

bir

THE
BEAUTY
INDUSTRY
REPORT

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A MONTHLY NEWSLETTER FOR EXECUTIVES IN THE PROFESSIONAL BEAUTY BIZ

highlights

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This is your industry's newsletter, make it your newsletter. Let me know what works and what doesn't!

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Mane St.

by Mike Nave
EDITOR



Cosmoprof North America was a definite success, with most exhibitors sharing positive comments. That's good news for the industry. This issue features the first of a two-part report.

Also, HAI Elite's President Richard Ouellette updates us on his company's growth, and NovaLash Founder Sophy Merszei shares how her company is leading the pack in the hot category of eyelash extensions. We are also delighted to share our recap of the International Esthetics Cosmetics and Spa Conference and IBS Las Vegas.

Finally, the positive response on BIR's new look has been gratifying. Thank you for being a loyal reader. And if you love BIR, please tell your friends!

Regards,

guest columnist

If you believe things are getting better...

By Bart Foreman

Think again. The economy is bouncing like a yo-yo. But the truth is hidden under the hype of the "experts." I'm not an expert, but as a marketing professional, I know that the business of beauty is evolving. And because no other business touches its guests like the beauty business, survival depends on how you touch those you serve.

How you do business is changing. Whether you are a manufacturer, distributor, beauty store or salon, you won't see a quick return to the big spending era, because there is a lot less credit available to fuel your business growth.

Over the last seven decades, we have moved from a "Pre-Consumer Era," when consumption was modest, recommendations came from family/friends and goods were reused, to the "Consumer Era" that began after World War II and flourished until this economic upheaval.

Today, we're in the "Post-Consumer Era" driven by two dynamic forces:

- **The economy.** Consumers of all ages have created real barriers to spending.



Exclusive Cosmoprof N. America Report: Part 1

When the going gets tough, the tough go shopping!" is an expression that describes **Cosmoprof North America 2009 (CNA)**. Judging from conversations with attendees and exhibitors, it was clear that everyone's intention was to do great business. So much news focusing on doom and gloom has brought out the worst in some. However, tough times are an incentive to those who treat adversity as a challenge to take a hard look at their business, roll up their sleeves and get back to basics. That's what happened, as CNA kicked off its seventh year at the Mandalay Bay Hotel and Resort in Las Vegas.

CNA attracted 625 exhibitors from cosmetics, spa, wellness, hair, skin and nail care product development and packaging industries and more than 22,000 attendees. Visitors were treated to a full schedule of educational and social events, making CNA even more valuable.

My first stop was a new product distributor presentation for **Health, Beauty, Life (HBL)** at the Four Seasons. The HBL luncheon was hosted by **USP, Inc.**, the parent company for both HBL and **Enjoy** professional hair care. Company founders, president **Patrick Dockry** and vice president **Gordon Fletcher**, have quickly expanded the brand through a network of national distributors. **Jeffery O'rell**, vice president of business development, recently joined the team. The highlight was the distributor sample presentation. The glossy, affirmation covered box artfully displayed a sampling of the new 12-sku line with 2-ounce shampoos, conditioners and styling products. When the box was opened, you heard water flowing, highlighting the brand's emphasis on water. According to Patrick, all HBL products are sulfate and paraben free, and are pH balanced and stable to mimic the body's natural balance. HBL is set to launch nationwide this fall. Reach Gordon at gordonfletcher@sbcglobal.net and visit www.hblhaircare.com.

Two outstanding networking events: the

invitation-only **VIP PBA Cocktail Party**, followed by the **Get Together Party**, officially kicked off CNA 2009. This year's attendance was significantly up. Mr. & Mrs. BIR had a blast working the room. I was able to chat with founder and president of **Tressa**, **Connie Barrett**, who, with all the changes to the professional beauty industry distributor landscape, has carefully managed her line's distribution network to include many of the top distributor organizations, completely blanketing the US salon market.

Unfortunately because of scheduling, the BIR couple missed **Unite Eurotherapy's** "Party of the Year" in the **Ken Paves Salon at Eleven Spa Vegas**. This event attracted more than 300 attendees. Unite vice president, **Jason Trombetta**, sent me the following update: "The night was full of surprises, from DJ Supra rocking the ones and twos to Cirque performances by Kujo Lyons and Sarah Doser. Overall, the crowd was entertained throughout the evening with the help of an open bar featuring an abundance of Red Bull Vodka, SMART Water and Lucid Absinthe. Some of the attendees ranged from distributor owners/presidents, including **Aerial Corp's** **Chuck Salewsky**, **Vonda Gulden** and **Sharon Johnson**; **Raylon Corp's** **Josh Hafetz**; **Beauty Solutions' Wes Brown** and **Minda Ghio** and many others. Industry notables included **Jim Morrison**, former CEO at **Big Sexy Hair**; **Charlie Price**, wife of **Sheer Genius** (Season Two), and many other North American Hairstyling Award nominees. Based on the number of attendees and the positive experience, it will be back next year and years to come with a sequel!" Reach Jason at 888-956-6483 or jared@uniteeurotherapy.com.

The founders of **Moroccanoil**, **Carmen and Ofer Tal**, invited their distributor employees and other guests to a cocktail party. Carmen previewed upcoming products and promotions. Ofer talked about the firm's commitment to zero product diversion, which they are ba-

up with into an extensive product tracking system. **Bill Conkle**, senior partner of **Conkle, Kremer & Engel** (the legal firm representing **Moroccanoil** to protect the brand's trademark and to assist in anti-diversion activities), spoke in depth about the company's aggressive stand against marketers who infringe on the company's trademark, package design and copy.

The three days offered a full schedule of special educational seminars packed with valuable info. "How to Thrive in a Challenging Economy," presented by **Dermalogica** president/CEO **Jerry Wenker**, identified the four big areas of concern facing our industry today—not enough clients, professional services declining, clients not crossing over to other areas in the salon and a corresponding drop in retail sales. According to Jerry, the "new normal" focuses on "needs rather than wants," and clients want results, services that understand the time-pressure consumers face today, salons that are customer-centric and provide valued professional advice. Jerry added, "Cosmoprof showed a lot of companies understand this shift as a result of the economy and are trying to reinvent themselves. For **Dermalogica**, our core values and mission are made for these times, as we have always been about results rather than indulgence and teaching



for the most part, there was not a lot of innovation to choose from. For me, Cosmoprof is the one time in the year that I can meet with all my colleagues from the manufacturing, distribution and the retail worlds." Reach Shawn at 818-785-7447 or shawn@beautycollection.com. Equally informative was "One-on-One with the New Owner." **Brian Luborsky**, chairman/CEO of **Premiere Salons**, whose organization recently acquired the entire retail store chain operation from **Regis**, shared, "Attending Cosmoprof provided the opportunity for our entire Premier Salons buying team to consider new product options and to look at our strategies in that area for the coming year. For me personally, the panel discussion added value; when the panel attendees asked questions and probed issues, it created a positive impact of reviewing our company policies on handling day-to-day problems." Reach Brian at 905-470-7850, ext. 234 or bluborsky@premiersalons.com. Vice president of **Essential Plus Beauty** **Ramy Jamnik** also had observations about this seminar. "One of the most impressive parts of the show was the one-on-one panel discussion with moderators **Marc Birenbaum** and **Brian Luborsky**. I was impressed with Brian's analytical and financial abilities, and by his detailed understanding of operations and product selections. With a diverse collection of different stores, merchandise and corporate cultures, he seems to be able to juggle it like a master." Ramy added. "The show's overall atmosphere was more positive with higher energy than shows I attended in the first half of the year. I think the initial shock of the bad economy has diminished, and companies are now trying to work through it. I liken it to the champion boxer who's been knocked down for the first time. He quickly recovers and uses his competitive instincts to get up and continue the fight. Unfortunately, some companies got knocked out for good, but the ones that managed to get back up are retooling themselves." Reach Ramy at 800-383-2584 or ramy@essentialplus.com.

Other events included the 20th **North American Hairstyling Awards (NAHA)**. More than 2,000 attendees watched life enhancement speaker and master educator, **Geno Stampora**, be inducted into the Hall of Leaders. Master international hair stylist, artistic educator and five-time NAHA winner **Vivienne Mackinder** was presented with the Lifetime Achievement Award, NAHA's most

Tough times are an incentive to those who treat adversity as a challenge.

prestigious honor. The NAHA 2009 award winners included Hairstylist of the Year—**Richard St. Laurent**, Salon **Inpure**, Montreal; Avant Garde—**Darian Bishop**, **Tony & Guy**, Dallas; Contemporary Classic—**Edwin Fontanez**, **CIELO by Edwin Fontanez**, Lakewood, OH; Editorial Stylist—**Daniel Holzberger**, **Van Michael Salons**, Atlanta; Fashion Forward—**Faatemah Ampey**, **Bella Salon and Spa**, St. Paul; Haircolor—**Adriana Balea**, **Francesca's Salon and Spa**, Toronto; Master Hairstylist, **Brian and Sandra Smith**, **Matrix C.R.A.F.T. Global Academy**, Dalton, GA; Salon Design—**Tribe Hair Studio**, Portland, OR; Student Hairstylist—**Kelli Parks**, **Eric Fisher Salon**, Wichita, KS; Salon Team—**Salon Inpure**, Montreal; Texture—**Shawna Parvin**, **World's Local Parvin**, Austin, TX.

The annual City of Hope Sprit of Life

Award dinner honored **Cheryl and Jim Markham**, founders of **PureOlogy**. The black tie, masquerade-themed charity affair drew a flock of attendees, including Mr. & Mrs. BIR wearing custom-created masks. The event raised more than a million dollars for the City of Hope.

BIR attended **Sally Beauty Supply's** annual Partners in Progress vendor awards. **Mike Spinozzi**, president, stated, "We are pleased to honor our outstanding manufacturers. These companies have the same dedication to quality and customer service that is the hallmark of Sally Beauty's success." The vendors were selected for their success in helping Sally Beauty increase sales, maintain superior inventory management and, most importantly, support innovation in new products or creative marketing programs. This year's winners were **Crystallite**, the oldest and largest crystal gift and jewelry manufacturer in the United States; **Kaemark**, the salon furniture and equipment company that has been working with Sally Beauty for 25 years; **Namaste**, founded in 1996 to address the needs of the health-conscious, multicultural consumer market; **Procter & Gamble** and its growing professional beauty division; and family-owned business **Wahl**, celebrating its 90th year in business and supplier to Sally for more than 25 years. Reach Mike at 940-297-4446 or mspinozzi@sallybeauty.com.

BIR checked in with **Eric Horn**, PBA

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