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Uncompromising values necessary to attract big fans: Caudalie exec

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Caudalie Resveratrol

By SARAH JONES

NEW YORK – French skincare maker Caudalie went from the vision of two cofounders to the number one anti-aging cosmetic brand in France in just 20 years due to an uncompromising attitude toward product development, according to an executive from the brand at the Columbia Business School Retail & Luxury Goods Conference March 27.

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From its humble beginnings on a vineyard in Bordeaux, the brand has taken on larger competitors by focusing on homemade products with natural ingredients stemming from grapes that have medicinally proven results. While this route is more expensive and difficult, it has resulted in longterm fans who appreciate both its sustainability and efficacy.

"You need to have uncompromising values to attract big fans," said Carole Silverman, CEO for the Americas at **Caudalie**, New York.

"When you have ethics values, it doesn't attract regular customers, you attract big fans," she said. "They talk about the brand, and they become our ambassadors."

Grape idea

Caudalie began in 1995, following a meeting at the vineyards within Château Smith Haut Lafitte, owned by co-founder Mathilde Thomas' family. A professor told Ms. Thomas and her husband and co-founder Bertrand that the best part of the winemaking grapes—the seeds—were being wasted, since they contained anti-aging polyphenols.



Bertrand and Mathilde Thomas

That same professor, Joseph Vercauteren, along with Harvard researcher David Sinclair, have been instrumental in keeping Caudalie one step ahead of competitors, as it keeps its emphasis on medical-based development. The brand was the first to use polyphenols in skincare, and was also first to incorporate the resveratrol molecule and viniferine.

Choosing to use natural over synthetic ingredients is more difficult and costly. Compared to the typical 10 trials used for cosmetics, Caudalie performs 100.

Through its products, Caudalie has attracted organic fans, including Beyonce and Katy Perry, gaining the brand notable press when mentioned by stars such as these. Its non-celebrity fans also share their excitement and passion for the brand, such as a woman who made cream samples into a pair of earrings.



Caudalie

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Hollywood's Go-To Elixir Is Inspired By a Queen

There's just something about the word "elixir" that conjures up images of an old-time apothecary stocked with "tinctures," "salves" and amber-colored bottles filled with skin potions that hold the secret of youth.

HOLLYWOODREPORTER.COM | BY MELISSA MAGSAYSAY

Facebook post from Caudalie

Favoring nature in other ways has also attracted attention. Caudalie joined One Percent for the Planet, and now donates 1 percent of its sales to environmental organizations, and is the largest contributor in Europe.

Caudalie's first physical point of sale was a spa in Bordeaux, and the brand now has 10 across the globe. Here, consumers can get treatments also developed around the grape, such as a cabernet scrub.

In the last two years, the spa concept has expanded to mini-spas within storefronts, with two treatment rooms tucked in the back, so consumers can experience products and have guidance before making a purchase. One of these mini-spas is on New York's Bleecker Street, and future openings include Washington, D.C. and Miami.



Caudalie spa

What began as a test for unused space in one location has grown to an overall brand retail strategy, enabling it to share its spa heritage. They were unsure if consumers would be interested, but in the first space, the treatment room was completely booked and sales jumped 50 percent.

The brand has particularly caught on in Asia, where it is fourth in sales in Sephora within China. Ms. Silverman attributes its success in the market to Chinese consumers' curiosity for emerging brands in the French and Chinese markets, as well as their sensitivity to ingredients.

However, the CEO said a brand has to be "courageous" to enter the Chinese market, since duties and regulations make selling difficult.



Carole Silverman speaking at Columbia Business School's Retail & Luxury Goods Conference

At each step of international expansion, the company waited until it was settled in the previous and it had the resources and understanding necessary to move forward. For instance, before coming to the United States, Caudalie set up in Canada, which is in the Americas but has a culture more similar to those of the previously entered European nations.

Next up is probably travel retail in Miami, Los Angeles or Vancouver to reach Russian, Brazilian and Asian tourists.

As Caudalie became an international brand, it made adjustments along the way. One of the most important interactions it has with consumers is online, so it relaunched its Web site and works on improving the navigation constantly, hoping to provide a content-infused experience for its consumers.

Family affair

Like Sephora for Caudalie, other brands have found it helpful to have a knowledgeable partner when entering new markets.

When strategizing for international retail expansion, sometimes the best plan is to find the right local partner who can tackle the policies and logistical hurdles, according to

panelists at NRF Retail's Big Show 2015 on Jan. 12.

In "To Boldly Go...Where Exactly?" the panel agreed that mature and emerging markets offer both unique challenges and opportunities. Navigating uncharted territory with a collaborator is easier than going it alone with direct operated stores ([see story](#)).

Ms. Silverman's previous employer Hermès also centered its business on family values.

The CEO of luxury powerhouse Hermès of Paris Inc. said at the American Express Publishing Luxury Summit 2013 that the brand's feud with LVMH Moët Hennessy Louis Vuitton has only empowered its seven-generation family to keep hold of more than 50 percent of their shares.

Hermès' strategy will never be to cut short the time it takes to produce an item – such as 20 hours to make a Birkin bag – but to deliver an authentic message to savvy consumers ([see story](#)).

Maintaining a family-owned appeal while growing a business is dependent on personnel.

"We want to stay small but we are growing fast," Ms. Silverman said. "I think it starts with the people you hire, it starts with the passion that you have. So we make sure that we recruit those people, because you can teach the skills, but you cannot teach the culture, the culture is in you.

"When we interview, we spend lots of times in looking at the culture of this person," she said. "She might be super smart, but if she doesn't have the culture, we know it's not going to work.

"And this is how we are going to maintain the integrity of that spirit that we want to cultivate."

Final Take

Sarah Jones, staff reporter on Luxury Daily, New York

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