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COMMERCE

By Kilian joins Este Lauder Companies to grow business

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Model posing with By Kilian's In the Garden of Good and Evil fragrance clutch

By STAFF REPORTS

The Este Lauder Companies is adding to its fragrance portfolio with the acquisition of By Kilian.



The young prestige perfume house was founded in 2007 by Kilian Hennessy, the grandson of the co-founder of the LVMH group, and now sells its fragrances, candles and accessories in more than 40 countries. Este Lauder Cos. has been scooping up boutique fragrance brands over the past couple of years as it focuses on being a leader in "ultra-luxury" perfume.

Fulfilling a niche

Este Lauder has a history of taking smaller brands and using its distribution channels to make them larger players in the beauty industry. The company's eponymous founder started her makeup brand from her kitchen, eventually turning it into a beauty empire.

By Kilian currently sells at its direct-operated stores, via its ecommerce site and through retailer partners such as Saks Fifth Avenue, Harrods and Bergdorf Goodman. The brand's fragrances are designed to tell a story through scent, with elements of the packaging intended to be kept as keepsakes.



By Kilian boutique on Rue Cambon in Paris

For instance, the brand recently expanded its product offerings to include a range of home decor accessories.

The collection combines fine fragrance with interior decor and elegant designs that "give physical form to the four

private olfactory worlds" to offer discerning consumers an alternative way to scent their homes. Entering into home decor and scenting personal living spaces is a natural transition for a fragrance brand aiming to up the role it plays in a consumer's life (see story).



By Kilian home collection

By Kilian will be added to the portfolio of executive group president John Demsey, who also oversees Tom Ford Beauty, Le Labo, Jo Malone London and Frdric Malle.

"I could not imagine a better home for my brand," said By Kilian founder and CEO Mr. Hennessy in a statement. "The Este Lauder Companies not only understands the philosophy behind By Kilian which is to bring perfumery back to the level of luxury that it enjoyed in the early 20th century but also has the resources and support to help By Kilian continue to strategically grow by category, region and distribution. The Company has an incredible track record of nurturing entrepreneurial brands, and I'm thrilled to be partnering with them."

In the span of one month in 2014, Este Lauder Cos. added Le Labo, Editions de Parfums Frdric Malle and luxury skincare label Rodin olio lusso. A Reuters report at that time said that the acquisition spree was to regain market share from the niche brands, which were becoming a bigger competition to groups such as Este Lauder and L'Oreal.

"By Kilian is a perfect complement to our portfolio of prestige fragrances," said Fabrizio Freda, president and CEO of The Este Lauder Companies Inc. "Kilian has built a beautiful and sumptuous brand that elevates the art of perfume creation with elegance and uncompromising luxury.

"This acquisition gives our company a strategic opportunity to continue to build upon our leadership in ultra-luxury fragrances," he said. "We are very excited to work closely with Kilian and the entire By Kilian team to continue building on the brand's terrific success."

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