

Beauty Store BUSINESS

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Industry Update

Juan Juan Nabs a Diverter

One year after the launch of his J Beverly Hills salon haircare line, celebrity hairstylist Juan Juan has doubled his production and distribution efforts to meet the high demand for the company's line of botanical-extract-based styling products. He has also identified and terminated a



The J Beverly Hills brand aims for a zero-tolerance policy on diversion.

distributor that was attempting to divert J Beverly Hills products.

The company was able to track the distributor by using a microdot antidiversion technology in place of a standard bar code. When J Beverly Hills products showed up in a mass-market outlet, a bottle was purchased from the store and then sent to a certified testing facility, which was able to decode the dot to determine which distributor had sold that particular item. J Beverly Hills then voided the contract with the distributor, whose name was not released.

According to Juan, the use of an alternative bar code challenges the current structure of the professional beauty industry by better protecting a brand's integrity and handing control over sales back to the manufacturer. All J Beverly Hills distributors have agreed to clauses within their contracts that allow J Beverly Hills to terminate the company and seek damages if it is proven that the distributor has diverted products.

The **HOT** Haircolor Market

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