



Book Beauty Imagined

A History of the Global Beauty Business

Geoffrey Jones
Oxford UP, 2010
[Listen now](#)

- [play](#)
- [pause](#)

00:00
00:00

Recommendation

L’Oreal, Colgate, Oil of Olay, Clairol, Cover Girl and other popular beauty brands are so familiar that most consumers take them for granted. But this study of the origins and growth of the modern beauty industry is enthralling. Harvard Business School professor of history Geoffrey Jones traces the roots of the business, from the fragrances produced by French glove makers in the 18th century to today’s industry giants. He examines the various influences on the beauty market over the years and around the globe, including consumer preferences, economic and political upheavals, globalization, and varying beauty ideals. The book is comprehensive and well-illustrated, the product of Jones’s extensive research into historical archives and trade journals, and his interviews with company executives. *BooksInShort* recommends this scholarly work as required reading for those in the industry and a top choice for all business history buffs.

Take-Aways

- By the mid-1800s, a series of colorful entrepreneurs had transformed artisanal perfumery into a modern industry.
- The “visual self-awareness” that came with advances in electricity and photography made people care about their appearance.
- Newly popular 19th-century hair salons proved useful outlets to sell beauty products.
- Early entrepreneurs such as Guerlain, Rimmel and Coty in perfumes, Schwarzkopf in hair care, and Pond and Chesebrough in skin care built today’s household names.
- Émigrés Max Factor, Helena Rubinstein and Elizabeth Arden founded iconic skin care and cosmetic lines.
- Marketers turned soap from an “undifferentiated commodity” into powerful brands.
- In the early 20th century, the beauty industry’s power center shifted from Paris to the US.
- Demand for beauty products survived two world wars and the Great Depression.
- Early television advertising stimulated unprecedented industry growth.
- As brands expanded globally, beauty firms had to adapt to changing ideals of beauty.

Summary

From Humble Roots

The business of beauty began with perfumes. The use of scents and aromatics flourished in ancient times, particularly among the nobility. In the Middle Ages, perfumes and fragrances were used largely for healing purposes. Rather than wearing them on the skin, people often drank perfumes or sprinkled them on linens and clothing to ward off illnesses.

“The beauty business began modestly with the sale of products widely deemed an affront to public morality.”

In 18th-century France, glove makers began making perfumes to mask the foul odor emanating from the tanned hides used in leather gloves. Many glove makers were centered in Grasse, a town in the Provence region of France, which conveniently also was an ideal spot to cultivate the flowers and plants used in perfume making. The “perfumed court” of Louis XV made fashionable the use of soaps, powders and hair dyes. Johann Maria Farina developed a light new scent he named “Eau de Cologne” after his adopted city; Napoleon was a huge fan of the fragrance. In 1828, Pierre-François-Pascal Guerlain started selling scented waters, soaps and lotions to the aristocracy in Paris. A short time later, Eugène Rimmel, a Frenchman living in London, developed and sold a perfume brand he associated with status and class. He was the first to market scents through mail order and theater program advertising, and he hired a noted French lithographer to design his perfume bottle labels.

A Nose for Success

By the mid-19th century, hundreds of perfumers operated in London and Paris, mostly catering to the highest levels of society. Perfume companies began to explore ways to expand their product lines and their markets by inventing better production methods and seeking different raw materials. The search for new scents led Grasse-based Chiris, a firm with more than 500 employees and sales of more than half a million francs by 1850, to extend its sales internationally; it opened a factory in Algeria, where the company grew geraniums, oranges, eucalyptus and other natural ingredients. Chiris and other perfumers, including Houbigant, not only replicated the aromas of nature but also synthesized innovative new fragrances.

“Beauty has become a huge industry which affects the daily lives of almost everyone.”

As new technologies emerged, so did new distribution channels. Some perfumers sold their products only in exclusive shops; others sold fragrances at more affordable prices in department stores. American firms exploited Paris’s reputation as the world center for fashion and luxury; Richard Hudnut, a New York-based perfumer, created and marketed 90 fragrances using the French cachet. Other US companies, such as Colgate, concentrated on the lower end of the market. Avon, which started out selling books door-to-door, discovered its fragrance samples were a bigger hit with its largely female clientele.

“A succession of entrepreneurs had transformed an ancient craft into a modern industry.”

At the beginning of the 20th century, François Coty quickly grew his perfumery by appealing to the masses; he convinced a Parisian department store to carry his first perfume by “smashing a bottle on the floor in a successful gambit to get customers to smell it.” He followed the example of American marketers by hiring a sales force to hawk his products throughout France. Coty expanded his product line to include cosmetics and vertically integrated his business by manufacturing his own glass bottles, which were designed by René Lalique, “a master jeweler.”

Her Crowning Glory

The advent of electricity and photography, along with better-quality mirrors, made people’s “visual self-awareness” greater than before; after all, why smell good if you don’t look good? People began taking more notice and more care of their appearance.

“Visual self-awareness was intensified in a way that had never happened before, and new industries rose alongside that awareness to cater to it.”

Many of today’s beauty companies began in the field of hair care. Before the mid-19th century, most women did their hair at home, but in 1853, Eugénie de Montijo, the wife of Napoleon III, employed a royal hairdresser to arrange her tresses, sparking the trend toward hair salons for women. By the 1870s, “haute coiffure” salons sprang up in Paris to cater to the upper classes, and by the end of the century thousands of hairdressers were in business throughout the city. Entrepreneurs such as François Marcel, who invented an early type of curling iron, and Charles Nestle, who created different methods for permanent waves, came up with new processes.

“The craft of making soap, like perfume, was ancient, but so was people’s refusal to use it.”

The salon was a perfect venue for selling beauty products. Franz Ströher founded the Wella company by inventing hair nets for wigs. Hans Schwarzkopf pioneered not only the first shampoo, a powder, but also its name, which he “coined himself from the Hindi word *champo*, to massage.” Eugène Schueller made great advances in hair dyes; he named his company L’Oreal, published a newsletter for hairstylists and established a hairdressing school. In 1914, in the US, two African-American women became “the first American self-made female millionaires.” Working independently of each other, Annie Turnbo Malone and Madame C.J. Walker each built successful businesses catering to the hair-care needs of black women, a market other beauty companies had ignored.

Skin Deep

In 1846, New York pharmacist Theron T. Pond formulated a skin cream made with witch hazel that he called Pond’s Extract, later to become Pond’s Cold Cream. Robert Chesebrough, who invented Vaseline, struck up a deal with Colgate to distribute his “petroleum jelly.” These emergent businesses used advertising agencies to market their products in ads in women’s magazines and on billboards.

“What was once the sole power of the sovereign became the right of every individual – to make choices about personal appearance and standards of beauty.”

In 1882, German pharmacist Paul Beiersdorf launched what was to become the skin care brand Nivea. His successor, Oscar Troplowitz, invented Germany’s first toothpaste, Pebecco, which, by 1914, was one of the most popular toothpastes in the US. Troplowitz marketed Nivea’s benefits to women, promising younger-looking skin. During this time, two women started their own iconic beauty brands. Helena Rubinstein, from Poland, developed a skin-care line sold around the world. Canadian Elizabeth Arden added the allure of luxury to her creams sold in chic department stores. In Japan, Arinobu Fukuhara opened the “Western-style” Shiseido Pharmacy, offering toothpaste, hair oils and the skin lotion, “Eudermine,” a Shiseido product to this day.

“By the interwar years, and perhaps earlier, flashing one’s white-toothed smile and fresh breath had become an important element of the American beauty aesthetic.”

Soap, too, became a major part of the beauty industry. Prior to the mid-1800s, Europeans avoided washing with water, believing it brought on the plague. By the 1850s, however, views had changed as clean water became more available and doctors promoted healthy hygiene. Initially, soap “was sold in large, unbranded cakes.” Harley Procter and William Lever converted soap, an “undifferentiated commodity,” into a specialized, branded item in the US and UK, respectively. Procter & Gamble (P&G) sold “purity” with Ivory Soap beginning in 1879 and, by the early 20th century, Ivory led the US market. Other manufacturers followed, including Colgate and Palmolive. British manufacturer William Lever developed the Sunlight Soap brand in 1885, Lifebuoy in 1895 and Lux soap flakes in 1900.

“The right soap promised to signal social respectability, and even to transform one’s romantic life.”

Color cosmetics took longer to become mass consumer items mostly because many societies linked “face painting” to prostitutes and actors. Max Factor, a Polish émigré, was an early pioneer of cosmetics in the US. In 1914, he improved upon the stage makeup used in Hollywood, “legitimized” the theatrical term “make-up” for the consumer market and began to sell his cosmetics nationally via drugstores. Other innovations around this time included Maurice Levy’s lipstick tube and T.L. Williams’s Maybelline Cake Mascara.

Beauty Grows Up

At the start of the 20th century, the economic center of the beauty industry shifted to the US’s huge consumer market. By 1920, annual US retail sales of beauty products reached almost \$130 million. In 1919, P&G’s sales topped \$189 million: American culture by then emphasized smelling good and looking clean. In the late 1920s, Colgate and Palmolive merged; Lever Brothers combined with a Dutch margarine manufacturer to create Unilever.

“Beauty is a fickle lover. Some categories of product bred more brand loyalty than others.”

Despite the devastation of World War I, the French perfume industry continued to thrive. Chanel launched its famous N° 5 scent. Coty, Inc. controlled almost 60% of the French perfume market and expanded into the US. Europeans and Russians brought their businesses to America to escape persecution, among them Helena Rubinstein and Prince Georges Matchabelli, who founded a perfume company.

“Beneath all the beauty rituals and the potions, creams, dyes and perfumes that human societies have developed across the millennia lies the basic biological imperatives to attract and reproduce.”

The Great Depression hit the beauty industry hard: By 1933, US production of cosmetics and toiletries had dropped by half. Weaker companies failed, while others, such as Helena Rubinstein, had to retool their strategies. However, by the mid-1930’s sales were back on an upward swing. Even World War II couldn’t disrupt the beauty business – in 1941 the US confirmed lipstick as “a wartime necessity,” and the British government acknowledged beauty items to be “in the same category as cigarettes, sweets and beer.”

TV Changed Everything

In the 1950s, the US reinforced its lead in the global beauty market, and America was the place where new trends and innovations emerged. Much of this economic growth came from television advertising: Leonard Lavin bought the Alberto-Culver company in 1955 and marketed its VO5 hair conditioner in a \$10 million campaign. Noxell launched the successful Cover Girl makeup line on TV. When Charles Revson’s Revlon sponsored the popular American game show, “The \$64,000 Dollar Question,” Revlon’s sales quadrupled in six years, to \$134 million.

“The extent to which a global luxury brand needed to, and could, be locally relevant was challenging for entrepreneurs.”

Although France remained a primary market for fragrance, many French perfumers did not have the financial resources to penetrate the US market, leaving a vacuum that American companies such as Max Factor, Estée Lauder and Prince Matchabelli readily filled. Revson introduced Charlie, the “first modern lifestyle fragrance,” in 1973. Hair care in the US remained highly competitive but profitable in the postwar decades: Clairol developed the immensely popular Herbal Essences line, and Johnson & Johnson led the baby shampoo market.

“Hope, not efficacy, was the mantra of beauty.”

In France, Schueller’s successor at L’Oreal, François Dalle, carefully targeted different products to different segments: Retailers sold mass-market items, while L’Oreal-branded products were confined to salons and high-end department stores. This market segmentation, coupled with autonomy from family shareholders, allowed him to enlarge the company by going partially public and acquiring competitors like Lancôme. By the time Dalle retired in 1984, L’Oreal was one of the world’s largest beauty companies.

Globalization

As air travel grew, a new sales channel, airport duty-free shops, became an important “travel retail” vehicle for beauty items. Many companies opened factories in foreign countries to avoid tariffs and exchange controls. Markets for cosmetics and personal care items grew in Asia and Latin America. By the 1970s, some companies were well-established global names, including Sunsilk, Pond’s, Avon and Max Factor, but most firms focused on their domestic markets. That changed with the globalization of the beauty industry in the 1990s and into the 2000s. “Megabrands” emerged: P&G acquired Cover Girl, Max Factor, Clairol, Wella and Gillette. In 2009, P&G’s Pantene Pro-V hair-care line and Oil of Olay skin-care products were “the world’s third- and fourth-largest beauty brands,” respectively.

“Beauty, or more precisely today’s multibillion-dollar industry, is the creation of man, not nature.”

As companies began to take their beauty products around the world, they had to retool their offerings to meet the needs of people with different skin tones and hair textures. This “tribalization” means that products that do well in one country don’t necessarily succeed in another because of varying beauty ideals.

Entrepreneurs long have understood that beauty is something all humans desire, and those businesspeople set out to make it possible for everyone. The beauty industry

gave society's "outsiders," such as Jews, African-Americans, immigrants, theater people and women the opportunity to make their marks. Long-term success in the beauty industry requires innovation and creativity as well as competence in marketing, manufacturing and distribution. It also requires the flexibility to change and evolve with the whims of fashion.

About the Author

Geoffrey Jones, a professor of business history at Harvard Business School, also has taught at the London School of Economics. He is the author of several books on international business.
