PETIT-DEJEUNER CYCLE INNOVATION & CONNAISSANCE

*Le corps comme support de disruption : Regards croisés cosmétique et luxe*

1. Feeligreen – a brief introduction

2. Disruption in cosmetics – 3 industry-rocking trends

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WE BRING TECHNOLOGY INTO COSMETICS

Incorporated in 2012, headquartered in Sophia-Antipolis we launched 4 new products over the past 9 months

100% engineered, designed & made in France

Building a strong IP portfolio (9 patents filed) covering both cosmetics & healthcare markets we partner with Tier#1 global players
Oct 2015: Feeligold invents the IoT-C *

*: Internet of Things for Cosmetics

- Personalized skincare
- Brand intimacy
- Direct Marketing link to consumer
Jan 2016: Feeligold targets athletes

*: and every weekend jogger...

Full range of bodycare

Connected sports-care

Micro-current and LED treatment
Jun 2016: Le Patch

Limitless design & shapes

Up to 40% wrinkle reduction

Premium Travel Retail product

Gfeeligold

LE PATCH
Micro-currents + LED
Disposable
Boost skincare performance by 4 to 10x

Jun 2016: Smart Instrumental Packaging
reinventing cosmetics
Disruption in Cosmetics

• 3 major trends are reshaping this traditional and powerful industry
  – Digital make-over
  – Medicalization
  – Global consumer awareness

• Most of it is natural evolution, but some key changes are truly disruptive
Cosmetics & the digital age

• Power to the user

• Customization, value deals, on-demand

• Self obsession

• Quantified skinself  DISRUPTION #1
Cosmetics & the digital age

- **Power** to the user
  - 84% of millennials say consumer-written content influences what they buy — *Nielsen - 2015*
  - 62% of millennials say if a brand engages with them on social networks, they are more likely to become a loyal customer — *Forbes – 2015*

- Unprecedented success of direct-to-consumer beauty brands (Stowaway, Bevel, Memebox, Frank Bosy, Ipsy, …)
  - Limited SKUs
  - single-channel e-commerce
  - social media and influencer relationships instead or traditional advertising

*Source: Refuel Agency - 2016*
Social influencers: brands focus (and budget)

- Taylor Hill (5 Million followers)
- Bella Hadid (7 Million followers)
- Nouvelle égérie de Dior
- Enjoy Phoenix (3 Million followers)
- Sanasas (1,5 Million followers)

Advertising on social media will overtake paper press ads by 2020.

Zenith Optimedia, Publicis

With over 12 million YouTube subscribers, Zoella is the highest paid beauty blogger in the UK, (£50,000 per month) and that's just from YouTube.
Customization, value deals, on-demand

© Birchbox: cosmetics delivered monthly to your door
$200M revenue in 2016

© NuSkin : 2016 revenue: 2,25 B$

© Play by Sephora

© MatchCo customized foundation

© Bobbi Brown launched her latest collection with #BobbixUber, offering free rides with makeup artists.
From Snapchat filters to Selfie makeup
Quantified skinself

DISRUPTION #1

Linking efficacy testing & social networks: will this reveal the true face of cosmetics?
Cosmedical or Therapeumetics

• Skincare vs skinhealing

• Transhumanism

• Regulatory framework
Cosmetics vs Aesthetics

• Cosmetic products are limited to healthy skin
  – Treating scars, blisters, redness, cracks, bruises, acne, … is a medical/pharmaceutical action

• Aesthetic medicine covers dermatology, reconstructive surgery and plastic surgery

• Injection (HA, Botox, …) is a medical act
Can we beautify everything?

In South Korea, 76% of 20-30 years old women have ever had plastic surgery procedures done.

Latest trends:
- Double jawline surgery
- Butt implant
- Pecs implants
- Stem cells injections
- Cryotherapy
- Lash implants
- Oxygen therapy ...

FEELIGREEN
DERMO-INNOVATION
Tightening of regulations

- **EU MDDR 2016**
  - By 2020, all beauty devices will have Medical Device status

- **Safety assessment of new molecules**
  - Testing complexity/cost aligning with medical/drug approval process (FDA NME process)

- **FDA and beauty tools**
  - Most beauty tools should be defined as medical device because they are intended to affect the structure or function of the body

- In 2016, FDA sent multiple warning letters to manufacturers of “stem cells cosmetics” requalifying their products as unapproved drugs.
Can the industry cope?

- R&D spending vs total revenue
  - Cosmetic industry: 2 to 5%
  - Pharma industry: 15 to 20%

- Average product lifecycle (time for ROI)
  - Cosmetics: 3 to 5 years
  - Pharma: 7 to 15 years
Global awareness

• Smarter consumer ?

• Beauty-addict and the ecology
  – Environmental impact
  – Impact of the environment
Is today’s beauty consumer smarter?

- 2 NGO websites
- 2 Gov websites
- 1,000+ brand sites
- 5,000+ beauty blogs

Is your beauty information source truly unbiased?
Greener cosmetics

- Ban on microbeads
- SPF regulation tightens
- Johnson & Johnson stopped using two preservatives in response to consumer pressure against ingredients that release formaldehyde (allergens)
Can cosmetics protect you?

Impact of the environment

DISRUPTION #3

Pollution

RF microwaves

UV

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© My UV Patch by L’Oreal
Disruption is opportunity