

COLUMNS

New vulnerabilities for luxury beauty brands

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Big luxury beauty brands risk losing power, influence and desirability in mature Western markets.

Despite a solid reputation, proven expertise sometimes for more than a century, such as Elizabeth Arden, Shiseido and Guerlain and huge advertising expenses, they are facing multiple issues that weaken their brand power at the heart of their signified ("the meaning" opposed to "signifier," the graphics).

Originally, the brand power/desirability draws most of its legitimacy from a kind of 3D "signified":

A transactional guarantee of a high-quality level and unique style

A relational promise that provides customers with a sense of belonging to an elite or a special community

And last, but not least, since we actually talk about luxury brands' essence, a strong emotional benefit that goes from outstanding sensorial or human experience to unexpected social, cultural or artistic input.

And it seems that this power/signified is more distrusted and devalued in the past years. Here are reasons why:

Brands are not transparent enough

"Beautystas" from all over the world are ever more sensitive to ingredients' origins and products' manufacturing conditions such as respect for human rights, sustainability credentials and cleanliness of the production process.

Beyond the brand reputation, beauty products consumers search for the INCI list which is not always available in the online store and assess the ingredients' quality as well as the Made In information, when available, and pay attention to the local legislation and control.

Brands are lying

Animal welfare nonprofit PETA U.S. research concluded that at least the following nine companies/brands Benefit, Bliss, Este Lauder, Clinique, Dior, Caudalie, Gucci fragrances, Clarins and Revlon may be breaking United Kingdom and European Union regulations by selling cosmetics in the U.K. that rely on safety data taken from animal tests carried out in China (*Cosmetics Business News*, Lucy Tandon Copp, Mar 30, 2017).

UFC Que Choisir French watchdog recently alleged that perfumes by Guerlain, Hugo Boss and Kenzo, make-up by Dior, and Chanel and Nuxe's prodigious oil contain banned substances.

The Soil Association suspects Boots, Rituals or Korres of greenwashing policy (*Cosmetics Business News*, Lucy Tandon Copp, April 25, 2017).

Big brands are not the only choice

More women are turning or switching to do-it-yourself products to control the merchandise's quality and make sure it is truly personalized and adapted to their needs. Examples are Loli in the United States and Aroma Zone in France.

Numerous "indie" brands quickly caught up with the eco-trend and sustainability issues and supply the market with clean yet desirable formulas and packagings, including U.S. brands Rahua, Tata Harper and Realher, Sweden's Estelle&Thild and France's Patyka.

Perspectives

How can luxury beauty brands reconnect with strong brand power, restore confidence and appeal to the demanding younger demographics?

Some luxury marketers chose to buy the "indie" ones to enrich their portfolio and meet the new expectations. Others fall back on labels or certifications to reassure customers.

But because luxury is a matter of being and well-being not only a matter of having and because they should be in advance, serving as examples while delivering more aspirational emotional benefit, there is another way to strengthen the "signified" of luxury: a kind of gold-and-green commitment, with, for instance, following kind of actions:

To manufacture with no waste: less packaging, less water, less chemicals, natural dyes

To recycle materials: organic packagings (see edible wrappers), re-usable bottles, refills

To respect human rights and employees' protection

To use natural, organic or vegan, yet highly effective, ingredients

To ban any possibly hazardous ingredient

To favor local resources and integration

THE GOOD NEWS is that brands are listening. Guerlain, as well as Dior's Hydra Life line, which is free of unnecessary ingredients and sold in eco-design packaging, can be inspiring leaders in this area.

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