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LVMH really broke through the lipstick price ceiling with this one! It seems like a strange time to be launching such an expensive “commodity” item, but leave it to LVMH. They are always extremely progressive in their approach to the market and always willing to take a risk.

A few key points about the launch and the product:

- The lipsticks are fragranced by a master perfumer and include notes like mimosa, jasmine and rose.

- They are launching in China. LVMH obviously wants to keep a presence in this market for the day when luxury shopping returns.

- The product was four years in development. How many brands can say that?!

- LVMH is well known globally for their heritage, craftsmanship and attention to detail. With regard to lipstick, they claim to have focused on texture, application, pay off and “how it makes you feel.” Commodity products become valued collectables. Again, how many companies can incorporate all this in their marketing message on lipstick (and have credibility to do so)?!

- The refillable packaging is designed to be an “heirloom,” a collectible keepsake. The product is being presented as an objet d’art!

- As luxury slows, looking at more affordable, “entry-level” price points will hopefully keep LVMH in the game and keep consumers engaged. This launch certainly puts the brand in front of the consumer in a major way.

- The luxury industry has recently been accused of dumbing down their offering and targeting aspirational consumers rather than true luxury clients, and thus potentially alienating this much-sought-after group. \$160 may be entry-level pricing for some and a trifling, impulse purchase for others.

- Pat McGrath is a highly regarded makeup artist, with a great deal of clout and influence.

I think it was a smart move and will probably do “well,” whatever that means.

To the question about margins and comparison to a drug store brand, we’re in a different world here. Lipstick bulk doesn’t cost much (drugstore or luxury), but it’s the trappings in beauty that make all the difference. How many consumers show-off their drugstore lipstick? How many consumers pay attention to the smell of their drugstore lipsticks? How many consumers ever think of a drugstore lipstick as being a collectible heirloom?

This lipstick is TikTok catnip and for many consumers, they are trying to figure out how to get their hands on one fast. Welcome to the crazy world of beauty, where we create products people want, not products people need!