

COMMERCE

Este Lauder targets new youth with South Korean partnership

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THE LABEL



Dr. Jart+ Pink French Clay

By FORREST CARDAMENIS

Beauty marketer Este Lauder Cos. is strengthening its presence in South Korea by purchasing an interest in Have & Be Co. Ltd.

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The deal is expected to close sometime in December and the terms have not been disclosed but will bring Este Lauder closer to skincare brands Dr. Jart+ and Do The Right Thing. The purchase helps the company increase its presence in Asia and capitalize on a growing South Korean beauty wave ahead of a potential global flourish.

"I think that many companies, not just Este Lauder can benefit from increased presence in South Korea and other foreign markets," said Rania Sedhom, managing partner at [Sedhom & Mayhew](#), Pllc., New York.

"Several well-known retailers such as Sephora, Nordstrom, Target and Amazon are benefiting from the sale of South Korean and other foreign brands," she said. "Since the sale of those products have grown in popularity, it makes sense to enter the market directly by staking a claim of sorts."

Ms. Sedhom is not affiliated with Este Lauder, but agreed to comment as an industry expert.

Este Lauder declined to comment directly.

Across the sea

Dr. Jart+, an abbreviation of "Doctor Joins Art," was launched by ChinWook Lee in 2005. As the name suggests, the brand combines science and art to create innovative skincare products, with the coalescing of science and art appealing particularly to younger consumers.

Do The Right Thing, better known as DTRT, is focused on men's skincare products. Mr. Lee also founded DTRT, in 2012.



Dr. Jart+ Original BB image Sephora ecommerce site

Both brands already have presence in the United States, most notably in LVMH-owned Sephora.

Skincare, cosmetics and beauty products are especially popular among South Korean audiences, and the country is seen as a trendsetter in the industry. Thanks to its new partners, Este Lauder has an opportunity to be associated with that trendsetting.

"We are thrilled to announce our partnership with Dr. Jart+," said Fabrizio Freda, president and CEO of The Este Lauder Companies Inc. in a statement. "This investment gives our company a strategic opportunity to develop a partnership with one of South Korea's most promising high-growth skin care brands."



Dianna Argon in Dr. Jart+ promotional image

"ChinWook Lee and his team have built a successful and exciting brand that is at the forefront of the rapidly expanding South Korean beauty wave," he said. "We are pleased to partner with Mr. Lee and we look forward to building long-term, strategic relationship with the entire Dr. Jart+ team."

Mr. Lee will continue to oversee all day-to-day operations, but Este Lauder Cos. will support Dr. Jart+ with brand building and related advice.

The youth focus of Have & Be and its high growth make it a particularly good match for Este Lauder, as establishing a connection with young, global consumers can set a brand up for success well into the future.

"Dr. Jart+ is highly praised on YouTube," Ms. Sedhom said. "The makeup artists and their followers tend to be on the younger side and as the artists tell their viewers about the marriage of Este Lauder and Have & Be, it will surely attract younger audiences."

Partnering with an established South Korean presence is one way to work around and assuage localization difficulties related to global commerce.

Global heterogeneity presents many obstacles for brands looking to maximize their share through localization efforts, according to a recent report from L2.



Dr. Jart+ Dermaclear Micro Water

The share of ecommerce sales in the luxury industry has tripled since 2009 and is set to triple again by 2025, but obstacles such as currency, language, selection and payment method may make it difficult for brands to expand and capitalize on their reach. As social media, the Web and the development of BRIC and Asian nations, as well as Sub-Saharan Africa in the future, give brands more visibility, it is essential that they monetize global consumers ([see story](#)).

Youth market

Many Este Lauder Cos. brands are known for an ability to connect with youth.

For example, last month the flagship Este Lauder brand showcased the lasting effects of its new Double Wear Makeup To Go Liquid Compact with a campaign that paints the product as the life of the party.

"Party Zombies" is a humorous short film that centers on model Kendall Jenner's antisocial house party that could use a boost. This effort from Este Lauder continues the brand's outreach to the millennial generation by making a relatable statement about the dependency on and connection to mobile devices ([see story](#)).

Partnering with Ms. Jenner is an ongoing strategy to appeal to a younger market.

In January, Este Lauder showed how its latest product multitasks with a campaign fronted by the model.

Este Lauder's Little Black Primer is described as a "lash multi-tasker" that can be worn alone or with a preferred mascara to boost effects. Ms. Jenner was selected by the beauty brand as its ambassador in November to align Este Lauder's namesake products with a younger consumer sect, likely enamored by the model's notoriety ([see story](#)).

"By owning a portion of the South Korean brands, it brings Este Lauder Cos. not only market share for those seeking to buy South Korean products, it also (re)introduces [its brands] to that market," Ms. Sedhom said. "Este Lauder Cos. should benefit greatly, and improve its sales abroad."

Final Take

Forrest Cardamenis, editorial assistant on Luxury Daily, New York

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