

Facing up to today's beauty brand challenge

By **Hibah Noor in Miami** on August, 1 2019 | Industry News



From left: Antoine Bona, Patricia Bona, Jean-Jacques Bona, Guillaume Bona

Antoine Bona, the third generation of family-owned beauty distributor Essence Corp, is in fine fettle when we meet at his office on swanky Brickell Avenue, Miami.

Bona works in the company, now headed by Jean-Jacques and Patricia Bona, alongside 2 family members Guillaume Bona and Laetitia Piedra. He's Executive Sales Director with responsibility for a team of 15. Essence Corp was established in 1988, after Jacques Bona, his grandfather, founded an agency company in Paris in 1953, exporting luxury brands to the Caribbean and Central America. Jacques Bona is credited with introducing Dior, Rochas, Azzaro, and Givenchy in the region. That's some history.

Essence Corp has become a leading supplier of fragrances to travel retailers in North and South America and the Caribbean. It also supplies fragrances and cosmetics brands, both makeup and skincare, in the Caribbean region. The company now counts a multicultural team of more than 70 staff, based in Miami and out in the field.

Antoine Bona tells *Americas Duty Free* magazine that business has been “good”, adding: “We’ve been partnering with new groups and brands that have been successful in the market.”

But he is quick to add that the first semester has proven to be “difficult”. However, he is more optimistic about the second semester. He explains that the challenge stems from being mostly a fragrance distributor in Travel Retail that’s heavily dependent on Latin American markets. “The domestic market isn’t doing well for economic and political reasons. Argentina, Brazil and even Mexico have had a slowdown in growth. [This has happened] over last two years – and especially with the new President [Andrés Manuel López Obrador of Mexico] that took over at the beginning of the year. Our business has been tough in the first semester.”

Bona cites the strong US dollar and the unstable economy in Argentina and Brazil. Essence Corp has also been hit by the volatile exchange rates, as travel retail pricing is listed in US dollars.

Having said that, the company is leveraging the key pillars that have built up the family company over 66 years. They include its good relationship with Interparfums and Euroitalia, whose leading brands Essence Corp manages in travel retail Americas and the Caribbean. Essence also distributes Lbrands products in the same territories.

In 2019, years after Jacques Bona introduced LVMH-owned Dior and Givenchy to the Caribbean region, the company has come full circle. LVMH-owned brands Dior, Benefit, Givenchy and Kenzo have joined its portfolio. “Our partnership with LVMH started two or three years ago with Loewe and Acqua di Parma. Right now, we’re working with Dior, Givenchy and Kenzo. We’re very excited, as years ago my grandfather introduced these brands in the Caribbean, but throughout the years we lost them as they were acquired by conglomerates. We have regained the distribution and it’s nice, as we have come full circle. We have strong expertise in the region.”

Bona describes Benefit as an “exciting and dynamic” brand. “Lower-priced makeup is driving sales,” he reveals. “Consumers are looking for innovation and brands that are a little bit disruptive and I think the retailers are finally catching on and they’re giving adequate spaces to these types of brands. And we’ve been finally able to market them, which probably wouldn’t have been the case five years ago. I don’t think the retailers would have been open to these types of brands. Even though Benefit was extremely successful five years ago, I don’t think the retailers in the Caribbean would have been as open as they are today.”

Benefit, which is a top performer in the eyebrow category, is “very strong in travel – they have a lot of grab-and-go items and really unique travel retail sets. They have a really strong strategy for travel,” he says.

Since last year, Bona has also been proud to work with Rituals, another hot brand. This innovative, home and body care brand has disrupted the beauty sector and sparked a whole new category of wellness-related beauty. “These types of lower-priced products do well in travel retail – the category has been underdeveloped in travel retail. L’Occitane has a very strong position, and now you see other players introduced within this category,” he says.

Looking to the future, Essence Corp is “looking for more makeup brands and more specialty skincare” to join its robust portfolio. He adds: “In the Americas, retailers are looking for young makeup brands that are disruptive, that are strong on social, that are popular with celebrities. In North America they’re looking for specialty skincare or skincare that’s very well known with a hero sku.”

Bona is quick to point out that the company devotes the majority of its energy to its existing brands and serving loyal customers. “That being said, we always listen to what the market needs and we try

to search for brands that would complement our portfolio nicely. Rituals is a great addition to our portfolio, and we're able to add it to our very strong fragrance portfolio – like Interparfums and Euroitalia – and they don't compete for the same type of market share. Skincare and haircare would be a very nice complement to that. We're not actively looking for more fragrance brands."

Fragrances contribute 75% of Essence Corp's sales. The company distributes mostly fragrances in travel retail, but in the Caribbean region it supplies its now-hot makeup and skincare brands. As well as Benefit and Rituals, these also include Shiseido, Clarins and Bare Minerals.



Rituals has sparked "fantastic feedback" with the opening of its first store in Americas travel retail at London Supply's Puerto Iguazu border store earlier this year, in partnership with Essence Corp. "We started with Rituals last year, but we've been in touch with Rituals for over five years. At that time, they didn't have a presence in the US, but now they have a subsidiary and close to 20 boutiques and a strong relationship with Macy's and Ulta Beauty. Once you have visibility in the US market, you can expand in the wider region. The Latin American markets look towards what brands are happening in the US, whereas Argentina looks more to Europe.

"Having a presence in the US really helps. Rituals has a large shop-in-shop in Macy's Aventura [in Florida] a big flagship in Miami, which is important. The price points are low – it's a whole different category – and it's geared towards a younger clientele. It's a very young, inclusive and dynamic brand. It has a great story to tell for people who are traveling – slow down, relax, and convert your routine into a ritual... The products are mostly natural and mostly manufactured in Europe. Retailers are now seeing that in order to compete in such a competitive environment – e-commerce and specialty retail, department stores, the wider retail market – it's about offering different products to their consumers. They need to introduce innovation to drive retail."

Essence Corp has also latched on to the small but growing haircare segment. "We've just started with

the Phyto brand. At the end of last year we started distribution in the Latin American domestic markets, and we have the opportunity to go into travel retail when the brand gains further visibility,” reveals Bona.

“Haircare is a strong category in Latin America – it’s definitely the new skincare. You take care of your face and body, so why not treat your hair, which covers most of your head... Consumers are looking for more natural ingredients in this category.”

Turning to the subject of CSR, Essence Corp plays a trump card. “CSR has always been very important to our family and our company. We work very hard and it’s nice to take time out and dedicate it to the environment. We do lots of things in Miami, for example. In January, we organized a beach clean-up. We did a dune restoration that helps the natural habitat and protects the beach from erosion. We had a team of 72 [*the whole company - Ed*] going inside Miami beach in January, which was amazing.”



Essence Corp’s team building event on the dunes in Miami Beach supported the ocean preservation work of the Surfrider Foundation

Essence Corp participated in the Mercedes-Benz corporate run at the end of April. The team ran for the Miami Project. “It was our own initiative. For every participant we donated money and then for everyone who donated we were able to match it. This encouraged people to participate.”

The Miami Project foundation was started by Nick Buoniconti, who was a famous professional footballer in Miami. His son Marc had an accident playing football in college and became a quadriplegic, and his mission was to cure paralysis. “I have a very good friend from high school who is also a quadriplegic. He’s a financial planner and we lend him office space. He’s worked here over 10 years, so we ran to raise money for a cure for paralysis. Around 50 of our team participated in the corporate run out of a total of 61 staff based in Miami.”

Thanks to the efforts of the Essence team, some US\$5,000 was raised.

Each January, Essence Corp holds a companywide seminar with presentations. Even here, the staff participate in socially responsible activities. Throughout the year, the firm raises money for causes such as The Susan G. Komen Breast Cancer Foundation, The Miami Rescue Mission, and the Movember Foundation - the moustache movement that raises awareness for men's health. And the list goes on.