBlass.com will launch on November 2, with five initial categories including ready-to-wear, fashion jewelry, handbags and shoes. The web site was built from the ground up and will feature progressive technology that will suggest products based on what consumers are browsing.

In order to convert social media fans to customers, Bill Blass will include products across multiple price points, all featuring the same design philosophy. "I want the accessibility of the collection to be one of the main goals," he said. While the launch will solely focus on e-commerce, Benz said he would like to offer a tangible experience at some point. "I do love the concept of a trunk show. Some sort of trunk show, caravan, Oregon Trail," he joked.

The conversation ended with Benz taking questions from the audience. He offered one key piece of advice for upcoming designers: the importance of working for someone else first before going out on their own. "I would've worked at J. Crew longer," Benz replied when asked what he would change about his own career path.

— **Melissa Pastore**

Contributing Writer, [Melissa.Pastore@swarovski.com](mailto:Melissa.Pastore@swarovski.com)

### Wednesday, July 29

Just Work It

Activewear:

Out of the Gym and Into the Boardroom

A Frontliner panel discussion focusing on how the activewear trend is impacting the apparel industry

Trimlab, 252 West 37th Street, 3rd Floor  
Reception: 5:30 p.m. – 6 p.m.  
Program: 6 p.m. – 7 p.m.

### Tuesday, August 4

Staying In Business: A Financial GPS

A Frontliner panel discussion focusing on finance  
Fashion Group Headquarters

8 West 40th Street, 7th Floor  
Reception: 5:30 p.m. – 6 p.m.  
Program: 6 p.m. – 7 p.m.

### Tuesday, August 18

The New Gifting Experience

A Frontliner panel discussion focusing on what makes a gift special, personal and memorable

The Javits Center – Room 1A02-03  
Breakfast: 8:30 a.m. – 9 a.m.  
Program: 9 a.m. – 10 a.m.

For more information  
and to purchase tickets and/or tables  
Visit [www.fgi.org](http://www.fgi.org) or call 212.302.5511