



P&G SHUTS DOWN EXPERIMENT IN MASS CUSTOMIZATION

Reflect Brand Web Site and Stores Closed

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CINCINNATI (AdAge.com) -- Procter & Gamble Co. is pulling the plug June 13 on Reflect, its once highly touted experiment in mass customization of beauty products, shutting the Web site and retail stores in San Francisco and Chicago.



"We are going to be, per our corporate strategy, focusing on our big brands at P&G," a spokeswoman said. "We gained significant learnings from Reflect."

Launched during dot-com boom

P&G launched Reflect in 1999 with much fanfare as a stand-alone company backed by P&G and venture-capital firms near the height of the dot-com bubble and amid a push by former Chairman-CEO Durk Jager to launch new brands. Current Chairman-CEO A.G. Lafley served as chairman of Reflect.

P&G is closing Reflect's online retail operations as well as its bricks-and-mortar stores.

The closing affects 45 employees of the San Francisco-based subsidiary, which is majority owned by P&G. Some of the employees, many of which began their careers at

P&G, will return there, the spokeswoman said.

10,000 shades of lip gloss

Reflect's Web site and stores sold individually developed and labeled hair, skin and cosmetics products, including more than 10,000 shades of Elixir Custom Gloss.

"In the not so distant future, you will see custom innovations developed at Reflect in some of P&G's other beauty brands," Reflect said in an e-mail over the weekend to its customers. "One fine example of this, now available at major national retailers, is Cover Girl's Custom Compacts."

1 million unique monthly visitors

Reflect.com had consistently ranked among the 10 most-visited beauty sites, ranking No. 2 last year with more than 1 million unique monthly visitors. While it was never a major brand for \$53 billion behemoth P&G, it had turned profitable, according to some close to the unit, though P&G never confirmed that.

P&G has placed most of its chips in still relatively small prestige beauty business in such fragrance brands as Hugo Boss and its ultra-prestige SK-II brand, which is nearing \$1 billion in global sales, mainly in Asia but also in the U.S. and U.K.