

FRAGRANCE AND PERSONAL CARE

## Beauty begins retail strategy overhaul, moves toward standalone stores

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*Dior Makeup at 1 World Trade Center*

By JEN KING

Thanks to the success of the color cosmetics category, a number of luxury brands are beginning to update their beauty retail strategies to include standalone storefronts.

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After fragrances, fashion brand's color cosmetic lines have the highest market penetration and have proven a dynamic category, with a 6.5 percent growth value and total sales of \$56.590 million in 2015, according to Euromonitor ([see story](#)). With such explosive potential, brands have placed an emphasis on their beauty collections, whether it be dedicated social media accounts or increasingly, bricks-and-mortar boutiques carrying color cosmetics.

"The rise in standalone boutiques indicates there's untapped marketplace potential for brands to further their assortment breadth and footprint in the beauty and cosmetics segment," said Laura Sossong, manager at [Boston Retail Partners](#). "Standalone stores also enable beauty labels to increase brand awareness, rather than relying on space within department stores where they are in direct competition to their rivals and have limited brand exposure.

"This monobrand concept aims to breed customer loyalty for one specific beauty brand, instead of diversifying their purchases across several cosmetic labels," she said. "By isolating themselves from the offerings of their competitors, it guides the consumer to think of a brand as a one-stop shop for all their beauty needs. This model has worked well for M.A.C cosmetics."

Beauty bricks-and-mortar

New to the standalone beauty retail space is [Christian Dior](#). The French atelier has spent time amplifying its beauty offerings recently by selecting It-girl model Bella Hadid as the face of Dior Makeup, and through its launch of a dedicated Instagram account for all things related to the category.

On Nov. 11, the house opened its first Dior Makeup concept store, choosing New York's recently opened Westfield Mall at 1 World Trade Center as its home.



*Exterior of Dior Makeup's concept store*

The shopping center has received a lot of press due to its location, high-end approach and stand-out architecture ([see story](#)). Dior's presence at Westfield allows it to become part of the Downtown New York revitalization conversation, all while pushing a popular product segment.

Located on the shopping center's second floor and designed in Paris, the boutique marries modern elements such as digital content with product categories including lips, face and eyes as well as its fragrance collections. The content screened in the Dior Makeup storefront will link the brand's beauty offerings with its fashions, for a full backstage experience.

Peter Philips, Dior Makeup's creative and image director, worked to capture the backstage glamour feeling for the store's design. As a result, Dior Makeup features a Lip Studio where consumers can trial lip products and six Makeup Workstations.

At the Makeup Workstations, consumers can sit for backstage pro services such as lash and brow styling and beauty consultations.



*Interior of Dior Makeup's concept store*

Dior is not alone in establishing a dedicated space for its beauty and fragrance offerings.

In February 2015, French fashion house Chanel opened its first dedicated fragrance, beauty and sunglasses boutique within the United States.

Located in the Forum Shops at Caesars Las Vegas, Chanel's 800-square-foot store features a unique design concept, including a 12-foot long chandelier in the entrance and an illusion wall creating the iconic CC logo out of nail polish. This third Las Vegas outpost for the brand will help it reach an aspirational audience that is looking specifically for entry-level products, giving them a central location to shop a wider array of its cosmetic and eyewear lines ([see story](#)).

Given the experiential qualities of purchasing beauty products, many brands have gone beyond the traditional consultation, working to incorporate digital touchpoints to enhance the point of sale.

Britain's Burberry, for instance, operates a number of digitally enhanced retail locations for its beauty line, which was launched in 2013.

The brand debut its Burberry Beauty Box retail concept in London where it carries beauty, fragrance and accessories. The standalone storefront also offers consumers the ability to discover Burberry Beauty through both sales associate consultations and digital touchpoints, including mobile checkout and virtual try-on capabilities ([see story](#)).

"The ability to physically experiment with makeup is key to the process of purchasing cosmetics," BRP's Ms. Sossong said. "A physical storefront provides beauty retailers with a venue in which to provide consumer education and engagement with the product, which encourages consumers to become exclusively loyal to one brand.

"It also is an effective model to promote complementary products and inspire incremental purchases," she said.

Estée on its own

Beauty marketer [Estée Lauder](#) is also reevaluating its physical retail strategy with the opening of its first standalone shop.

Traditionally, Estée Lauder has taken a department store beauty counter approach, much like the aforementioned fashion labels, but given today's retail challenges, venturing out on its own may prove worthwhile for the brand.

Consumers in London can now shop Estée Lauder's Estée Edit, a beauty line geared toward millennials that blends heritage and modernity, in a bricks-and-mortar format found on Carnaby Street in Soho.



*Promotional image for Estée Lauder's Estée Edit collection*

"London is a travel corridor of the world so it made sense for us to open our first United Kingdom free-standing store here," said Stephanie Sherman, vice president, general manager at [Estée Lauder UK and Ireland](#).

At the Carnaby Street store, Estée Lauder will showcase a variety of bestselling products from its cosmetic and skincare lines, with Estée Edit taking center stage.

The Estée Edit boutique is a digital-first store, and much like the collection itself, keeps the consumer central through a digital and social brand experience.

Through the store, Estée Lauder has placed digital and social activation points such as user-generated content and a "selfie mirror." This in-store element allows consumers to take post-makeover selfies and then share or print on-site.



*Estée Lauder's Estée Edit standalone boutique in London*

Also, in-store Estée Editors and Estée Lauder UK makeup artist, Emma Tillman, will be on-hand to provide consumers with bespoke beauty services such as a Carnaby Street-inspired look, quick how-to services and color and skincare consultations.

"Estée Lauder is showing strong growth in the U.K. and Estée Edit has been a tremendous success since launching in the region earlier this year at Selfridges," Ms. Sherman said.

"Estée Edit is a digital first brand and as we are seeing in the industry, many such brands are now opening into bricks-and-mortar to meet consumer demand for unique and interactive in-store brand experiences," she said. "With these things in mind, this feels like the right moment."

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