



Beauty & Personal Care



With a luxurious offline and online presence, Planet Prestige is building brand loyalty from the ground up

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Planet Prestige covers all the bases

- Planet Prestige opened a web store and a perfumery at the end of 2012
- The perfumery houses 250 prestige and niche brands, a coffee bar and a gallery for workshops and events
- The web store is backed by an online magazine and social network elements

Planet Prestige joins the growing German online beauty channel

Online C&T retail in Germany is a growing market. According to Bundesverband des Versandhandels, the German E-Commerce and Distance Selling Trade Association, online sales of cosmetics and perfumes in Germany increased 67% in 2012, reaching a total market value of €500 million.

This success has prompted many perfumery retailers to launch their own webshops as an additional distribution channel. Their direct competitors are online beauty stores which have a small store or street address to satisfy legal requirements but do the bulk of their turnover online.

Now a new generation of beauty retailers has entered the market. These are online stores with a much stronger bricks-and-mortar presence. And one of the most interesting new arrivals is Planet Prestige.



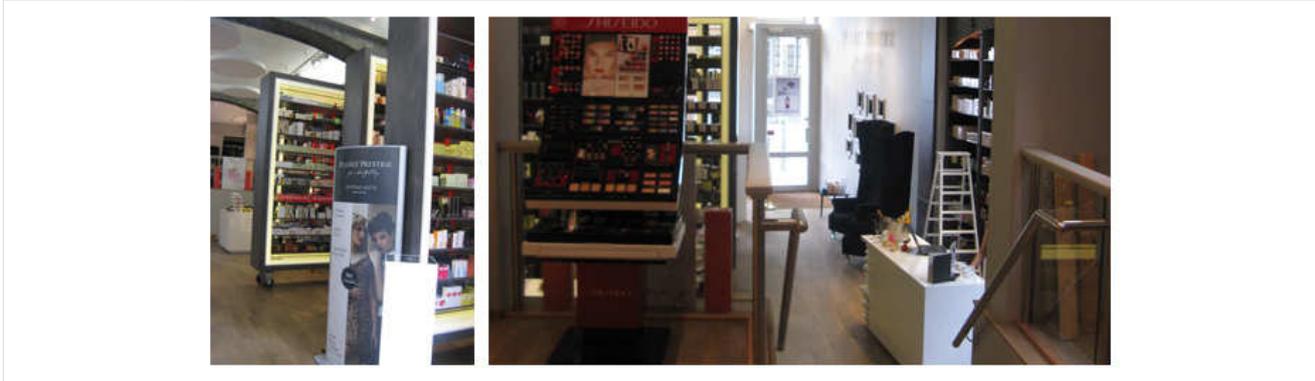
The concept

Planet Prestige was founded in December 2012 by German-French duo Mario Tiedemann and Stan Vandier with the backing of an impressive line-up of international financial investors and business angels.

As an online store specialising in premium and niche beauty, Planet Prestige is a typical internet start-up. What makes it different is that it also has a large perfumery which opened at the same time as the website was launched. This bricks-and-mortar store is a key aspect of Planet Prestige's retail concept. CEO Tiedemann says that you cannot create a successful brand without a store. To make an online store believable and attractive to customers it must also have a basis in the stationary retail landscape. This way a company can create a seamless emotional shopping experience both online and offline, which helps to build customer loyalty.



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The store

Planet Prestige’s flagship store is located in Oranienburger Straße, one of the main tourist streets in Berlin’s Mitte district, which practically guarantees plenty of walk-in customers. The store entrance faces the main street with the building adjoining a courtyard.

The store looks like a high class perfumery, with some 180sqm of retail space. It sells approximately 250 brands, primarily from the premium and niche sectors. As you enter from Oranienburger Straße you stand directly in the Fragrance Bar area. On the left hand side new launches are displayed; on the right are five ceiling-high shelves filled with fragrances.

An espresso bar and adjacent outdoor seating in the courtyard are located at the back of the store, behind shelves filled with skincare brands and colour cosmetics. Planet Prestige has also just started to sell premium handbags and jewellery.



On the other side of the courtyard is the store’s gallery, a 120sqm space that houses beauty workshops and makeovers. There are also regular beauty-themed events like body painting demonstrations, perfume tastings and lectures. Both the store and the gallery can be rented for events and parties.

In a nod to the world of social networks some of the new fragrances come with a “like” button. If a customer likes a fragrance and presses the button, Planet Prestige’s sales team gets an e-mail, helping them to assemble a list of customer favourites.

And of course the company uses the entire range of social media, including Facebook, YouTube and Pinterest, to build a community of loyal fans and customers. In its first few months the store also offered vouchers for beauty makeovers in cooperation with DailyDeal and Groupon.



Offline/Online



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Planet Prestige's website is clean and stylish. There are currently some 1500 different products available, with more to be added soon.

It also aims to attract and hold customer interest with editorial content and an online magazine. Desired.de features interviews with perfumers, articles about skin care, hair care and make-up, news about launches, must-buys and hot trends, creating a one-stop shop for customers interested in premium beauty and niche labels.

Planet Prestige also plays close attention to the details. When customers order a present on planet-prestige.de they can choose between four different gift box designs. Products are wrapped in silk paper and the boxes are tied with velvet bows, adding a luxurious touch.



What's next

Planet Prestige can follow the example of Space NK and develop an own label range which will give it enhanced distribution

Over the next few years, yet more companies will join the growing online luxury and niche beauty retail channel, making it even more competitive.

Planet Prestige already has to contend with douglas.de, the online store of Germany's biggest perfumery chain, as well as Flaconi.de which is operated by perfumery chain Thiemann, while Parfumdreams.de is run by the Akzente chain. Munich-based premium department store Ludwig Beck also launched an online store for luxury brands last year and there are smaller websites specialising in niche and rare labels like ausliebezumduft.de and essenza-nobile.de, both of which are operated by independent perfumeries.

The multi-tiered approach will help Planet Prestige to fight its corner and build brand loyalty from the ground up. Its location also lends itself to hosting or sponsoring events, launches and parties during high profile occasions like Berlin Fashion Week or the Berlinale film festival. The retailer has already made a start. During the January 2013 Berlin Fashion Week, for example, the store organised a Beauty Lounge which offered guests hand, face and neck massages, make-up and styling touch-ups and quick manicures.

Its next move may be an own label range or commissioning Berlin-themed limited edition products. This will take Planet Prestige beyond its own online and offline borders and give it a presence in other retailers.

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