

**SOUTH KOREA, AN UNSTOPPABLE BEAUTY POWERHOUSE?
Q&A WITH KATALIN BERENYI, CO-FOUNDER OF ERBORIAN
(L'OCCITANE GROUP)**

It is a well-known fact that South Korea has long been obsessed with cosmetics and skincare. South Korean women spend double the amount of their income on beauty products and make-up compared to their American and European counterparts. Meanwhile, South Korean men spend more on skincare than those in any other country. Such a strong dedication to looking and feeling good means that the country is at the forefront of research into new beauty products. Exports of such items are currently soaring, with the beauty industry now becoming one of the country's largest industries, rivaling technology.



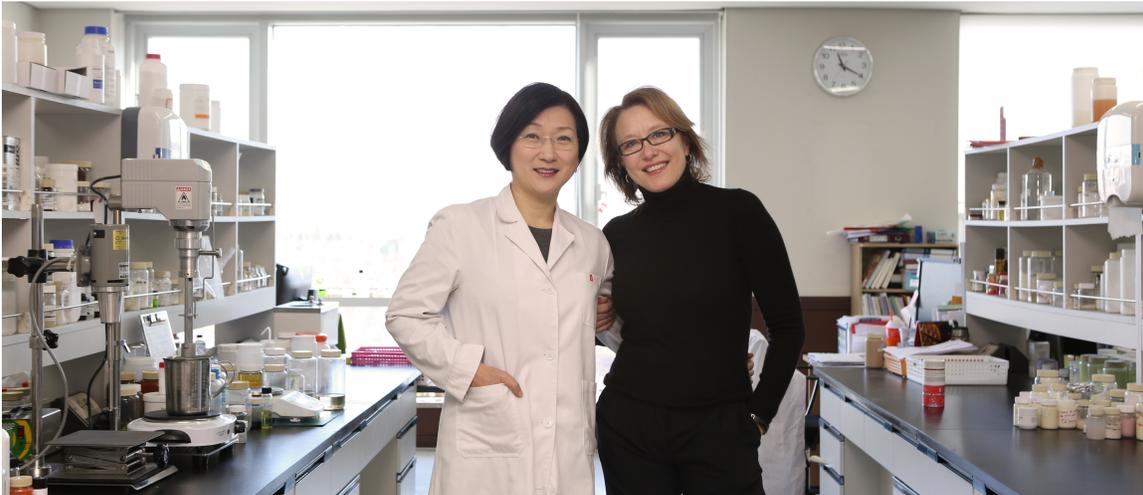
In the past five years alone, exports have grown from US\$1 to US\$2.64 billion, a record high, according to the Korea Customs Service. Indeed, South Korea bears all signs of becoming an unstoppable beauty powerhouse. However, the sector is still too heavily reliant on China, where historically tense relations entered a deep freeze earlier this year, as China imposed a boycott on South Korean culture and goods following rising tensions between the US and North Korea.

Today, the country is slowly starting to focus on other Asian countries including Thailand, Indonesia, Malaysia and Philippines, to name just a few. With a long

professional journey in fashion and cosmetics, Katalin Berenyi is expert in making an idea succeed, even in the most aggressively competitive and saturated markets. Co-founder of the successful Korean-French fusion brand, Erborian, Katalin is a visionary: she brought to the West products which were almost extraterrestrial a few years ago and that today we could not live without! She created Erborian back in 2007, with the help of Hojung Lee, a Korean scientist. Also known as a beauty globetrotter, Katalin wanted to reveal Korean beauty secrets to the rest of the world. Erborian is at the crossroads of traditional Korean medicine and high-end scientific products mixed with a touch of French sensibility, luxury and know-how. Two years later, in 2009, Erborian launched the first BB Cream™ ever sold in Europe. This highly innovative cream was an instant success. 2012 marked the ultimate accolade for Katalin and her partner Hojung as Erborian joined the L'OCCITANE Group.

1. What inspired you to create Erborian?

Katalin BERENYI: During my travels around the world I fell in love with Korea, not only Korean beauty but also the way women see themselves, their herbalist stores and the country's general culture. When I met Hojung Lee, who became later my business partner, I had so many questions that we ended up spending hours discussing. This encounter was the perfect opportunity to realize a dream: launch a Korean beauty brand for modern international women.

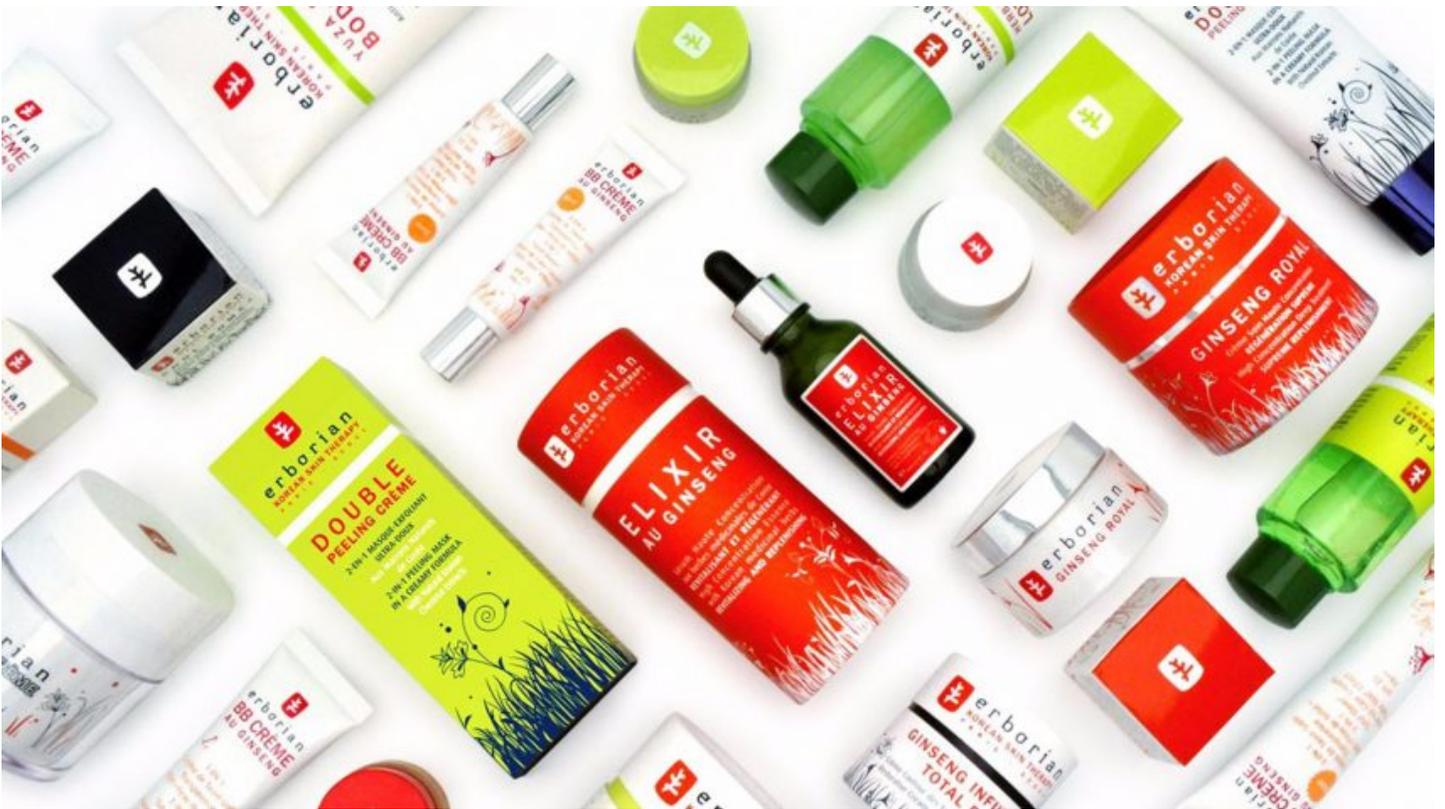


Hojung Lee & Katalin Berenyi

2. What makes Erborian different from other Korean brands?

Katalin BERENYI: At Erborian we see beauty differently. When creating new products, I do not only take inspiration from Korean rituals, Korean beauty and Korean usages, but

I transform them into more simple, more international and more modern cosmetics to international and modern women. At Erborian, we create the best Korean beauty in a simple, accessible and modern ritual, with expert and beautiful galenics. Erborian is still a small brand on the very competitive Korean market and we rely on innovation to keep growing and gaining market shares, without spending big budgets on advertising. Having been the first to successfully introduce the BB and CC Creme, products you can no longer live without, we pride ourselves as an avant-garde and visionary brand that was able to become a reference in the industry. Always remember; innovation is what sets you apart from your competition. Customers are no longer looking only for good products. Brands must go beyond that and offer the consumers strong personalities, values and opinions. Having been a stylist in the past and possessing a multi-cultural background has been a great asset to the ever-growing success of Erborian. It has helped me see skincare and beauty from a completely different perspective. This is why at Erborian we strongly believe that difference is what makes skin perfect.



3. What are your personal thoughts on K-Beauty?

Katalin BERENYI: K-Beauty is an amazing phenomenon and the result of decades of hard work by the Korean cosmetics industry. Pushed by the incredible appetite of Korean women for beauty products, the Korean cosmetics industry works relentlessly on new innovations. The rhythm of innovations in this country is truly different from what I have experienced in any other international market. Having said that, there are so many new products in Korea that there is a real need to distinguish real products with real benefits and real innovations from quick fast-passing product developments.

4. What skincare trends are most popular in Korea right now?

Katalin BERENYI: There are indeed, always new trends popping up in Korea. Some of the most recent ones are a few drops of oils mixed with any foundation for a glowing and dewy finish, the 7 Skin Method (apply 7 layers of toners for full hydration) or the progressive lip coloring (deeper on the inside).

5. Are there any trends that are currently declining in popularity?

Katalin BERENYI: I see progressively less animal-derived ingredients, such as snail mucus. Also I see a decrease in dramatic makeup, giving way again to a more subtle and natural makeup and red lips.

6. Why would Koreans, who live in the country which is the world leader in aesthetic surgery, turn to cosmetics and skincare brands instead of a more definitive solution? What is the USP of beauty brands vs. cosmetic surgery?



Katalin BERENYI: Aesthetic surgery is used indeed for specific purposes, such as the creation of the double line eyelids, offered many times as a graduation gift to young people. The creation of the famous V-line of the jaw is another favorite intervention of Korean women. Other than that, they usually prefer less invasive actions (less risky and cost saving), such as botox and cosmetics, for a more natural look.

7. Why such a big enthusiasm for Korea and K-Beauty?

Katalin BERENYI: Korea has 2 major assets to ignite such a worldwide enthusiasm for its beauty products: Firstly, the incredible speed of innovations in order to satisfy very demanding and sophisticated consumers; many times products live only a year and are replaced by new trends (short product life-cycle), new galenics and new rituals. Secondly, the non-traditional approach to aesthetics and packaging: skincare can be cute whilst having a good performance, and “boring” is not necessarily synonym of “serious”.

8. What are the major differences between European/American and Korean Beauty trends?

Katalin BERENYI: There are many differences between the European/American and Korean beauty approach. Here are some of the biggest ones:

- The type of textures (Korean prefer watery and gel-type textures, while we prefer more comfortable “cocoon” textures)
- Korean use multiple serums (one for each benefit)
- Korean love to use double cleansing for a perfectly purified skin and they also love double or triple lotioning for a perfectly moisturized face (lengthy beauty routine)
- Korean consumers tend to search for products online beforehand and do not buy a given product because it’s from a big brand: they rely on word-of-mouth and need to be able to try samples before the actual purchase.

9. How different is a Korean skincare routine compared to a Western one?

Katalin BERENYI: In Korea women use generally lengthy and very sophisticated beauty rituals also referred to as Layering. The latter consists of the superposition of between 10 and 15 layers of textures, beginning with 2 or 3 cleansers, lotions, serums, creams and base products. All of this before the various makeup steps. Western women prefer more simple and quicker routines and have a strong appetite for multibeneficial products. Furthermore, Korean women use multiple masks. The 1-a-day masking ritual (1 sheet mask every evening) is famous across all of Korea and has been for many years.

Here are some of the key steps of the Korean beauty routine:

STEP 1: Toner after cleansing their face (double cleansing is preferred)

STEP 2: Eye cream

STEP 3: Serum (the majority of people use 2 types or serums, moisture serum or whitening or anti-aging (firming))

STEP 4: Moisturizer

STEP 5: Cream (Firming or Whitening or Anti- Aging, most likely use 2 types of creams)

10. Not many people are aware that Korea is at the origin of many innovative beauty products that we now use on a daily basis. Could you tell us more about it?

Katalin BERENYI: Korea has inspired many innovations, often integrated already into our beauty rituals. Some of them are our serums, moisturizing lotions, sheet masks, foundation cushion compact, cleansing oils and watery-type moisturizing creams. That is one of the main reasons that the world is looking towards Korea for new trends, new galenics and new rituals. However, we have to be careful: not all trends coming from the Country of Quite Mornings are here to stay and not all of them are beneficial from a skincare point of view. Therefore having a knowledgeable selection, or “curation”, is essential to find the real trends, real products and real “gems” in the Korean beauty market.

