

FRAGRANCE AND PERSONAL CARE

Shiseido strengthens portfolio with acquisition of clean beauty leader

October 8, 2019



Shiseido is buying American skincare brand Drunk Elephant. Image credit: Drunk Elephant

By STAFF REPORTS

Japanese beauty group Shiseido is acquiring skincare company Drunk Elephant as it works to connect with younger consumers who are intrigued by clean beauty products.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

With the addition of Drunk Elephant, which was founded in 2012 and has since experienced exponential growth, Shiseido is strengthening its global portfolio. The transaction is expected to be completed by the end of the year and is valued at \$845 million, reports [Bloomberg](#).

"We are thrilled to announce the acquisition of Drunk Elephant, one of the fastest-growing prestige skincare brands in history," said Masahiko Uotani, president/CEO of Shiseido, in a statement. "This transaction is squarely aligned with Shiseido's Vision 2020 goal of accelerating growth and creating value through strategic partnerships."

"Drunk Elephant's approach strongly resonates with its highly engaged and loyal consumers, who value the integrity and effectiveness of Drunk Elephant's formulations combined with a fun, curious approach," he said.

Drunk Elephant

Drunk Elephant has a dedicated following, particularly among millennial and Generation Z consumers. The brand is expected to surpass \$100 million in sales in 2019.

The label has positioned itself as "solutions-oriented skincare" and its products are free of the so-called "Suspicious Six": essential oils, drying alcohols, chemical sunscreens, SLS, silicones and fragrance and dyes.

Drunk Elephant's prestige products include Protini Polypeptide Cream at \$68; C Firma Day Serum, priced at \$80; and T.L.C. Framboos Glycolic Night Serum, starting at \$90.

"To join with a powerhouse beauty company such as Shiseido that leads the industry in innovation and global excellence is a dream come true for me and for Drunk Elephant," said Tiffany Masterson, founding partner/chief creative officer at Drunk Elephant, in a statement. "We share similar values, most importantly an unwavering commitment to the consumer."

"I chose a partner who will let the brand continue to be itself, with the same formulations and the same team," she said.

[View this post on Instagram](#)

Sosome great news! I've decided to partner with Shiseido. I couldn't be more excited that we've found someone who respects my vision and the brand identity and is willing to let us stay who we are. Shiseido is a really beautiful company with a beautiful culture. I know what you're wondering because I am a consumer and I always think/wonder the same things when brands I love are acquired. I want to reassure you. The formulations won't be changing. I'll remain in my same role. My same incredible and lovable entire team will stay with me. If it wasn't announced, you wouldn't be able to tell the difference; that's our main goal. Our prices will not be increased. And, we'll remain cruelty-free. I wouldn't have signed on for this unless both parties could agree. Fortunately, we wanted the same things; we share like values. I feel so honored to join this global powerhouse. The best part in my opinion is that we'll be able to act more quickly to accomplish a few things that you all have told us are very important to you and are also important to us: 1. Attain sustainability across the brand. 2. Get to the markets who have been requesting the products. 3. Share our philosophy in a louder way, spreading awareness so that we can hopefully help more people reconnect with their skin all over the world. 4. Ignite our anti-bullying campaign on a bigger stage. We are feeling excited and positive and a little overwhelmed (in a great way)! As always feel free to ask any questions you may have or share any concerns. Finally, we'd like to celebrate by sending out a cozy token of our gratitude to some of our followers. This community has been the most loving, kind, supportive, inquisitive and lovely community I could ever have dreamt of and I will be forever grateful! Please share below something you've loved about Drunk Elephant, and that you agree should never change! We'll choose 100 and notify you on the DM. With love and gratitude TM

Drunk Elephant announced the move on Instagram

Drunk Elephant will be joining Shiseido's extensive roster, which includes luxury and prestige brands such as Cl de Peau Beaut, Nars and Bare Minerals.

The partnership is reflective of the evolving world of luxury cosmetics, as younger consumers continue to influence other generations' purchasing behavior.

According to panelists participating in *Luxury Daily's* fragrance and beauty webinar, this has led to more consumers looking to beauty and skincare rituals as ways to promote health, even purchasing products or favoring ingredients that support wellness for themselves or the environment.

The beauty sector is also being disrupted by upstart brands, such as Drunk Elephant. At the time, the panelists expressed wariness about the longevity of some brands and predicted acquisitions in the future ([see story](#)).

Shiseido's acquisition of Drunk Elephant could be a harbinger of the future of the sector.

"Drunk Elephant is changing the way people understand and experience beauty by offering products that are effective and clean compatible," said Marc Rey, CEO of Shiseido Americas and chief growth officer of Shiseido, in a statement. "Our innovative and people-first cultures are well aligned, and we share an unwavering commitment to our consumers."

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.