

Avoiding Competitive Wellness, as The Category Merges With Beauty

The founders of Vintner's Daughter, Love Wellness and Kosas talk brand building in the age of beauty and wellness. BY ALLISON COLLINS

The lines between beauty and wellness are blurring, underscored by three of today's major indie players that are tying the two concepts together in atypical ways.

First, there's Vintner's Daughter, a two-stock-keeping unit brand that takes inspiration from Napa Valley winemaking for its product formulations; then, there's Love Wellness, a personal-care line that aims to tackle women's health in a thoughtful, modernized way; and then there's Kosas, a clean beauty line that revolutionized skin-care-makeup hybrids with the Launch of Tinted Face Oil.

"If makeup doesn't make you feel beautiful, it's not contributing to your wellness," said Sheena Yaitanes, chief executive officer and founder of Kosas. "There are times when the wellness world becomes very judgmental, very sexless, very shame-building."

April Gargiulo, the ceo and founder of Vintner's Daughter, referred to that concept as "competitive wellness." Yaitanes noted that it's "damaging."

Lauren Bosworth, founder of Love Wellness, said that with her brand, the goal is to give women the information to make decisions for their bodies.

Here are their three brand stories:

Vintner's Daughter

April Gargiulo had struggled with her skin forever, used luxury beauty products, and only peeked at an ingredient list when she was pregnant with her first child. She didn't like what she saw.

"I was using what I thought were the finest products — they were the most expensive products, celebrities used them," Gargiulo said. As the daughter of a winemaker, she started to take issue with not only the products' ingredient profiles, but their formulation speed, and didn't find luxury in those methods.

"True luxury to me is when you start with the finest ingredients, [and] when you honor those ingredients in a very thoughtful and methodical formulation practices," she said. Vintner's Daughter products start with whole plants, which are infused into the



formulas for 21 days to get the "full spectrum of nutrition" into the products, she said.

"The majority of skin care is made in less than three hours, so when I showed our formulas to these labs, they thought I was crazy," Gargiulo said.

Retailers thought she was crazy, too, for asking them to stock just one sku, and one suggested she add a handful of ancillary products to the line so it would be easier to carry in stores. Eventually, the press got ahold of the product — Active Botanical Serum — and word started to spread. Retail support came, too, eventually.

Five years later, Vintner's Daughter launched a second product, Active Treatment Essence. It has sold out three times.

"I'm so happy I didn't compromise our story to fit into someone else's idea of who we should be," Gargiulo said.

She noted that the company has not taken any outside investment, and may never. "I don't know that any investor in the world would let us have one product for five years," she said, adding that she herself does invest in other brands. "I love investing in other women entrepreneurs," Gargiulo said, noting that she would be happy to invest in both Kosas and Love Wellness.

Love Wellness

For Bosworth, the journey to starting a personal health brand started with her own personal health. She was experiencing

anxiety and depression, and ended up at Duane Reade regularly after frequent visits to her OB-GYN, she said.

"I was that woman who was in Duane Reade all the time in the personal-care aisle...that aisle doesn't make you feel good about yourself...Even if you're buying tampons you're probably double-bagging them," Bosworth said.

So she started a journey to create a brand that not only changes the personal-care products themselves — Love Wellness just launched Sparkle Fiber, a fiber supplement in glitter packaging — but women's perspective around the category, Bosworth said.

"We know that women's health is a journey to love yourself well, but what we also know is that wellness is not a one-size-fits-all solution," Bosworth said. Maybe sleeping habits or diet shifts are in order, but at Love Wellness, the real change is one in perspective, Bosworth said.

"It's this switch in perspective...that we think is really important," Bosworth said. "We feel like women know their bodies the best."

Love Wellness has gut, hormone, intimacy and other products. But while it continues to launch newness, it is also focused on building a community, which Bosworth said has happened through storytelling.

The brand has assembled a medical advisory board to help deliver information about women's bodies to consumers, hoping to empower women to make

decisions around their own bodies, Bosworth said. "If you're a woman, and you type into Google, 'I missed a couple of my birth control pills. Could that cause me to have PMS symptoms?' What kind of results are you getting? ...Not much comes up."

The brand has managed to draw an engaged following, and in a year, has gotten more than 6,000 customer reviews, many of which are paragraphs long.

This Year, Love Wellness raised a Series A from PDC. "We needed the capital to start to scale the business in the way that I had always envisioned," Bosworth said, noting that before that the business operated using its working capital. "I knew it was time when my team was just at bandwidth, we were three or four full-time people and I needed 10 more bodies in the room."

Kosas

At Kosas, Yaitanes is harnessing her inner child to break down conventional beauty barriers and develop products that others in the industry are itching to copy.

The clean beauty company's Tinted Face Oil has not only drawn attention from consumers, Yaitanes said, it's drawn the attention of beauty-industry insiders.

"You really know you're on to something when your competitors are buying and reverse-engineering your product — I actually see the order, but it's OK because the world needs us to make better makeup," Yaitanes said.

Tinted Face Oil and the rest of the Kosas lineup is the result of Yaitanes' lingering creativity, which she said peaked when she was 10 years old. She used to crush up pigments for lipgloss and make her own wallpaper. Once, she was convinced she'd discovered the cure for chicken pox — a mixture of moisturizer, body wash and exfoliator. "It didn't quite work," she said.

But that sense of discovery has helped her to develop Kosas' cult hits. She wanted makeup she could apply on the go, with her fingers, that would match her olive complexion. Then, Tinted Face Oil was born, and she got scared.

"How are we going to teach people how to use this? What are we going to call it? What even is this? Is it skin care? Is it makeup?" Turns out, it was both, which Yaitanes says is the key to getting hybrid products right.

"For this to work, it has to be totally makeup and totally skin care and neither one can be compromised," she said.

How Tengram Capital Makes Beauty Companies a Success

The private equity firm has invested in DevaCurl, RéVive and Lime Crime. BY KATHRYN HOPKINS

Richard Gersten, a partner at private equity firm Tengram Capital Partners, has been investing in the beauty space for years, but he doesn't always care about what's in fashion.

"I would say we're probably a little different to other investors that are maybe more trend focused on identifying a trend and jumping on it," said the veteran investor. "We tend to be a little more reactive in terms of our approach. We're looking for strong brands that have great products and a loyal consumer following."

He used the example of luxury skin-care brand RéVive, which it acquired from Shiseido Americas in 2017. "One could say that something like RéVive that was dependent on luxury department store distribution, as an example, would not have been on trend, but we're experiencing great success with it."

When he invested in hair-care brand DevaCurl back in 2013, that too was pretty niche, but had a fanatically loyal following and later became much more mainstream.

"We're relatively category agnostic," he mused. "We've been fortunate to have invested in businesses that have taken advantage of category tailwinds but is not first and foremost in the development of our thesis," he said.

The trick to making these companies a success by bringing them to the masses, according to Gersten, is the management team he creates.

DevaCurl was founded by two professional hairstylists, neither of which had much management experience to scale the business.

"The day we invested we put in a phenomenal ceo and he built out his entire senior executive team so that investment in the team part was critical and then

we made some modest changes to the packaging," he said.

"It had the foundation of everything we loved about it, but really the team part is ultimately what got us to the finish line."

He believes the same is true of RéVive, although Tengram hasn't sold that yet unlike DevaCurl.

"While we haven't sold it yet, I think we're going to do incredibly well as investors for the same reason — a tremendous product, a brand you couldn't kill despite 10 years of no management. We put a great ceo and team in," Gersten added.

"If you get the people part right and get an exceptional management team and leadership, good things will happen as investors. So we spend a lot of our time on the people part."

His advice for beauty companies looking for investors is that it's like a marriage so founders need to know your partner before they take on the investment.



"Our industry has a mixed reputation in terms of the people and I would say really understand and get to know the people that you're contemplating partnering with, which means start meeting people before you need the money because when you need the money you don't have the luxury to spend the time to figure out who the best partner is," he concluded.