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"Customers in the Middle East are demanding, very connected, always seeking novelty", Antoine Joujou, Chalhoub Group

The Chalhoub Group was founded in 1955 in Damas, Syria, by Michel Chalhoub and his wife Widad. It is now the luxury product distribution leader in the <u>Middle East</u>. With over 600 points-of-sale in 14 countries in the Gulf region as well as in India, Chalhoub is one of the major actors in the beauty market there. And to celebrate the 60th anniversary of the family group, Antoine Joujou, General Manager of Wojooh, the group's private label dedicated to beauty, gave Premium Beauty News an overview of this activity.



Antoine Joujou, General Manager of Wojooh

Premium Beauty News - How is your Perfume-Cosmetics business doing in the Middle East?

Antoine Joujou – The beauty sector represents 47% of our activity. It is a real growth driver on this market. Since the local population usually wears traditional clothes, makeup and perfumes are used to differentiate oneself, and people pay particular attention to them.

The group is specialized in three fields, fashion, lifestyle and beauty, the latter being the most flourishing sector for us. This market has a huge potential in the Gulf countries, as it showed an 8.8% growth between 2013 and 2014 – and it is keeping up the pace.

The main local consumers spend between 400 and 500 dollars per month on average on beauty products, and about 1,100 dollars per month on oriental perfumes, bakhoor oriental oils, and Western perfumes.

Premium Beauty News - What growth has the Chalhoub group achieved on this market?

Antoine Joujou – On the one hand, the <u>Chalhoub group</u> is the main distributor, with a very broad portfolio of international brands like Coty, Dior, or Puig; on the other hand, it works with retail stores such as Sephora and L'Occitane. It also invested in the creation of its own concept, Wojooh, which corresponds to local needs and aspirations. In 2014, Wojooh developed its own makeup line, "Wow by Wojooh", which is mainly dedicated to oriental women.

The perfume and cosmetics activity of the group (Distribution + Retail) has been rising over the last few years, exceeding 10% per year. This year, we are expecting a strong growth, but less important than the previous years.

Several factors contribute to the growth of the beauty sector on this market. Thanks to our research and development department, we constantly get relevant information about consumer trends and behaviour. This way, we can adapt our marketing strategies according to local consumers' tastes and aspirations.

Premium Beauty News - And how is the market changing exactly?

Antoine Joujou – Perfumes remain the key category in the Middle East, as they represent more than 64% of market shares. However, we did find a gradual change in the makeup segment, which has grown by more than 20%. This partly results from the dynamism of brands like Make Up Forever and Benefit, but also

from retailer private labels, which offer very attractive ranges (Sephora, Wow by Wojooh). In addition, the nail, eyebrow, and complexion sectors are booming, although the fastest-growing segment has always been the eyes. Skincare is still a bit behind, but it does have some potential, thanks to innovation-enhancing brands like Clarins, Lancôme, Clinique, etc.

Premium Beauty News - Why have you renamed your Beauty label?

Antoine Joujou – We have changed the name of our Faces label for Wojooh, the literal translation of the word 'Faces', as it has always appeared on our logo, and it has always been used by our Saudi customers (our first market). This repositioning for Wojooh was part of a strategy to get closer to our customers and stand out against the competition. Our message is clear: we are proud of our roots, we are passionate about beauty, and most of all, we can provide beauty expertise in line with both our men and women customers' expectations.

Premium Beauty News - You have created your own makeup line, Wow by Wojooh; according to which criteria was it developed?

Antoine Joujou – Wow by Wojooh was launched in September 2014 after a two-year development process focused on finding the best type of product, texture, colours, and long-lastingness for the Middle East market. We wanted to meet the specific needs of this market and its very demanding women consumers. The brand is completely 'Made in Europe', for more credibility in terms of product quality. It has made a very promising start, and the Wow by Wojooh brand received a warm welcome from our customers, exclusively in our stores.

Premium Beauty News - Have you found local brands have been developing, in particular on the perfume segment?

Antoine Joujou – We have observed a craze for the perfumes that best suit local customs (oud, amber, musk): they have known a growing success over the past few years. The offering is both local (Hind Al Oud, Designer Shaik, Khaltat...) and international, with more intense lines and private collections that prove very popular with our customers (Gucci, Armani, Givenchy, YSL...).

Premium Beauty News - Have Western brands changed their approach? Have you noticed any effort to adapt, and with which priorities?

Antoine Joujou – Indeed, brands are now increasingly trying to attract customers from the Middle East. They really have to make the effort to adapt to this market if they want to penetrate it and arouse its interest. Adaptation must be done from a communication angle first, by complying with rites and bans (images censored, messages considered too suggestive). Then the offering must comprise more adapted perfumes and, lastly, the concept of stores and services must be unique to the region.

Middle East customers are very demanding, very connected, always seeking novelty and exclusivity. This is all the more true for the beauty market.

Premium Beauty News – Is there any room for new brands?

Antoine Joujou – Yes, there is. Novelty is one of the most important criteria for Middle East consumers, so there is certainly enough room for new entrants. It remains to be determined how to get established over the long term, while gradually reinventing oneself to keep that 'novelty' factor alive.

Premium Beauty News - Are you thinking about extending the presence of your Wojooh network to other markets?

Antoine Joujou - We are actually trying to broaden our perspectives. We think we can benefit from the influence of the <u>Middle East</u> on a few emerging markets that share the same interests, tastes, or customs as the <u>Middle East</u>, and on which our concept would have more impact than a global chain.

Interview by Kristel Milet

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