

FRAGRANCE AND PERSONAL CARE

Tech to do heavy lifting in beauty business: Tev Finger

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Tev Finger is founder and president/CEO of Luxury Brand Partners. Photo copyright 2006 Phoebe Cheong

By MICKEY ALAM KHAN

Tev Finger is founder and president/CEO of [Luxury Brand Partners](#), a holding company that specializes in launching, acquiring and nurturing prestige- and artist-led beauty brands such as [IGk](#), [V76](#), [Smith & Cult](#) and [R+Co](#).

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Not surprisingly, divesting is a key part of the plot. Luxury Brand Partners recently disclosed that beauty giant L'Oreal bought Pulp Riot. This deal comes on the heels of a few other brand sales: Bumble and bumble and Becca to Este Lauder Cos. and, in December, Oribe, a luxury hair care brand, to Kao Corp.

Miami, FL-based Mr. Finger started out in the darkroom at bumble and bumble in 1992, eventually becoming executive vice president and finally sold the brand to Este Lauder Cos. in 2006. Mr. Finger also owned Becca and sold the brand again to Este Lauder Cos. for \$250 million in 2016.

"Our sales are solid and most conglomerates need sales to justify the buy, but we also try and create brands that are ahead of the curve and that are cult-like to consumers," Mr. Finger said.

Along with former bumble and bumble coworker, Dan Langer, now chief marketing officer of Luxury Brand Partners, Mr. Finger saw a void in the market and launched Oribe Hair Care from the ground-up, turning it into a luxury hair care label.

Such growth and divestitures came rapidly. Luxury Brand Partners was founded only four years ago, and has since gone on to launch several beauty brands.

The holding company's products have a presence in 23 countries across North America, Europe, Australia and Asia, building a multi-million-dollar business.

Through their relationships within the haircare and beauty business, Messrs. Finger and Langer acquire trendy brands and work with the founders such as James Pecis of Oribe, Garren/Howard McLaren/Tom Priano of R+Co, and Dina Mohajer of Smith & Cult.

Here is an interview with Mr. Finger on the state of the beauty market, industry trends, role of bricks-and-mortar retail,

AI, applications and robots, what consumers want, sustainability in cosmetics, and what it takes to launch a new beauty brand in this market.

What's the state of the beauty market, especially on the luxury end?

I believe the beauty market is at an interesting crossroads where technology is changing so fast and forcing companies to adapt in order to thrive and survive, but at the same time many of the principles of the past still apply.

People may want their product free-shipped within 24 to 48 hours, but they still want an experience and story with their product and this can get lost if one relies solely on technology.

How has the market evolved in the past couple of years?

I see some huge technological shifts that are about to hit, which again will change the game.

Those shifts will be using blockchain as a foundation to verify all transactions and information and create a true digital asset highway, but more importantly through the lens of DAPPS [decentralized applications] that will make the user interface seamless.

I don't see a world where the average person is programming an ethereum coin via writing code, but I do see a world where apps do all that behind the scenes and the front face is very simplistic and easy it's a win for all.

The even bigger shift will come when you add AI [artificial intelligence] to mine all this factual information and do some of the heavy lifting. This will be a marketer's dream and we will know how and who to sell to.

Information will be anticipated and, therefore, the shopping and buying experience will be changed yet again.

Now the final frontier, and there is no doubt we are headed here, is adding robots and robotics to the mix.

I see a world where will be life like robots at Sephoras and Walmarts walking around being able to answer any question with precise perfection and take the order right there on the spot.

Eventually there will be robots that apply makeup and cut hair all this is in the cards. But it all builds and layers on top of each technological gate we pass.

Look at Instagram handle lilmiquela. She has 1.2 million followers and is AI and not a real person. She mimics what everyone is doing and soon she will sell stuff like a T-shirt. This is all so exciting!

What do buyers of beauty products want from their purchases?

They want more than ever before. They want fair price, not to be taken advantage of. They want an amazing experience and they want the product to be good for them good, for the planet and still outperform products from the past. Their demands are very high. The highest they have ever been.

What role does bricks-and-mortar retail play in beauty sales?

As long as the brick and mortar aligns themselves with a heavy social/Web site/mobile/perk programs and digital play, then I think it's a actually a really big advantage to have brick and mortar.

The real question is how much and what are the right amount of stores versus online play. It's a powerful one-two punch.

Like all other industry sectors, is cosmetics and beauty shopping and transactions moving online and on mobile? Yes, no question more and more. But there are still places you will need to go.

For example, you can't cut your hair or color your hair online. There will always be a subsection of woman that want to touch feel and speak to a makeup artist before making a purchase, so the marriage of those two things together is very potent.

Your company, Luxury Brand Partners, is like a holding company with characteristics of an incubator for beauty brands. What is your secret sauce?

We hire entrepreneurs, we look for artists that have passion as well as a business head.

We are fearless to go against the grain and run into the fire if we think the data or strategy makes sense.

We have lots of fun. This is so important to manage the stress.

Can you elaborate on some of your launches and exits and what made them attractive?

Ultimately, our sales are solid and most conglomerates need sales to justify the buy, but we also try and create brands that are ahead of the curve and that are cult-like to consumers, like Bumble and bumble, Oribe, Smith and Cult and Becca Cosmetics.

All of these brands were cultish and exciting to consumers.

What does it take to launch a new beauty brand in today's market?

First, a lot of money \$6 million to \$12 million

Second, amazing talent as well as a digital team.

Third, the story needs a hook this always helps in resonating with customers

Ethical sourcing and sustainability have become key to wooing beauty, skincare and personal care consumers. Are your brands in line with these trends?

We focused most of our intention on the health aspect and the ingredients, so being gluten-free vegan, no sulfate, no parabens no ingredients that are bad for you, but with ultra-focus on superior performance.

Our hair brand R+Co is an amazing example of this. It's so forward thinking, millennial friendly, amazing performance and very clean as far as the ingredients story.

One area we are really starting to look deeper into now is sustainability and how this is ever evolving.

What have you learned operating in the beauty market all your working life?

I have learned that you have to take risks and try go the road less travelled to really find success.

No one needs another product, but if you give them a real reason and tie it into an emotion as well as an amazing product experience, then you should find success, whether you're brick and mortar or not.

The other thing I have learned is that great people make great brands. Surround yourself around with the best.