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Who's on First: Tela Claims Organic Prize

By *Andrea Nagel*

First place is a good place to be, but unfortunately it's getting crowded at the top.

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Just ask the founders of Tela Beauty Organics, a 12-item hair care line comprising eight shampoos and conditioners and four treatment and styling products, which in April launched the hair care industry's first items with the USDA Organic Seal. Indeed, the line — which has two items bearing the seal — entered seven Barneys New York locations in the spring, technically beating Intelligent Nutrients, a soon-to-be-launched line currently touting itself as first-to-market with the seal on 11 different products.

"These statements are inaccurate and misleading as Tela Haircare bears the seal and remains the first to market these products, and the unprecedented SPF 18 styling hair care product, Guardian, via Barney's New York and QVC," said the company in a statement.

Tela's fury was aimed at quotes made by Horst Rechelbacher, founder of Intelligent Nutrients, in an article that appeared in these pages last week. Reached for comment Thursday, Rechelbacher said that he had just learned of the Tela line several days ago, and that after seeing the line he deemed the two products with the seal, one a hair smoother and the other a styling/treatment item to protect hair from heat and UV rays, a good start, but "cleansers, conditioners and hair sprays is what is difficult to do. That is what I consider hair care."

Two stockkeeping units or not, hairstylist Philip Pelusi's labor of love took more than 30 years to create. No stranger to the hair care aisle, Pelusi launched P2, a professional product line, to salons in January 2005, and now also currently operates 14 Philip Pelusi salons in the U.S., not including a unit in the Meatpacking District, called Tela Design Studio. Tela, he said, began at the backbar of the design studio, and had been a concept he wanted to create over the course of three decades wherein he was simply looking to make products that used organic chemistry but more importantly, performed well. Tela Beauty Organics operates under Tela Haircare; the 14 salons in the western Pennsylvania area operate under Philip Pelusi salons; Tela Design Studio operates under a separate New York corporation.

To get Tela off the ground, financially speaking, three years ago Pelusi partnered with New York-based Masters of Branding Inc., a business firm that specializes in beauty marketing and design. Clients include Louis Vuitton Moët Hennessy, Procter & Gamble and L'Oréal, said Rich Blanch, founder and chief executive officer, who was instantly taken with Tela, especially its natural positioning and the functionality of the products.

"Philip had been working on these products for the past several decades, with an herbalist and a chemist in the Pittsburgh region [where Pelusi is from.] The line addresses hair problems with a prescriptive approach," said Blanch.

Blanch was told he needed to meet Pelusi but was "highly skeptical and cynical" until he went to Pelusi's New York salon and saw the products. In exchange for part ownership of Tela, Blanch has volunteered his branding and marketing experience to help make Tela viable for prestige retail.

The products bearing the seal are Healer, a leave-in treatment for light styling to protect against and repair damaged hair ends, as well as a heat protectant. Some of Healer's active ingredients include argon oil and shea butter, which are used as humectants, while a combination of tomato and pomegranate act as antioxidants and a sun protectant. It sells for \$48. Then there is Encore, which also bears the seal, a smoother and tamer to help users achieve frizz-free, sleek hair. Encore sells for \$45.

The other items in the line, which don't bear the seal, include Composer, a paraben-free and color safe cream designed for "separating, twisting looks, creating waves and defining curls" with organic apricot and water celery. It sells for \$45. Guardian SPF 18 looks to provide sun protection and uses organic antioxidants, carrot and forsythia to also help protect the scalp and hair against free radical damage. It sells for \$48. A shampoo and conditioner are available under the Harmony, Color Atura, Measure and Melody subbrands, which target restoration for aging hair, chemically treated hair, long hair or hair that is growing out and dry and curly hair, respectively. All items in the Tela line are paraben free and safe for color treated hair and contain Pelusi's Tela Organic Core Blend, which is composed of 35 USDA and Oregon Tilth Certified organic ingredients. All shampoos and conditioners sell for \$50 each.

Pelusi decided not to put his name on the Tela line so as not to confuse consumers of P2, and since the lines are so different from one another, from formulation to positioning to points of distribution.

"I wanted to keep the two separate. Tela is for upscale retail and that's pretty much the market for people who would really appreciate" Tela's formulas and positioning.

In addition to Barneys New York, the Guardian SPF sku has been sold on QVC as well as on QVC.com. What Blanch and Pelusi have learned in the nearly three months at retail is that consumers "are buying multiple Guardian items and are using it also as a skin protection product. That sparked the idea that we need to support Guardian in a sun stick in the fall. We also plan for a USDA Certified Lip Balm in Barneys this fall," said Blanch. Tela is also working on several additional sku's in the USDA Organic space, as well as a dual-chamber conditioner, which will not have the seal. "When it comes to the seal we run into the issue of surfactants. It was not possible to produce something [that could bear the USDA Organic seal] that was high performing."

By end of year there will be roughly 18 Tela sku's, six of which will be 100 percent certified organic, said Blanch. First-year sales are estimated to be \$1 million to \$2 million.



An item from the Tela Beauty Organics line.
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