



## Hollywood Fashion Secrets pushes into mainstream retailers

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It's been a good year for nipple coverups, armpit shields and - fashion tape.

Sales rose 36 percent in 2014 for Minneapolis-based Hollywood Fashion Secrets, the biggest growth in a few years for a company that sells the beauty tools of Hollywood stylists to the masses.

The business has been on an upswing as it expands from boutiques to drugstores, trendy apparel stores, and other mass merchant retailers. Its products are now carried in about 30,000 stores, including CVS, Old Navy, Wal-Mart and Target. That's up from 14,000 five years ago.

As the brand has grown, the company's executives pushed retailers to carry a broader assortment of its products. Their argument is that consumers are more likely to purchase them if they understand them as a category.

"When we have a display of this size, we're telling a story," said Jane Dailey, Hollywood Fashion Secrets' co-founder and president as she stood before a large hot-pink display in the company's downtown Minneapolis office. "It resonates much more quickly than when we have two different products in a check-out lane."

She cited Burt's Bees, a group of personal care products, as a model. "They don't break up their assortment and say lip gloss is going to go here and eye shadow is going over here," she said.

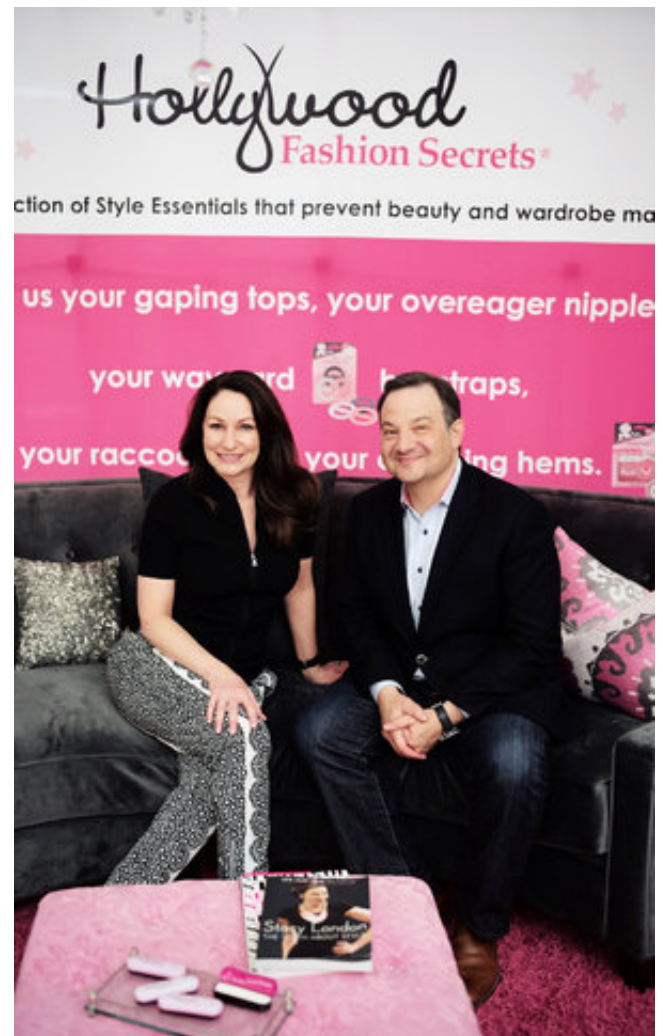
The pitch seems to be working. Ulta Beauty, which has been selling some of Hollywood Fashion Secret's products in the check-out lane for a few years, recently rolled out a larger display to its store aisles. Last month, drugstore chain Duane Reade installed a much bigger display and assortment. If it does well, the hope is that the drugstore's parent, Walgreens, also will pick it up.

The company's executives love having products in the check-out lane because all shoppers see them. The drawback is that's a more volatile position in the store with retailers often changing the products there once a quarter, said Matt Goldberg, the company's



Fashion tape, Hollywood Fashion Secret's original product, remains a top seller. It prevents gaps between buttons.

Richard Tsong-Taatarii, Star Tribune



chief executive. So having a bigger display in a store aisle is a more secure place to be since retailers usually re-evaluate those products about once a year.

Beth Perro-Jarvis, a retail brand consultant with Twin Cities-based Ginger Consulting, said it makes sense for Hollywood Fashion Secrets to branch out to more mass-market retailers.

“They need to have more ubiquity in the market,” she said.

And with a relatively low price point, the tools are a great grab-and-go item for retailers to place near the check-out lane to spur sales, she said.

The company’s executives say they need to build more awareness for the brand. To do that, Hollywood Fashion Secrets signed Stacy London, the fashionista most well-known for hosting the show “What Not to Wear,” to be its brand ambassador in a multiyear deal. Her face now adorns many of the brand’s store displays.

“We never thought we could ever get Stacy London,” Dailey said. “But she was first on our list.”

Hollywood Fashion Secrets was born about 14 years ago, the brainchild of Dailey and her business partner, Marni Bumsted. But as they looked to expand, they realized they needed more help with business strategy.

So about five years ago, they brought in Goldberg as chief executive. Bumsted is now a silent partner.

Last year, the company moved into a new office in the North Loop part of downtown. They spruced up the space with a pink and checked carpet — their play on a red carpet. Inspirational quotes from fashion icons dot the walls as do dramatic mirrors.

The company, which has about 20 full-time employees, has about 30 active products in its line, but has rolled out as many as 70. Fashion tape, its original product, still sells best.

A few years ago, the company experimented with a men’s grooming kit on request from Wal-Mart. But the products never really took off.

“As we learned, that is a completely different consumer, a different market, different distribution on every level,” Dailey said. “We didn’t understand men.”

So they decided to refocus on their core women’s business. “We even have a mantra: fewer, bigger, better,” Dailey said. “That pertains to everything we do, including product development.”

So where else does the company spy opportunities? “We haven’t even scratched the surface internationally,” Dailey said.

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At Hollywood Fashion Secrets, President Jane Dailey and CEO Matt Goldberg are seeing their business grow rapidly. Products are carried in about 30,000 stores, including CVS, Old Navy, Wal-Mart and Target.

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