

STRATEGY

Liz Claiborne builds export

US company Liz Claiborne Cosmetics is hoping to build its international business to reach 30% of sales within two to three years, according to vice president of sales Debbie Nuzzo. This compares with an average of 10% and 15% currently, she tells *CosmeticNews*. The company, which until recently was largely absent from international markets, is currently rolling out its products in Russia, Singapore, Thailand, Indonesia and Malaysia, she adds. Recent launches Juicy Couture and Usher are particularly important to this internationalization strategy.

Coty goes country with new celebrity license

US beauty company Coty Inc is adding another celebrity brand to its portfolio. The company has signed a license with American country musician Tim McGraw to develop and market his signature fragrance which "will capture his rugged, stylish demeanor", Coty said in a statement. The scent will launch in summer 2008 and will be available in major retailers across North America. "Tim McGraw embodies the true meaning of a man's man and, to consumers, he exemplifies attainable luxury," mass-market division Coty Beauty senior vice president of global marketing Steve Mormoris said.

Sophyto to start up on QVC

US-based organic skincare startup Sophyto is focusing its efforts on UK distribution as a first step towards global rollout, business development director Paul Drake tells *CosmeticNews*. "We will have a dedicated Sophyto show starting on [home-shopping station] QVC UK in January," Drake says. "We need a forum to tell the brand's story." The 11-sku skincare line is certified organic by UK body the Soil Association. While it is designed with beauty salons and dermatologists in mind, Drake tells *CosmeticNews* that the company is looking for multi-channel distribution worldwide, and targets 100 points-of-sale within a year of the January launch.

NORTH AMERICA

A good year for US prestige

The US prestige beauty market is expected to see growth across all product categories in 2007, US market research firm NPD senior beauty industry analyst Karen Grant tells *CosmeticNews*. Broken down by segment, "fragrance sales, which were in decline last year [down 2% to \$2.9bn] are expected to be flat or to grow 1%. New launches in that category should create excitement," Grant says, basing her estimations on preliminary figures. The

makeup category, which took over as the top category last year (up 3% to \$3.1bn), is making up the largest dollar share of the prestige beauty industry, and is expected to see 4% growth this year, the strongest performance of all categories. The skincare segment is expected to grow 3-4% (compared with +1% to \$2.2bn in 2006).

Lierac to expand in the US

Skincare brand Lierac, part for French beauty manufacturer Alès Groupe, will roll out to 62 new drugstore doors in the US next spring, including 46

Interview

Kai Boris Bendix *Nivea India, managing director*

A dual strategy for Nivea in India

Nivea India, a wholly owned subsidiary of Beiersdorf AG, actively entered the Indian market in 2007 with plans to manage modern trade and reposition the brand. However JL Morrison (India) Ltd still remains Nivea's distribution and manufacturing partner. Nivea India managing director Kai Boris Bendix explains this dual strategy to *CosmeticNews*.

How has the management of the Indian market been divided between JL Morrison India and Nivea India?

JL Morrison used to be the sole distribution partner for Beiersdorf [in India]. After a new board took charge at Beiersdorf in 2004, it felt that not enough attention was being given to India. Earlier the focus was on Eastern Europe and other countries, then Thailand and China. The new board felt that the focus should shift to India along with the other BRIC countries. So in 2007, we [created] Nivea India and decided it would deal with modern trade while JL Morrison would take care of traditional markets. The reason is that we do modern trade all over the world and we have a lot of expertise in this sector. JL Morrison will also continue to produce Nivea Cream, Nivea Soft and certain body products.

Do you not feel it is too late to enter Indian markets as Olay and more premium skincare brands like Clinique have just launched as well?

I think it is the best time. We are late but not too late. The industry is like a pie chart with the cake growing. This gives tremendous chances to everybody including newcomers like Olay, Yardley, etc. Of course everyone won't be a winner but we have a lot of confidence in our brand. We would like to have a 5% market share within our relevant market – the facial care market – by 2010.

Can you tell us about your first India-exclusive advertising campaign which was launched in September?

Yes, it is a brand new campaign – it is only in India and for India. The first advertising campaign we did here was an international campaign in which we had some scenes from India. Our aim now is to have a mix of international campaigns and those that are custom-made for India. We don't want to sell our consumers the idea that we sell magic potions. We want to show them what to aspire to and increase the aspirational levels without making ridiculous claims. **MS**