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What Price Beauty? Costly Face Creams Lift Prices, Spirits

Despite Questions of Efficacy,
Fancy Brands Gain Steam
With Unusual Ingredients

By RACHEL DODES and CHERYL LU-LIEN TAN

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When Sylvie Chantecaille launched her company's most expensive product in 2004, she worried that it wouldn't sell. Chantecaille "biodynamic lifting cream," which claims its special "botox-like" ingredient relaxes facial contractions, was priced at \$295 for 1.7 ounces.

"I thought, 'My god, we have to sell it for that much?'" recalls Ms. Chantecaille, president of the cosmetics company that bears her name.

Her concern was unfounded. Chantecaille expects to sell 20,000 units of the cream this year and is working on a secret product for next year that will cost significantly more.

Women have grown accustomed to paying astronomical sums for designer jeans, shoes and handbags. Now they're increasingly willing to spend more for super-status skin-care potions, containing Arctic cranberries, soybean cuticle extract, and other exorbitantly priced ingredients.

"There's no price resistance," says Deborah Walters, a senior vice president at Saks Fifth Avenue who oversees cosmetics. "Our customers are after the newest skin-care products based on the latest technology."

At Saks, customers add their names to long waiting lists to snare products like a 1-ounce, \$350 bottle of Dior's new L'Or de Vie serum, containing extracts from cured Sauvignon

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For All Seasons





Peter Arnold for the cranberries Kanebo International for the silk worm

Pricey skin-care lines use exotic ingredients extracted from silk cocoons (top) and Arctic cranberries.

grapevines. Orlane Paris's 1.3-ounce, \$750 "Global Anti-Aging System" is a package of serums and masques.

One key ingredient is a soybean cuticle extract that the company claims stimulates the body's production of a protein to slow aging. Orlane says its product is based on studies of the longevity of Okinawans, whose fish and soybean diets have been credited for the large number of centenarians on the Japanese island.

"They lived to their 100s and died wrinkle-free," says Naz Toloui, Orlane's vice president of sales and education.

Another Orlane product, a 1.7-ounce, \$470 "Hypnotherapy" skin cream, contains oil from the seeds of Arctic cranberries harvested by hand once a year. "It takes two days just to get the oil we need out of the cranberries," explains Ms. Toloui.

Japan's Kanebo boasts an even more unusual ingredient. Its "Sensai Premier" eye cream -- priced at \$320 for half an ounce -- is infused with Koishimaru silk extract, from delicate silk cocoons that are half of the size of normal silk cocoons. Kanebo, founded almost 120 years ago as a textile-manufacturing company, began producing soaps containing silk in the 1930s after noticing that silk workers' hands were soft. Kanebo claims that the Koishimaru silk extract stimulates the skin's production of hyaluronic acid, a component of connective tissue.

Terri Ostrow, a 37-year-old marketing executive in New York, has spent about \$2,250 so far this year on expensive antiaging products, and says they make her feel better. "It's an emotional purchase, but [the products] do work," she says. "I wouldn't scrimp on my face. I want my face to look as good as possible."

La Mer cosmetics, now owned by Estée Lauder, first pushed face cream into the realm of couture in the 1970s when it introduced a 2-ounce jar for \$150. It was created by an aerospace physicist named Max Huber, who spent 12 years conducting 6,000 experiments developing a cream originally intended to heal his disfiguring facial burns.

A barrage of marketing campaigns and celebrity endorsements helped La Mer to take off in the mid-1990s. More recently dermatologists jumped in with their own high-priced nostrums, and before long prices were in the stratosphere.

The country's huge swath of baby boomers -- the 77 million Americans born from 1946 through 1964 -- are a sweet spot for the industry. Over the past three years, U.S. sales of antiaging products jumped 42% to reach almost \$2 billion, according to NPD Group.

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Some high-end department stores are carving out special nooks and treatment rooms to support the exclusive brands. In New York City, Bergdorf Goodman and Barneys New York have private, spa-like rooms where they offer facials for customers of products such as Natura Bissé, a Spanish brand whose popular "Diamond Extreme" face cream costs \$300.

Suppliers are getting more aggressive about pushing prices higher and higher. La Prairie caused a stir in 1987 with its "skin caviar" line containing fish-roe extract -- a product that today costs \$160 for 1.7 ounces. Now its newest, most expensive offering is a \$525, 1-ounce skin serum containing gold particles. When Neiman Marcus introduced a new \$2,100 skin cream from La Mer last year, only frequent V.I.P. customers were invited to order the 1.5-ounce product.

The efficacy of these products is difficult, if not impossible, to measure. Companies often tout their own research, and rarely publish in peer-reviewed journals. The Food and Drug Administration prohibits cosmetics marketers from making claims that a product can cure disease, or alter the structure or function of the body. It will only examine a product's safety if a problem arises after it hits the shelves.

According to the International Cosmetic Ingredient Dictionary, published by an industry trade group, the number of officially recognized cosmetic ingredients has more than doubled in the past 12 years -- to 13,500 this year from 6,200 in 1994.

"For many of these ingredients, nobody's ever done independent clinical trials to see whether these things are effective," says Daniel Behroozan, clinical instructor of dermatology at University of California at Los Angeles.

In a Consumer Reports study published this month, the top performer out of nine antiwrinkle brands with products ranging in price from \$18.99 to \$335 was Procter & Gamble Co.'s Olay Regenerist. Cost for most items in the drugstore line: less than \$20.

Some skin-care consumers are better than others at resisting the couture allure. Leah Hynansky, a 38-year-old who is training to be a yoga teacher in Philadelphia, says she's spent hundreds of dollars on pricey brands like Chanel. "I'm a big fan of high-end skin creams but I just think, 'Oh my god, that's a lot of money!'"

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