

Empowering RETAIL

As Europe's largest perfumeries and cosmetics retailer, Marionnaud is helping numerous women to gain confidence and empower themselves.

Images by Andreas Licht

In 1984 in France, Marcel Frydman bought a network of perfume shops from Bernard Marionnaud, retaining the name and founding the group Marionnaud. After expanding across Europe, the company was bought in 2005 by A.S. Watson Group and subsequently transferred to its shareholder, Hutchison Whampoa Limited in March 2014. Rebranded as Marionnaud Paris in late August 2014 and known in the hearts of the French for its quality and proximity to its customers, it has understood how to reinvent itself to evolve alongside its client base.

The chain has been serving women for 30 years, providing them with high-quality beauty-care products, make-up, and top-brand perfumes. Since the first store was opened in France, the brand and company has grown exponentially with Marionnaud now boasting more than 1,000 stores in 10 countries across Europe, including France, Italy, Austria, and Switzerland. These stores were built on the firm foundations of the brand's reputation for accessibility, competitive pricing, personalised service, and professional advice. It's this approach that has gained the company the loyalty of millions, with Marionnaud

France calling more than six million customers proud loyalty-card holders.

To protect this reputation and its staff's expertise, the company established the Marionnaud Academy to equip each of its employees with the knowledge, skills, and professionalism to provide quality advice and service to its millions of customers. These expert employees will form the backbone of this iconic European retailer as it continues to expand its stores and online offering.

Eileen Yeo, CEO of Marionnaud France, leads this dedicated team of thousands and spoke >



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to *The CEO Magazine* about how Marionnaud is evolving with its customers and setting standards in the competitive retail market.

The CEO Magazine: Since assuming the role of CEO in February this year, how have you streamlined Marionnaud's operations and engaged staff across the corporation?

Eileen: While I've been CEO for France since February 2014, I've been at Marionnaud since January 2013, so I had the benefit of observing and understanding how our people work here before I took over the complete management of the company.

The Marionnaud team has a strong heritage of customer-centredness and we pride ourselves on bringing in the highest quality products for discerning customers. What I felt lacking was stronger cross-function communication and collaboration to increase effectiveness and ensure that we are working as one team for our customers. The first thing I did

was to encourage people to have better cross-function communication.

People need to have a sense of shared goal. They need to recognise the importance of that connectivity and collaboration between teams and between each other. This is very important to the success of any company. The second thing I did was initiate change in the culture at Marionnaud to be more inclusive and participative.

I want to allow individuals to express their opinions and different ideas, particularly from the working teams and not just from the directors. I think good ideas can come from anyone. It's important to encourage people to dare to present their ideas.

I also want the directors on the senior level to have a more inclusive and participative kind of management style, which I feel is very important to have within the organisation. It gives the younger teams a chance to see that they could be part of the game changer for this company. They're going to

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be the next generation of management for Marionnaud.

I come from a very strong culture with an individual initiative mentality. I wanted to ensure that everyone from management encouraged and supported the idea of every individual taking initiative across the company regardless of their formal title or rank. I think if you have this kind of culture you are promoting a strong sense of excellence and ownership. That was the third thing I did.

You've entered into e-commerce with a new online platform this year. How do you see this development changing your operations and processes? How are you cornering this channel?

We've had a website for a while but we launched a new platform in November last year. It really does change the way we think. A website is not just a transactional platform—it's also a way to communicate with your customers.

On the operational side, it also forced us to rethink what we needed to do with our supply-chain processes, because I think e-commerce customers are very sensitive to reliability, in terms of product delivery, how we proceed on orders, how soon we get the product to them, and the condition that the product is in when it's delivered. These are all really important factors. We also had to explain and reassure our own store teams that the internet is not their competition and that it's actually complementary to them.

I think the challenge is that people will feel that, whether it's right or wrong, since the internet store is always running it will take business away from the physical stores. In reality, the internet is now more about people seeking information. People still like to go to the store to make their final purchase. It's a big challenge to explain to the store teams the relationship between the internet and the physical stores and how both can coexist.



It's now so easy for consumers to get information from different sources on the internet. People like to be more informed these days before they go to the store to purchase the product. The online platform has become a provider of relational content and information rather than a transaction platform. It has evolved in the past 10 to 15 years to where we are today and it will continue to evolve. The challenge will be in understanding its evolution and the impact of online and offline shopping experience on retail. Moreover, the customers that buy on the

e-commerce side are quite different from those that go to the physical store. There is a need to understand what online shoppers are looking for and to deliver that to them.

Those are the challenges that we're facing now. For me, it doesn't stop at e-commerce. I think we need to go forward with m-commerce—mobile—because that's growing even faster than what we're seeing in e-commerce. Now, people are even talking about multiscreen commerce and the latest term is 'the internet of things,' where

people are expecting exponential growth. It's about how we embrace technology and how we use technology to enable our business rather than constrain our business.

You've also renovated the Marionnaud flagship store on the Champs-Élysées. What prompted that decision and how has this revamped the company's look and feel?

We decided to renovate the store back in 2012 because we had that store for a while already and we were wondering what we should do with it. The Champs-Élysées is very special; it's probably the most famous avenue in France, and it's really our showcase store. We wanted to have a store that delivers a different customer experience. We didn't want to follow what our competitors have done because that's not in our DNA.

We wanted to bring the idea of the French luxury shopping experience to our customers. We like the concept to be more than just a shop. The store was designed to resemble a Parisian apartment. You first enter into a library of perfume where you can find all the iconic French perfumes. You slowly progress to the skincare section where we offer intimacy and services to find the right product for you. As you go up the spiral staircase to the mezzanine floor, you will see the designer chandelier hanging from the ceiling before you approach the make-up section which is decorated like a Parisian apartment with open windows to allow you to have a private moment to discover the make-up to create your look.

As the store is on the Champs-Élysées, besides appealing to the local customers, we know that two-thirds of our customers are going to be tourists from around the world. We wanted to make sure that the store gives them that flavour of the Parisian culture and that they're able to find what they want and a piece of French luxury to bring back home. >



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Looking across Marionnaud, how are you planning to modernise the company and build on your established brand in the years to come?

We've been modernising the company for a good three years now. We started in 2011 with our refitting program. We have over 520 stores in France and more than half of our stores have been refitted. We should finish our entire refit program by the end of 2016. In the past, some of our stores hadn't been refitted for more than 10 or 15 years so it was really time for a refresh.

In terms of the store concept, we have developed five prototypes already. At the end of August, we launched version five, which is more engaging and more charming for the customers because that's what we want to be: engaging, charming, and accessible to our customers.

In terms of communicating with our customers, we are reinforcing our customer relationship management program. We want to be more personalised because it is no longer about mass communication anymore—everything is about personalisation and customisation with our messages to our clients. That's a big step that we're taking on.

We talk a lot about e-commerce and m-commerce—that's something that we're working on in order to modernise the company and the brand itself. I think we need to respond to changing customer needs and the impact technology is having on everything—on retail and on the way we live and work.

In terms of the Marionnaud Academy, what inspired your team to set it up and how has it helped your staff across the company?

When we started the Marionnaud Academy the primary focus was to ensure that we deliver consistent, exceptional service to our customers, and to also maintain



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our expertise and know-how in terms of giving skincare advice to our customers. Those were the two main objectives when we started the academy. Besides the training from the brands, we believe that we need to have our own service protocol that details what we expect from our beauty consultants and what consistent level of service standards they need to meet.

They need to have a consistent level of expertise because that's what we pride ourselves on: to be able to give knowledgeable advice, compared to our competitors. In a way, it's giving them quality assurance and quality training to ensure that they're able to deliver that. Marionnaud Academy also allows a lot of the beauty consultants to be able to interact with each other. We have more than 500 stores in France and it's difficult for people to meet each other. During training, it's the best time to get to know your fellow colleagues.

It's a time where they can share best practices, interaction, and connection, which are very important. Giving them a chance to share their experiences and have that sense of belonging is the culture of Marionnaud.

How are you working with your suppliers and your partners to ensure continual, collaborative growth?

We have a business review on a regular basis. We tend to take a more long-term approach with business development in mind. Our discussion is mainly focused on actions to bring differentiated values and great experience for the customers.

Short-term wins are important, but it's even more critical to share longer term goals and work towards them together. It is necessary to have open and constructive discussions and discuss where we have done well, where we have not, and the areas that we can improve on.

As the sole CEO now, what is your vision for Marionnaud?

Marionnaud is a brand that has a very special place in the people's heart in France. I would like Marionnaud to continue to deliver the sense of proximity, confidence and beauty inspiration that are very intrinsic to our brand to our clients, especially the women. Today there are a lot of challenges in life and the world is not exactly straightforward. We would like to empower our clients with beauty. Our 12-year partnership with the Cosmetic Executive Women Foundation, which allows those affected by cancer to receive free beauty treatments directly in hospital, illustrates our commitment to use our services and expertise to help women.

Marionnaud will continue to provide confidence to all women and empower them in their everyday lives. We will continue to deliver by being accessible, charming, and being close to them, as we have been for 30 years. •



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