

SKIN in the Game

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How **L'Oréal Active Cosmetics** president **Myriam Cohen-Welgryn** is spearheading the dermocosmetics market.

BY **COLLEEN MARBLE** PHOTOGRAPHY BY **THOMAS BALTES**



Infallible Instincts
Insiders point to Ms. Cohen-Welgryn's leadership as the catalyst for the cosmetic giant's industry-leading growth.

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The dermocosmetics industry is a \$51 billion market, and it is expected to grow to over \$130 billion by 2030—driven in part by a rise in disposable income and the post-COVID-19 boom in e-commerce.

Nearly one-third of the world's population suffers from skin conditions and diseases such as acne, eczema, rosacea, alopecia, and the more negative and visible effects of age. In fact, they are among the most common causes of human disease. Moreover, many of the people affected say their skin condition impacts their emotional health.

Separately, a growing number of people are health-conscious consumers looking for clean beauty products and high-quality, high-performing aesthetic skin care products—the kind backed by science and the medical community.

Enter the dermocosmetics industry—a \$51.10 billion market that includes products designed to support or care for the most common skin and hair concerns. The industry, which is expected to grow to over \$130 billion by 2030, is driven in part by a rise in disposable income, greater social emphasis on personal appearance and the post-COVID-19 boom in e-commerce.

At the top of the dermocosmetics leaderboard is L'Oréal's Active Cosmetics Division—owner of category-leading brands La Roche-Posay, CeraVe, Vichy, SkinCeuticals and Decléor. A clear standout amongst its competitors, L'Oréal Active Cosmetics has achieved double-digit growth for the past few years. Most recently, it has outpaced the market at nearly three times the industry's 11.1% compound annual growth rate.

"We indeed have recorded an amazing 32% growth in 2021, while the momentum remains

very strong in the first semester of 2022," says Myriam Cohen-Welgryn, president of the division. "Our growth acceleration is rooted in the explosion of the consumers' expectations toward health, a long-term trend which has been radically accelerated by the pandemic."

Leading in Crisis

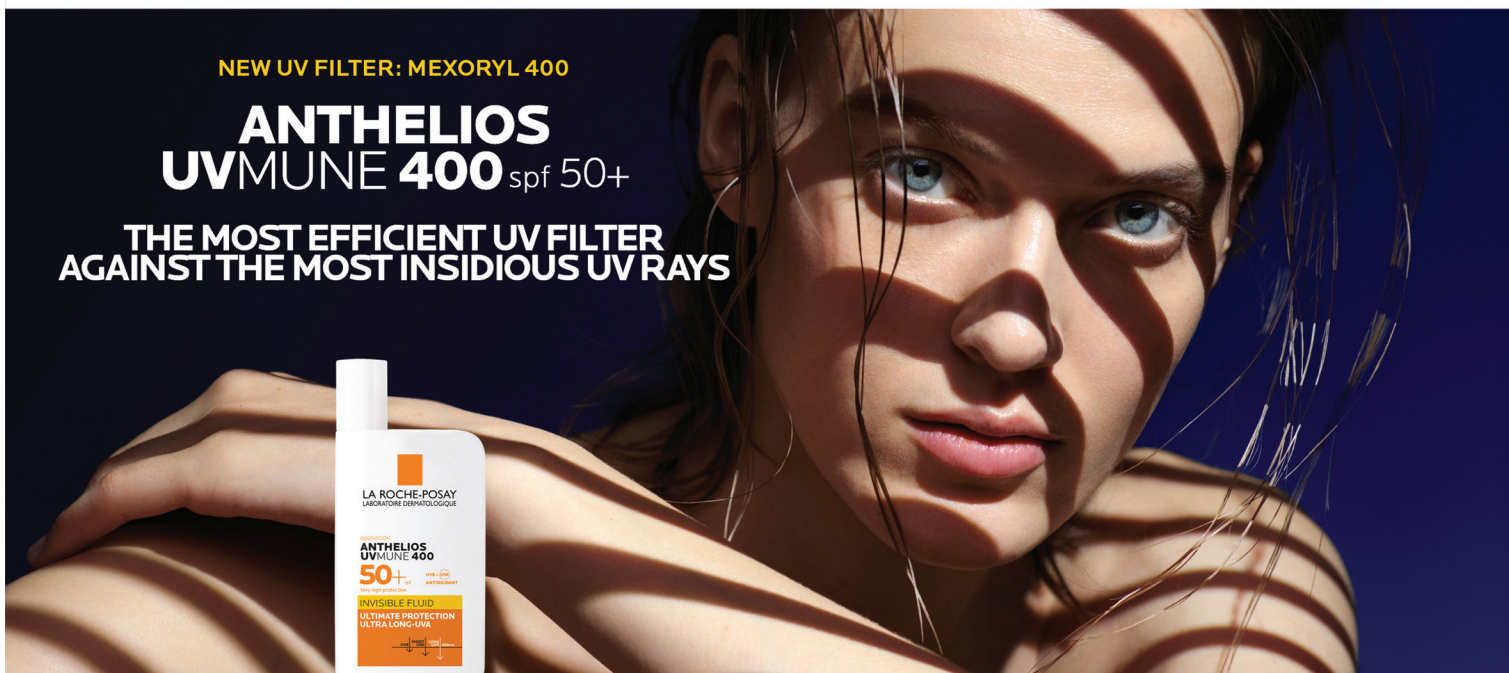
Ms. Cohen-Welgryn had a firsthand look at how the pandemic impacted the company. She was appointed president in May 2020, at the height of the pandemic's first wave.

"I started my job as leader of the Active Cosmetics Division in the middle of a lockdown. It was a challenging time to discover the company and engage my teams across the world while also getting to understand a new company culture," she says.

Yet sales continued trending upward, and Ms. Cohen-Welgryn, standing on the shoulders of her predecessors, put her leadership skills, which were developed over the course of more than 25 years working with some of the world's top companies, in the service of accelerating this growth. During that time, she learned how to navigate a wide range of challenges, from global economic crises to political disruptions in nearly every global market.

"Leading in turmoil requires a great sense of adaptation, of creativity and resilience. It also requires taking even more care of the teams around us and of the whole ecosystem that makes us thrive," she says.

Over the past two years, that has meant



supporting the L'Oréal Active Cosmetics team through many anxious and difficult moments. It also meant being intentional about taking care of the people who usually take care of others: namely, the doctors, nurses and pharmacists on the front lines of the pandemic. The company donated money, skin care products and hydroalcoholic gels—vital sanitizing solutions that were in high demand and short supply

Such critical support was especially impactful because of the close relationship between L'Oréal's Active Cosmetics team and the health care professionals who help develop and recommend the company's products.

"The purpose of our division is to pioneer the health and beauty industry with life-changing and sustainable dermatological solutions for all," Ms. Cohen-Welgryn says. "Our brands create products and services that help doctors accommodate their patients with skin conditions or serve consumers with demanding aesthetics needs. They contribute to improving our consumers' self-confidence and quality of life."

Making Skin Health a Top Priority

Support for staff and partners has been an

essential part of how the company does business. But beyond the immediate health and business implications of COVID-19, which now ranks among the top five causes of death globally, the pandemic has also changed, perhaps irrevocably, how consumers feel about the dermocosmetic products they buy.

"It has turned the long-term consumer health trend into a core expectation in the beauty market," says Ms. Cohen-Welgryn. "Doctors' credibility was radically boosted, which naturally reinforced the relevancy of our medical business model. As consumers were looking for more health and safety, they logically turned to our recommended dermatological brands."

Among the division's success stories is CeraVe, which was acquired in 2017 and is now available in more than 40 countries.

"CeraVe is a dermatologist-developed brand—and it is the number one skin care brand recommended by dermatologists in the U.S.," says Ms. Cohen-Welgryn. "It relies on the outstanding success of its moisturizing cream and hydrating cleanser. These products are particularly relevant in COVID times, when the skin is weakened by repeated hand-washing and the use of masks." >>>

Breakthrough Research

Ms. Cohen-Welgryn's Active Cosmetics Division collaborated with L'Oréal's Research & Innovation centers to develop new, cutting-edge formulations, including the patented La Roche Posay Anthelios UVMune 400 sunscreen, which uses breakthrough filtration technology to protect against the most pernicious UVA rays.

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—Katerin Le Folcalvez

But CeraVe was not the only standout brand in the company’s portfolio. Since 2021, La Roche-Posay (the division’s primary growth contributor, recommended by 90,000 dermatologists worldwide), Vichy (the brand third-most-recommended by dermatologists worldwide) and SkinCeuticals also experienced double-digit growth. Being among the top brands recommended by medical professionals gives consumers confidence that the products are not only safe but also effective.

Strengthening Professional Partnerships

Endorsement from the medical and scientific communities is a key competitive advantage for L’Oréal Active Cosmetics Division. Building on previous great leadership, Ms. Cohen-Welgryn has continued to significantly strengthen the division’s relationships with the medical community and amped up its scientific research.

“Our products are developed in partnership with health care professionals, from their conception to the demonstration of their efficacy and tolerance. Over the past two years, we increased the number of doctors that we directly reach by one-third, expanding beyond dermatologists to general practitioners and pediatricians,” she says. “Our unique portfolio of very complementary dermatologist brands at different price ranges also provides us a true competitive edge to win in our market.”

Today, the company’s medical partnerships include more than 200,000 health care

professionals worldwide. It also relies on medical boards composed of experts in their domain, who help the company understand patients’ unmet needs. These partnerships are enabling L’Oréal Active Cosmetics to branch into prescription skin care products.

The division also collaborates with L’Oréal’s Research & Innovation centers to develop new formulations that are on the cutting edge of dermocosmetic technology. This includes the patented La Roche Posay Anthelios UVMune 400 sunscreen, which uses breakthrough filtration technology to protect against the most pernicious UVA rays.

Ms. Cohen-Welgryn’s inclusive approach has caused many in the industry to take note.

“What I have observed about Myriam is her innate ability to listen—and to listen to anyone who is in the room, from the intern to the executive committee member,” says Insigniam Partner Katerin Le Folcalvez, who is familiar with the impact Ms. Cohen-Welgryn has made at L’Oréal.

“What makes Ms. Cohen-Welgryn unique is her authenticity,” Ms. Le Folcalvez continues. “A long time ago, this authenticity would be considered disruptive, and now many people are keen to emulate her approach, especially in industries where consumer experience and engagement are key.”

Ms. Cohen-Welgryn’s distinct approach not only benefits cross-collaboration with internal and external stakeholders, it has also moved the needle in regard to new

product formulations.

“We develop the right clinical studies to demonstrate our products’ unique efficacy and generate competitive claims for new products,” explains Ms. Cohen-Welgryn. “As a perspective, over the past two years we have almost doubled the division’s scientific publications.”

These medical and scientific partnerships are a key factor in the company’s international expansion. “We benefit from our expertise in dermocosmetics and our strong health professional partnerships in all our key countries,” she says. “And we regularly renovate our brand’s biggest franchises to improve our product performance with the most advanced research.”

Appealing to Young Consumers

Beyond consumer demand and R&D, L’Oréal Active Cosmetics makes the most of modern marketing techniques that appeal to the growing market segment of Gen Z consumers, such as collaborating with derm influencers on platforms like TikTok.

According to Statista, shoppers ages 18 to 24 say skin care is the product category they spend the most on, with the average spend for a single product ranging from \$21 to \$50. In addition, 57% of Gen Z shoppers say they take their skin care routine seriously—a percentage only slightly below that of older millennials.

Those numbers may be proof that you do not need to reach a certain age before you care about quality dermocosmetics products. But they also point to the strong influence that social media and other digital tools have on consumer behavior among younger shoppers. In fact, 44% of Gen Z shoppers say they get beauty and grooming product ideas and inspiration from social media channels, followed by internet searches (40%).

Knowing this, L’Oréal Active Cosmetics made a concerted effort in 2021 to connect with younger consumers through digital apps and other online marketing efforts. It also held a number of online conferences and training sessions in order to engage with medical providers, who would be key to connecting the dots with consumers.

“The brand encountered a strong success with Gen Z consumers who were engaged by our digital, medical and beauty ‘key opinion leader’ advocacy campaigns,” says

Ms. Cohen-Welgryn.

In addition, the growth of e-commerce since 2020 has created new opportunities to engage with net-savvy consumers such as millennials and Gen Z. In 2021, for example, the division saw a 42.7% increase in e-commerce.

To allow consumers to still buy their products and succeed with e-commerce during a global crisis, the division had to respond to a rapidly changing digital marketplace. “I was very impressed by the incredible sense of adaptation of my teams who were able to leverage our competitive digital edge to reinvent many elements of our model, including medical advocacy and e-commerce, which boomed during the pandemic and now represents about one-third of our business,” says Ms. Cohen-Welgryn.

Navigating the Future

There is no question that L’Oréal Active Cosmetics succeeded at a time when many companies failed. Every sector saw average sales volumes dip by as much as 45% during the first year of the pandemic—precisely when the division was experiencing record growth.

“The challenge we now face is our ability to fast adapt our production capacity to this rocketing demand. This is all the more true as the current political crisis is generating many supply chain disruptions,” Ms. Cohen-Welgryn says.

From Ms. Le Folcalvez’s perspective, L’Oréal Active Cosmetics is poised to continue its industry-leading growth and innovation under Ms. Cohen-Welgryn’s leadership.

“What Ms. Cohen-Welgryn brings to the table is extraordinary,” says Ms. Le Folcalvez. “She possesses the ideal combination of incredible business acumen and people-driven leadership philosophy.”

Ever the servant leader, Ms. Cohen-Welgryn attributes her success to those around her.

“Our recipe is based on the strength of our relationships with health care professionals, our digital expertise and ability to advocate and activate the brands in the right communities, and our tremendous international reservoir of growth. Last but not least, we have an amazing team. There is no such thing as a great success without great teams.” **IQ**



BIO: Myriam Cohen-Welgryn President, Active Cosmetics Division L’Oréal

Myriam Cohen-Welgryn began her career as a brand manager at Procter & Gamble. After seven years at P&G, she moved to PepsiCo, where she held a series of marketing director positions. From there, she joined Danone as a general manager and eventually became responsible for leading the environmental transformation of the Danone Group.

In 2012, Ms. Cohen-Welgryn joined Mars as president of Mars Petcare and Food France; she later served as regional president of Pet Nutrition Europe. In May 2020, she became president of L’Oréal’s Active Cosmetics Division, where she has leveraged her brand development, portfolio management, operational business unit management and international experience to accelerate the division’s growth and profitability.