

Sally Hansen Returns to Cosmetics

NEW YORK — Sally Hansen is going the natural route and bringing a friend.

Rather than just introduce a natural collection of cosmetics, Del Cosmetics partnered with Carmindy, the resident makeup artist on TLC's "What Not to Wear." Carmindy is known for her knack for highlighting women's natural assets. Natural Beauty marks Sally Hansen's second stab at color cosmetics — the brand launched the now defunct Healing Beauty line in 2003.

"Like everyone else, we felt it was the time to look at natural," said Harvey Alstodt, president of Del Cosmetics, which is now owned by Coty Inc. "We teamed up with the best manufacturers in cosmetics and used the top natural ingredients for this line and, in conversations with Carmindy, we found that our direction was like her bible...how she sees cosmetics and application."

"This is the collection of makeup that I always wanted to create," Carmindy said of Natural Beauty. "Finally, a natural line of makeup that enhances women's natural beauty."

The result was Sally Hansen Natural Beauty Inspired by Carmindy, which will be available in mass market stores this spring. Alstodt said it is a true collaborative effort. "She is not only a spokeswoman, but will use the items on 'What Not to Wear.' The line features easy-to-use cosmetics designed to enhance a woman's best features and to allow her natural beauty to shine through — much like Carmindy accomplishes on the show," he said.

Although the mass market is currently being inundated with lines with natural claims, the use of Carmindy and the quality of formulas sets Natural Beauty apart from the crowd, buyers said. "This line is department store quality developed by a makeup artist with the customer in mind. The goal with the line is to educate and assist consumers in the application and choice of makeup they use," said Sherry Saffert, divisional merchandise manager for beauty at CVS Pharmacy.

The 140 stockkeeping units are formulated with minerals, natural extracts and active botanicals like soy, bamboo, papaya and mango. The formulas also are 100 percent paraben-free. There are many double-duty items, including the Luminizing Face Primer, which is designed to smooth and refine skin texture while hiding pores and fine lines. The product is intended to be worn under makeup. The Comfort Care Lip Color features high-impact color teamed with moisturizing properties.

"This is a full color line with face, eye, lip, bronzer, mascaras and liners," noted Alstodt. "We also think it lends itself to multiple sales because the products work so well together." Prices range from \$7.95 for an eyeliner to \$12.95 for Truly Translucent Powder.

The company is asking retailers for 2 linear feet of space for Natural Beauty Inspired by Carmindy, preferably in the color cosmetics section near Neutrogena and other health-positioned beauty brands, versus the Sally Hansen nail care set. Buyers said shelves are tightly

packed as they reset departments for spring, but Natural Beauty offers a point of differentiation that they hope will pay off in return for the space invested.

Unlike other "green" brands flowing into the market, packaging for Natural Beauty is subtle in its natural message. Packaging colors are a soft green and pale gold. There is even glass used in select items — the only glass thought to be used in a mass beauty line.

When Sally Hansen rolled out Healing Beauty in 2003, retailers said the line was slow to take off, but that some sku's had a huge fan base. "It was ahead of its time...now we all talk about beauty with benefits. I think the company is better timed with Natural Beauty," one buyer said of the collection.

Sally Hansen has ambitious advertising plans for Natural Beauty, including the possibility of infomercials. Print advertising kicks off in April magazines. There is also an 800 number for more information featured on store displays and packages, which Alstodt said consumers can call in the store from cell phones while standing near the display for tips. There will be direct conversation capabilities on the Web site with Carmindy as well as styling videos.

Critical Mass By Faye Brookman

Select items from the upcoming Sally Hansen Natural Beauty line.



Bare Escentuals Battles Diversion to Mass Market

By Molly Prior

Bare Escentuals products have popped up at Target and Costco, two retailers that the mineral makeup company charges are unauthorized to sell its premium-priced wares.

During a quarterly earnings call with analysts on Feb. 26, Bare Escentuals Inc.'s chief executive officer Leslie Blodgett declared, "While we are pleased that we continue to make our products more accessible to our customers, with that increased distribution scale, unfortunately, comes the possibility that our products make their way to unauthorized sales channels." She continued, "Indeed, we have seen unauthorized Bare Escentuals products appear in Costco [Wholesale Corp.] and Target [Corp.] stores. To be clear, Bare Escentuals does not have a business relationship with either retailer and as such, we are aggressively pursuing our legal rights with respect to sale of Bare Escentuals products through unauthorized channels. At the same time, we are taking proactive steps to develop methods to better track our products through the supply chain and prevent future occurrences."

Bare Escentuals declined to comment further, said a company spokeswoman, due to ongoing litigation.

Last year, Bare Escentuals filed a lawsuit against Costco for alleged trademark infringement and unfair competition. The lawsuit — filed in federal court in California on Jan. 12, 2007 — states that Costco has sold products, naming the Starter Kit in particular, bearing the company's Bare Escentuals and Bare Minerals trademarks, and distributed printed materials and packaging, which Bare Escentuals did not furnish or authorize. The lawsuit also cites Costco's refusal to disclose the source of the products. According to

court filings, mandatory settlement meetings are slated for June. Costco could not be reached for comment by press time.

Bare Escentuals is attempting to settle the matter with Target's management before pursuing legal action, according to an industry source briefed on the situation. As of Thursday, Target was still selling Bare Escentuals' Beyond Basics kit for \$49.99 on its Web site.

In November, one of Target's vendors spotted Bare Escentuals products in the mass retailer's mock-up display. That same month, Bare Escentuals merchandise also was found in Costco doors, as well. The executive explained that

Costco's product programs generally run from one to three months.

Bare Escentuals' authorized retailers are Ulta, Sephora, J.C. Penney via in-store Sephora boutiques, QVC and Nordstrom and Macy's, where the company is found in select doors. Ulta underscored the prominent role that Bare Escentuals plays in its assortment — the company's kits are often placed near the retailer's entrance — by issuing the following statement: "Bare Escentuals is a strong and valued partner."

Bare Escentuals also sells its products in its company-owned boutiques and via infomercials. By the end of 2008, the company plans to expand its domestic distribution by about 40 percent to 780 doors. Additionally, Bare Escentuals is testing its wares in four U.K. department stores.

Bare Escentuals' success with mineral makeup has prompted a host of mass market brands to follow suit. Over the last several years, Neutrogena, L'Oréal Paris, Cover Girl, Maybelline, Almay and Revlon have entered the mix, broadening the mineral trend in the mass market carved out by Physicians Formula.

One of Bare Escentuals' latest product lines, RareMinerals night treatment.



ADDING UP BEAUTY

The Thymes Line To Launch in May At Dept. Stores

The Thymes is leaping into the prestige beauty market this spring with the launch of Beauty of Bathing, a new brand inspired by fragrance traditions and bathing rituals from around the world.

"We wanted to reinvent and modernize ancient bathing rituals for today's women and create something that's more high-end and luxurious," said Amy Backman, The Thymes marketing manager. "By creating a more exclusive line, we're raising the bar by creating a high-end bathing line."

The company wanted to make sure it was clear to consumers that both lines, The Thymes and Beauty of Bathing, were separate entities. Scheduled to make its debut in May, Beauty of Bathing will target specialty retailers and department stores, in addition to high-end specialty boutiques and apothecaries.

"This is a separate brand from the current Thymes brand," said Backman. "From the back-end, we use the same resources, lab and in-house perfumer, but it's totally different since it's a prestige brand."

Industry sources estimate that the collection will generate approximately \$2 million in sales by the end of its first year on the market.

As the first launch in the Beauty of Bathing series, the assortment is based on coco monoi, a blend of white gardenia, white tuberose, rose petal, osmanthus, Madagascar vanilla, tonka bean and warm agarwood.

Used in Polynesian ritual ceremonies, the fragrance was inspired by an ancient tradition of soaking gardenia petals in coconut oil. The six-item range will include everything from body cream to a bar soap set to an eau de parfum. With a higher price point in comparison to The Thymes items, Beauty of Bathing coco monoi products range in price from \$45 for a shower gel to \$75 for bath oil, while items in The Thymes assortment range from \$5 to \$30.

The Thymes collection is available in more than 5,000 specialty stores and boutiques nationwide, in addition to more than 2,000 doors, including C.O. Bigelow.

— Michelle Edgar

Coco monoi items.

