

APPAREL AND ACCESSORIES

Can beauty save lingerie brand La Perla?

July 1, 2021



Italian luxury lingerie brand La Perla launched a perfume collection with beauty to follow. But will it help the brand gain young Chinese consumers? Image credit: La Perla

By [Lisa Nan](#)

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Often nicknamed the Herms of lingerie, La Perla is now launching a "couture" perfume collection in-house. It features eight fragrances valued at \$350 with scents ranging from roses to fruity mandarin. Body care and make-up products will follow later this year.

In 2020, the underwear label ended a previous fragrance and beauty licensing agreement with Revlon to integrate the beauty business vertically by inaugurating its beauty subsidiary: [La Perla Beauty](#). But with the lingerie business booming, why is the Italian leader doing this initiative on its own?

"The market is looking for something new and innovative," said Peter Shaefer, CEO of La Perla Beauty. "Also, it reflects a major shift within the mother brand itself, as it becomes more contemporary and [reaches] out to a greater audience."

Indeed, these wellness and beauty categories now offer access to a much wider target, which it can directly control.

The pandemic has forced brands to rethink their strategies, and even before it hit, La Perla was in trouble.

In 2018, it recorded \$110 million in losses, and it kept trending downward. 2020 saw a 22.8 percent revenue decline for the brand, dropping from \$103 million to \$80 million.

Despite these losses, La Perla has seen a bright spot in China. It plans to open 30 stores in key cities by 2023 and boost its ecommerce there. Will the addition of a beauty line drive the Italian lingerie brand's growth in China? Here, *Jing Daily* looks at the domestic market landscape and consumer trends to find the answer.

Is it easy to expand in the beauty sector?

Why beauty? The answer is simple. The global cosmetics market is anticipated to garner \$475.8 billion between 2020 and 2027 a big jump from \$375.5 billion in 2019. And China currently accounts for one-fifth of those total market sales.

As such, numerous brands are eyeing this lucrative sector, from luxury [maison Valentino](#) to fast-fashion retailer

Zara, both of which launched beauty lines this year.

An expansion into beauty is an obvious pathway, as it complements main lines and amplifies a lifestyle around a name, allowing fans to enjoy the brand's identity across more product categories. Therefore, labels must reflect their DNA and positioning within these new beauty collections.

And though China's beauty sector has seen huge growth and should keep growing over the next five years, "Western brands may face strong competition from local cosmetic labels and J-beauty or **K-beauty brands**," said Amber Wu, senior strategist at the digital agency VERB.

In fact, Chinese or Asian beauty labels are better tailored to suit local needs, adapt faster to consumer shifts, and usually offer better prices.

Ms. Wu says if La Perla wants to enter the sector, it must consider its "unique selling proposition in the market."

In the case of La Perla, the high craftsmanship of the perfume bottles, seductive name of the fragrances and the price points all perfectly align with the luxury lingerie brand's feminine and sexual image. But will the move work?

While the branding is authentic, without a strong differentiation point, it could struggle to stand out.

Additionally, a significant marketing expenditure will be required to gain shares in the sector if new consumers are its target. Given that, without a differentiator, it will not be easy to expand from high-end underwear.

Will beauty help La Perla unlock Gen Z consumers?

Cosmetics offers young consumers a perfect entry price point for familiarizing themselves with a brand, hopefully becoming more significant buyers in the future.

However, that may not be the case with La Perla, which, with an haute couture perfume line priced at \$350 for a 120ml bottle, is hardly within the average Gen Z budget.

Although the fragrance reflects its luxury positioning, other competitors provide better offerings. **Hermès' Twilly perfume** only costs one-third of La Perla's price (\$125 for 85ml), suggesting the brand might struggle to reach its desired broader audience.

But price point is not the Italian intimates brand's only barrier to China's young consumers.

The fragrance names About That Night and Just Give Me Roses reflect a mature and sensual woman, sparking less excitement among Gen Zers who prefer brands that reflect their ethos of inclusivity and sustainability.



A full-sized bottle of La Perla's Just Give Me Roses retails for \$352 and comes with a complimentary vial. Image credit: La Perla

When it comes to China, young women are looking for products that please them first and foremost.

Domestic player **Neiwai** is winning with body positivity campaigns. As such, even the traditionally sexist brand Victoria's Secret has revised its image by appointing **inclusive and diverse ambassadors**, including **plus size icon Yang Tian Zhen**.

If La Perla wants to attract Gen Zers in China and globally, the cosmetic line needs to be a springboard for experimentation with new strategies, including innovative and inclusive marketing tactics that resonate with young consumers. That could, for instance, take the form of product placements in a popular TV series that portrays empowered women, as brands have done in the popular Chinese show "**Nothing but Thirty O.**"

Strategies lingerie brands should consider in the China market

The **Chinese underwear market is booming**. The iiMedia Research Group reported that this sector was valued at **\$61 billion** in 2020 and should accelerate, offering global lingerie players a great opportunity.

Yet, the same report stated that 42.8 percent of local underwear consumers opted for affordable domestic brands, while 30.6 percent of consumers preferred to buy local high-end labels. Consumers of overseas high-end lingerie brands only accounted for 4.1 percent of all buyers.

That means La Perla's underwear market share in China is limited, which is why it wants to move into beauty. Until buyers become more sophisticated, companies need to appreciate that local consumers prefer domestic brands conceived for Asian women, especially when it comes to sizing.

"In China, there is a rising trend for comfortability and simplicity," Ms. Wu said.

The aforementioned iiMedia research found that 76.6 percent of consumers in China preferred non-wire bras. There, "comfort" prevails over "sexy" for most underwear buyers.

Given that, La Perla should double down on a working lingerie strategy for China rather than expect a beauty pivot to solve its problems. This move could include promoting content that focuses on the brand's superior fabric quality and the comfort of its piece.

Plus, if La Perla wants to attract young Chinese consumers through its beauty line, its price positioning and identity could suffer.

To win Chinese Gen Z pockets, the Italian company will have to incorporate local values and leverage Chinese trends to gain favor.

Ecommerce is also a key driver for the lingerie sector.

Data from Tmall and JD.com reveals that nearly 73.5 percent of China's online buyers are between 20 and 39 years old.

Therefore, if companies like La Perla want to create an omnichannel experience, offering more online touch points from **Tmall** to WeChat Mini Program will help them exponentially.

Regardless of the product, to attract a younger demographic, Wu suggests that brands should "collaborate with the right KOLs on **Little Red Book** and other relevant social media" and "explore co-branding opportunities, for instance, with artists or relevant brands." Some tactics include using Gen Z-favored KOLs, allocating product placement in C- and K-dramas, and creating engaging localized content or unique experiences.

But to stay relevant in the market, global labels must adapt their products globally, whether it is beauty or lingerie.

Additionally, businesses can respond to the needs of Chinese consumers with the prudent use of color and design.

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