

Moroccanoil pioneers a new way of doing business

Moroccanoil pioneered oil-based hair care and a new way of doing business for the professional beauty industry. As the company enters a new phase in its growth, **Beauty Industry Report** caught up with **David Krzypow**, vice president of marketing; **Jay Elarar**, vice president sales, professional—Americas and **MacDonald Kennedy**, director of sales and marketing. **Exclusive Beauty Supplies**, for the inside story.

BIR: Welcome, Gentlemen. Tell me how Moroccanoil pioneered the oil category and changed an industry.

David Krzypow (DK): Moroccanoil continues to disrupt the status quo through its anti-diversion efforts, high-level marketing and effective formulas. While most industries have undergone major transformations over the past 10 years, as they have adapted to the ever-changing world of business and increasingly demanding consumers, the professional hair care sector has remained fundamentally unchanged. Yet the context in which salons operate today is very different: The internet, print magazines and retail outlets are increasingly taking away the beauty advisory role once controlled by salons. Moreover, consumers now have access to a multitude of non-professional channels from where to purchase high-quality hair care products. At the same time, the integrity of the industry is being undermined by the growing problem of diversion. Those changes have weakened the stylist-client relationship and the importance of professional recommendations of products tailored for clients' hair types.

BIR: What are the critical steps to follow when pioneering a new category?

DK: A story of success, an impulse for innovation and a relentless pursuit of simple, high-performing products fashioned our iconic

brand Moroccanoil. All of our products—from cleansing and conditioning to styling and finishing—are oil-infused, offering a unique approach to hair care and styling that not only leaves hair naturally smooth and shiny, but also improves its condition with each use.

Here's what contributed to our success:

1. Our original Moroccanoil Treatment, which combined the highly nourishing, antioxidant-rich properties of argan oil with high-performing ingredients.

2. Having the right leadership in place, along with co-founder **Carmen Tal's** background as a salon owner, resilience in overcoming obstacles and passion to share Moroccanoil Treatment with women all over the world.

3. Thanks to God (some would call it luck)! Also, listening to our customers, the women who inspire every product we create. We pay attention to those who love our products, and in turn, they help us determine not only new products, but also initiatives such as **Inspired By Women**.

4. The stylists who took a chance on us and were willing to give an oil product a shot.

5. An unparalleled distributor network. **BIR: How did you turn your argan oil in its amber bottle and turquoise label into a must-have consumer product overnight?**

DK: We built our reputation on positive word-of-mouth—from runway to salon to the spa to editorial spreads. Our clients and the experts know our products work.

BIR: How do you pioneer a new category?

DK: Strong leadership that remains true to the brand vision, believes in the products and vision, and will not be dissuaded by the obstacles and challenges, is key.

BIR: How did you set your distributors up to be pioneers?

MacDonald Kennedy (MK): John Leone and I first met co-founders **Carmen** and **Ofer Tal** through you, Mike, when Moroccanoil was

quite young. From the start, they were very clear that they were not only launching a new kind of hair product, a new brand and a new category, but they wanted to pioneer a new way of doing business and to challenge the status quo. That was a breath of fresh air, and

we believed in them and their vision before we even believed in the product itself.

BIR: Tell me more.

MK: The best example of that pioneer spirit is the way that Moroccanoil tackled diversion head-on. At that time, most brands had either given up on controlling diversion of their own products or had joined in on the action directly or by turning a blind eye. "There's no way to control it," was the response we got every time one of our brands showed up in Target, CVS or the grocery. And, of course, they'd point to salons as the source of diversion, when

the truth was the salons put them on the map in the first place and had the most to lose when the product showed up in Target.

Moroccanoil changed that conversation completely. Now, we look brand execs in the eye and respond, "If Moroccanoil can do it, you can too—if you really want to." New brands now say to us, "We want to control diversion just like Moroccanoil does."

Carmen also understood early on that stylists were the brand's entrée to consumers, so she flooded the market with those cute little brown glass sample bottles that opened doors faster than anyone had ever seen.

Carmen also knew how to make a splash at shows with those beautiful blue bags! I clearly remember Moroccanoil's first year at **Premiere Orlando**. Everyone wanted that blue bag and was buzzing about the free samples inside. After, our phone rang off the hook for weeks from stylists and salons that had to get Moroccanoil. They shared that enthusiasm with their clients, and the brand took off.

Carmen has made Moroccanoil the Chanel



The original Moroccanoil Treatment pioneered oil-based hair care.



David Krzypow, Moroccanoil's vice president of marketing

of hair care, and consumers and stylists alike equate that logo with quality and fashion. Having the brown glass bottle in her bathroom, that blue hairspray in her purse or a Moroccanoil tote on her arm makes a woman feel as stylish as when she flashes the red soles of her Louboutins. Carmen pioneered that kind of branding in the professional beauty industry, and that's what continues to elevate the brand.

BIR: How do you support salons and spas that use and retail Moroccanoil?

Jay Elarar (JE): We provide two areas of support—one within the salon and the other outside of the salon. We invest heavily in building buzz and consumer demand for our



Jay Elarar, Moroccanoil's vice president of sales, professional

products, which in turn results in significant retail income for the salons that carry our brand.

Salon clients visit their stylists about once every 4 to 8 weeks. During that time, stylists control the hair care conversation for 1 to 2 hours. Our 360-degree approach to marketing

and PR keeps the consumer engaged with the professional hair care conversation before, after and during salon visits, throughout multiple touch points. Our strategically conceived engagement tactics that drive the consumer to the salon include an aggressive PR strategy, coupled with global advertising campaigns and social media activities.

This 360-degree approach is supported further by our anti-diversion program, which helps protect the integrity of the professional hair care industry. We invest heavily in a highly sophisticated tracking system that follows each product from its source all around the globe. Moreover, legally, we have been extremely aggressive at defending our brand integrity to eliminate copycats. We continue to fight and win numerous cases around the world, getting injunctions against copycat brands.

We support our salons and spas directly by



Moroccanoil Body was a natural extension of their success in hair care.

providing them with top-of-the-line artistic and business education combined with a robust Loyalty Program. The purpose of Moroccanoil Education is to return to the essential foundation and refined art of styling to create truly beautiful hair. Our education is innovative and on trend, taking inspiration from the work we create at fashion shows across the globe and creative collaborations with world-renowned runway and editorial stylists. We have a global network of talented and engaging educators led by **Robert Ham**, our director of global education. Stylists can experience Moroccanoil education in-salon or at the NYC **Moroccanoil Academy**.

Our Loyalty Program is one of the richest out there; it allows salons to access a sophisticated online portal and see what is new with Moroccanoil, redeem points for backbar and station product and access in-salon marketing and merchandising pieces. Lastly, we offer salons business education through interactive classes and events focusing on retail, merchandising and how to run their salon as a business, led by **Nancy Dobell**, our director of brand development. Visit www.moroccanoilbeautifulbusiness.com.



The new Moroccanoil Texture Collection includes Dry Texture Spray, Beach Wave Mousse and Texture Clay.

BIR: Why was the time right for Moroccanoil to break out?

JE: Prior to Moroccanoil, oil-infused hair treatments that could be used to both treat and style the hair were unconventional. Moroccanoil Treatment not only created the worldwide buzz on argan oil, but also pioneered a new oil-infused beauty category. Word of our easy-to-use and performance-driven formulas that transform all hair types spread quickly among stylists, celebrities

and women around the globe.

BIR: Moroccanoil launched at an upscale price point during an economic recession. Many credit your brand for helping salons stay in business.

JE: One of the amazing things about our industry is that it is virtually recession proof. Women want to look good, and sometimes pampering yourself with that extra new product is all you need to distract yourself from the realities of life—including an economic downturn. We also had the benefit of entering the professional hair care market with something completely new, and salons embraced us. In turn we gave them a brand that spoke directly to consumers and grew their retail business when their service business might have been slowing.

BIR: What does the future hold?

JE: This month, we are launching an amazing **Texture Collection** of three argan oil-infused products to help achieve any textured style. Our new **Moroccanoil Beach Wave Mousse** is an upgrade on sea salt spray and creates a beachy wave without the dehydrating effects of salt. **Moroccanoil Texture Clay** gives you piecey, roughed-up texture.

Moroccanoil Dry Texture Spray creates light, tousled styles. Texture is a new category for our hair care; we're proud to offer new options to our salon partners and consumers!

Contact Moroccanoil Customer Service at 888-700-1817 or info@moroccanoil.com. Visit moroccanoil.com.