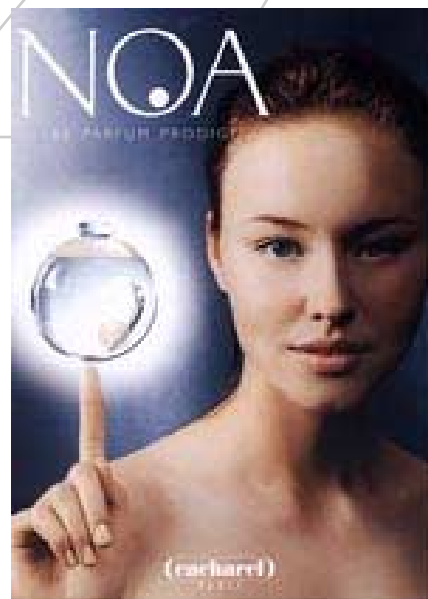


Parfums Cacharel de L'Oréal:

Decoding and Revitalizing a Classic Brand (A)

(cacharel)



06/2001-4929

This case was prepared by Research Associate Nicholas Rowell under the supervision of Pierre Chandon and Klaus Wertenbroch, both Assistant Professors of Marketing at INSEAD. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. We thank Eddie Roschi (INSEAD 99) and Patrick Lapointe (INSEAD 99) for providing valuable input based on a report that they wrote while studying at INSEAD. We also thank Vadim Grigorian (INSEAD 00) for his research assistance.

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Think of the relationship between consumers and today's brands as a party. People meet in a noisy, crowded place. As the room fills, it becomes harder to hear those who have something interesting to say. Some of the regular partygoers eye the crowd of fashionable newcomers warily and begin to ask themselves whether they should change their own look or whether perhaps their pick-up lines need updating. Others take a quick look at the newcomers but resolve to stay loyal to their own, original self that has worked well in the past. Many brands face a similar challenge. How can they appeal to changing consumers and at the same time remain true to their original identity? How can they determine what they really stand for? How important is it to remain faithful to that original identity?

In 1997, Parfums Cacharel, formerly one of the brand leaders in the perfume industry, was facing a dilemma. The company - whose products Anaïs Anaïs and Loulou were among the world's biggest selling perfumes during the 1980s and early 1990s, was suffering a steep decline in sales. New products designed to stem these hemorrhaging results had met with outright consumer rejection. Worse, after 20 years the Cacharel brand was losing touch with new consumers as well as with its original identity. In short, Cacharel was facing the unwelcome experience of a brand maturity crisis.

Just as this was becoming apparent, Dimitri Katsachnias, a Greek chemical engineer with an INSEAD MBA, arrived at Parfums Cacharel to head the company. At 37, he had 13 years' business management experience under his belt at L'Oréal, Cacharel's parent company. Nevertheless, this was a big step. Katsachnias had never before had overall responsibility for a brand in a company headquarters. Perhaps most importantly he had not been involved with the brand during the crucial creative launch phase, and had, as he put it, only seen Cacharel "from the outside". Facing a crisis of brand maturity where there were no prescribed solutions, how could Katsachnias and Cacharel diagnose what was wrong?

Market and Industry Background

Consumer Behavior

Traces of scents and fragrances have been found in the artefacts of Egyptian rituals and embalming from as far back as 3000 BC. During the Renaissance new commercial avenues between Europe and the Orient opened up, stimulating perfume development. Eventually, they would settle into two basic 'scent families', the floral and oriental (see Exhibit 1). The first modern perfume business was founded in France in 1850 under the name, House of Guerlain. Current industry types - eau de parfum, eau de toilette, and eau de cologne (indicating decreasing concentration in perfume), suggest that a French flavor has been retained.

Traditionally, perfumes were used for hygiene reasons as a deodorant. Today, consumer motivations are a more complex mix of hedonic and symbolic aspirations.¹ Some people for example, receive perfumes as gifts and wear them only to events. Others seek out fine perfumes and appreciate luxury products that make them feel more attractive. Finally, there

¹ H&R Book of Perfumes, *Perfumery: The Psychology and Biology of Fragrance*.

are the 'perfume aesthetes' who wear perfume as part of an elaborate ritual of self-actualization and self-realization.

Firmenich, a Swiss fragrance creation company, charts the complex psychology of consumers in the form of perceptual maps. For example, Exhibit 2 shows a map summarizing the motivations of female perfume users along two axes: self-realization, and seduction. Using these, they describe four groups of consumers who use perfumes to enhance: (1) their femininity, (2) their social status, (3) their personality, or (4) to 'confirm their 'natural self'. These same criteria can also be used to show the perceived positioning of perfume brands (see Exhibit 3).

Far from being simple scents or oils, perfumes are now a complex mix of science and marketing developed by companies seeking differentiated messages for each of their brands. This is done while attempting to staying in tune with the evolving needs and wants of customers.

The Perfume Industry

On average, 120 perfumes are now launched each year. Perhaps 20 of these achieve short-term success. Only five of them manage lasting success and the status of 'classics'. Sales are concentrated in the hands of a few large multinational corporations (see Exhibit 4). Perfume sales are also relatively concentrated geographically. In 1996, just prior to Katsachnias' appointment, the US accounted for 28.1% of total sales (\$3.5 billion). France was number two at 11.5% (\$1.4 billion). Players in the market can be categorized as follows:

- Global multi-sector players such as L'Oréal, Unilever and Procter & Gamble. In 1998 L'Oréal had five brands in the global top 30 ranking, Unilever had seven, and Procter & Gamble had six.
- Global specialists such as Johnson & Johnson, Gillette, and Colgate-Palmolive. Rather than adopting a multi-brand identity approach, they drive a choice selection of just one or two brands across a number of product sectors.
- Regional specialists. For Europe, the US, and Asia, they are respectively, Schwarzkopf, Revlon and Shiseido.

Perfumes have been historically divided into luxury and mass-market segments. This was initially due to the higher cost of creating fine perfumes from expensive oils and essences. Over time, the domain of luxury perfumes has gradually moved from the perfume houses of old to a more extensive group often referred to as 'prestige'. Prestige perfumes include those of the traditional parfumeurs such as Chanel or Dior, those of high-end cosmetic firms such as Estée Lauder, and those of luxury goods companies such as Hermès or Gucci. Cacharel's products Anaïs Anaïs and Loulou, are also prestige perfumes. Mass-market products are a highly fragmented sector worldwide and range from Vanderbilt by L'Oréal to Charlie by Revlon.

This divide between the luxury and mass-markets was reflected at each stage of the marketing and sales process. Both pricing and distribution of luxury perfumes were kept on a tight rein

to manage brand exclusivity. Department stores and specialist outlets were the sales points of choice for luxury and prestige companies since they offered more control. The mass-market, in which Anaïs Anaïs was initially, and very briefly launched, had several retail options. These were primarily self-service across non-exclusive retail locations such as the 'non-recognized name' supermarkets. In the mid 1990s, economic slowdown in Europe saw the replacement of independent stores by chains such as Sephora in France and Douglas in Germany. In the US, consolidation in the department store industry shifted the balance of power away from manufacturers into the hands of chains, notably May, Federated, and Diller. Specialist outlets now dominate distribution in France, Italy, and Germany, whereas pharmacies lead distribution in the UK and Spain.

A number of other factors soon began to challenge the demarcation of the prestige and mass-markets. Sales of women's fragrances grew by 1.7% in 1992-96, while men's perfumes showed a real decline of 2% over the same period. The stagnation of sales, particularly in luxury products, caused an increase in aggressive advertising and a proliferation of brand launches (see Exhibit 5). Luxury brands had to reduce prices and were becoming available outside their traditional distribution outlets - mostly because of gray imports. The market was soon threatened by a flood of cheaper premium brands outside the control of manufacturers. Traditional categorization was also challenged by the increase of scented products by bath shower and deodorant ranges, as these were beginning to fulfill perfumes' historical deodorant role in the market. Finally, consumers were becoming more accustomed to branching out to acquire a personal selection or, 'wardrobe' of products. Like many luxury goods, many fine perfumes underwent a transition from 'ordinary purchases by extraordinary people' to 'extraordinary purchases by ordinary people'. What had once been exclusive and unreachable was less so. This served to affect the cachet or status of prestige products further dissolving the dividing line between the luxury and mass-markets. Share and identity in this new market was up for grabs.

In 1998, the worldwide cosmetics market (of which perfumes are a part), grew 6.5% to nearly US\$86 billion. Mass-market recorded the best performance with sales up an estimated 5%. Overall though, prestige products still had an edge over mass-market products - accounting for 48% of sales in the women's perfumes sector and 47% of men's perfumes.

Parfums Cacharel

Company History

Created and guided by Jean Bousquet, Cacharel was first registered as a clothing brand in 1962. It is what is known as a *prêt-à-porter* or, ready-to-wear brand. These brands challenged the rules of *haute couture* by offering new lines of more accessible and affordable 'democratic' clothing from 1960s designers. *Prêt-à-porter* was thus in line with a period of rebellion against Establishment values and politics. Designers who were able to tap into this shift in social consciousness began to be scooped up by businesses to develop perfumes. Yves Saint Laurent developed the world's first perfume with political and social connotations - Rive Gauche, while other designers experimented with more natural scents and musks - the antithesis of 'fine' perfumery. For the first time, in the name of democracy, women were

actually encouraged to buy perfume for themselves, to wear it as and when they chose, and to regard it as an everyday pleasure (see Exhibit 6).

Bousquet's *prêt-à-porter* work went against the fashionable grain of womenswear at the time, and this off-center vision of femininity caught L'Oréal's eye. The L'Oréal group acquired the fragrance brand of Cacharel in 1975. Parfums Cacharel was separated from the clothing line in 1978 and was soon fully controlled by L'Oréal. As general manager, Annette Louit was responsible for creating a team to launch the brand. The one she assembled included Sarah Moon in advertising, and Annegret Beier in design. This partnership of creative and business talent was to last for almost two decades. Their goal was to design, package, and sell products which could sit comfortably alongside luxury brands but which were also accessibly priced and distributed through traditional channels. They aimed their products at the new market they perceived of young women consumers wary of the intimidating bourgeois perfumes and parfumeries.

Anaïs Anaïs

Cacharel's first perfume, Anaïs Anaïs was launched in 1978. According to Annette Louit, the perfume was "a new approach to giving the new younger consumer what they wanted". The aim was to create a fresh, floral fragrance for a youth market, a perfume that was "tender" but "sexy", and prestigious but innovative. Cacharel aimed to create a product for users alienated from the staid perfume houses and the traditional values they represented.

The work of the Cacharel team had an extraordinary impact. Anaïs Anaïs was the first modern perfume packaged in a white, opaque bottle with an original and eye-catching design influenced by 19th century porcelain - modern but classic and retaining a desired quality of mystery (see Exhibit 7). A crucial aspect in building the profile of Anaïs Anaïs was its distinctive advertising (see accompanying CD for the two original advertisements for Anaïs Anaïs). Cacharel was one of the first companies to use television to launch a perfume brand. The TV film, created by Sarah Moon, focused on the interior world of women's feelings and was regarded as particularly strong and innovative by the industry.

Anaïs Anaïs was priced 30% below classic brands thereby putting it within easy reach of the younger consumer. Initially the perfume was distributed to mid-range outlets such as small department stores (e.g., Monoprix in France). However, one year after its launch, the high profile the product achieved through communication allowed the company to take the unprecedented step of re-distributing it as a prestige product in department stores and specialist outlets. Anaïs Anaïs had jumped up a league. In doing so, Cacharel broke new ground by bringing the young consumer into specialist outlets for the first time.

After just two years on the market, Anaïs Anaïs became the leading perfume in Europe. Cacharel's new approach opened new selective markets, attracted a younger generation of customers to the industry, and revolutionized the focus of product advertising. Cacharel was on the map.

Loulou

Cacharel's 'follow up' to Anaïs Anaïs was slow in coming. Only in 1987 was its successor – Loulou launched.² Annette Lout describes Loulou as a 'growing up' of Anaïs Anaïs: "Anaïs Anaïs is an idealized symbol of femininity and the Anaïs girl is quite innocent. Loulou combines tenderness with seduction. Loulou is a real woman, a personality, and Loulou is more aware of her seductive power." (See accompanying CD for Loulou advertising from 1987).

Cacharel decided to target the same young women's market as Anaïs Anaïs but was careful not to exclude their original customers who had grown up with Anaïs Anaïs. The name Loulou caught a jazzy and energetic feel and was right for the freefall partying mood of the 1980s, but it still retained a certain sophisticated charm. Its packaging - a blue bottle with a red top mixed innocence and sensuality. The scent was also adapted to reflect a shift towards adulthood, with the return of vanilla adding sensuality. Pricing again was set at an average of 20-25% less than other luxury brands. This was low, but not as low as Anaïs Anaïs at launch. Cacharel was seeking to take advantage of the equity of its umbrella brand name and of the higher income of a slightly older market. Distribution also followed similar patterns to those successfully used with Anaïs Anaïs. Cacharel had not broken with its target market and the distribution structures and relationships that they had established were not altered.

It was Sarah Moon's advertising, again, which best communicated Loulou's positioning. She personified the scent as a young woman in a distinctive and identifiable rush of sound and movement. This didn't resemble any other advertisement on the market. Moon's Loulou ad won the Lion d'Or at Cannes in 1988. Loulou soon became a market leader and, by the end of the 1980s, Cacharel had the two biggest selling products in Europe: Anaïs Anaïs and Loulou.

Eden and the CK One Challenge

In 1994 the arrival of one particular American product began to challenge Cacharel's long-standing status in the youth market. It also questioned what had appeared to be two hard and fast industry standards: segmentation by sex, and the cultural divide between the US and Europe.³ The worldwide success of the first Calvin Klein product, CK One, was largely the result of an advertising campaign. It featured a group of androgynous uninhibited models with no regard for traditional glamour, oblivious to the world but aware of each other and grouped in a variety of activities from huddling to gyrating (see Exhibit 8 and accompanying CD). The commercial's portrayal of young people captured the imagination of its target market - 15 to 25 year-olds. The particular shift in youth culture captured in the CK One advertisement was not one, but several, societal changes and issues. These were: economic downturn, family breakdown, and the collapse of old social and political certainties such as

² In the meantime Cacharel had not entirely stayed put and had made some hesitant steps elsewhere. Its first product for men, Cacharel Pour l'Homme was released in 1981. It was successful but not at a level comparable with Anaïs Anaïs, which was maintaining its sales and status throughout the 1980s.

³ For example, Loulou failed dramatically in the US, in large part due to negative reactions to its packaging - a blue bottle with a red stopper.

the Berlin Wall and the Cold War. Even adolescent hormones took a back seat to be replaced by a unisex androgyny in the face of sexual health dangers of AIDS. Young people had begun to rethink their values and to define themselves, their clothes and, of course, their purchasing decisions, according to their group of friends.

With the help of Calvin Klein and its advertising, global sales in the unisex market increased by almost 1000% over the four years to 1998. Over the same period, Cacharel struggled. A new product, Eden, was launched in 1994. It was designed to be the turnaround product in a slowing market with decreasing consumer spending. Following the established pattern of new launches by Cacharel it was the next, apparently logical, stage in the development of a young woman first seen as Anaïs Anaïs. The name perhaps lacked a little poetry compared to Anaïs Anaïs or Loulou but was designed, somewhat indirectly, to suggest temptation and lust. Cacharel had decided that Loulou should grow up a little bit further, and to be given the opportunity to capitalize on her seductive power. Eden was therefore launched as the “forbidden fragrance”, a “love elixir” with connotations of eroticism (see accompanying CD for Eden advertising from 1994).

With Eden, Cacharel adopted the same pricing policy. Over the years pricing had shifted incrementally but nothing like the initial 30% differential had ever been tried again. Distribution policy also followed the, now standard, Cacharel channels. What was different was that Sarah Moon had ended her pioneering involvement with Cacharel in 1994 before the creation of the Eden advertising. This time the commercials reflected a heavier hand at work. Rather than focusing on a young woman and her feelings, it featured a couple, moodily involved in a mating ritual of sorts in a very sweaty Garden of Eden. The ad did not win awards and, rather than welcoming this ‘grown up’ version of Cacharel, consumers vanished. Sales across other Cacharel products began to fall.

Between 1994 and 1997 the company dipped into slow decline. Cacharel first tried to force their way out of the sales crisis before 1997 by taking the promotional route. Two supplementary products – Eau d’Eden and Loulou Blue, were launched (see accompanying CD for Eau d’Eden bottle and print ad). The company also began to supply gift products to generate interest - bath towels and other support items. They also began to offer the customer more for their money by way of supplementary products - for example, deodorants to accompany their eau de toilette. The net result for Cacharel in terms of the traditional three-way split on advertising is shown in the following table.

Table 1: Typical Cost Structure in the Perfume Industry

	Typical of Industry	Cacharel in 1990s
SALES	100%	100%
- COST OF GOODS	20-35%	up
- ADVERTISING		
• MEDIA	10-15%	down
• PROMOTION	10-15%	up
• POINT-OF-SALE INVESTMENTS	10-15%	up
- OPERATING COSTS	25-30%	stable
= PROFITS	5-20%	stable

These activities had pushed up promotional and point-of-sale costs as well as that of goods sold. In order to safeguard the expected profitability level, media spending had to be drastically cut back. As Katsachnias describes it, failing to keep up spending on media between 1995 and 1997 had resulted in ill-conceived campaigns. He points out, “the last thing you want to do to capture the young people’s market is to label a product ‘For Young People.’ It’s like labeling an anti-aging cream ‘For Old People’ – consumers will go out of their way to avoid such products.” Concentrating on promotion and cutting spending on media therefore had indirect effects on brand identity in the sense that media advertising was poorly thought-out and not well targeted. Katsachnias’ first move therefore, was to cut back spending on promotion in order to haul in costs and to concentrate on the media spend.

During the same period, investments on Anaïs Anaïs went down. Still, the veteran perfume had a strong influence over the focus and direction of strategic marketing – everything began with Anaïs Anaïs and it continued to loom large. Between 1994 and 1997 Cacharel sales dipped from \$185 million to \$130 million. Worse, Cacharel’s relevance in the crucial opinion-forming sector of the youth market was slowly being undercut. The brand was in crisis.

The Task Facing Katsachnias and his Team

The retirement of Annette Louit to make way for Katsachnias ostensibly ended the direct involvement of the last of the three members of the pioneering Cacharel team. It was the end of an era. When Katsachnias was appointed Directeur Général in 1997, his newly appointed team included Cécile Begue Turon and Tho Van Tran. In his role as marketing manager, Van Tran was particularly valued for his creative eye which he would later go on to use in founding the agency, Air. Beuge Turon had worked for Cacharel for some time whereas Van Tran was a newcomer. Could the new team match or improve upon the achievements of their

predecessors? The principal task for Katsachnias and his team was to stop the decline in sales and to re-build. There were many possible explanations for the maturity crisis.

Could it be attributed to cyclical forces such as the general economic decline, or to the emergence of new sociological trends that made products designed in the 1970s irremediably out of touch (see Exhibit 9)? Had the new creative people of Cacharel pursued their own creativity at the expense of understanding consumers' needs or preferences, in particular, customer inclination toward unisex products? Could Cacharel just wait out the unisex fad?

Perhaps the marketing mix had not been effectively carried out. Had enough been spent on promotion? Were these the right types? Was the pricing policy defective and too far rooted in the initial Anaïs Anaïs experience? Were the distribution outlets now inappropriate? Were fundamentally static distribution and pricing policies responsible for the failure to reach new consumers?

Perhaps all this was the result of a faulty branding strategy. Had they succeeded in creating a distinctive and coherent identity for Cacharel? Were they right to pursue an umbrella strategy or should they have let each brand stand on its own in order to target different consumer segments?

Changes in consumer needs and wants, marketing errors or branding mistakes? There was a wide range of possible reasons for the crisis. The key issue for Katsachnias was to uncover the root cause of this brand decline.

Katsachnias's Intuition

Katsachnias's intuition was that the fundamental problem lay in branding mistakes; the new Cacharel products had strayed from the brand's original identity. His intuition was supported by the fact that although sales had dropped on other products, many young customers had continued to discover the distinctive appeal of Cacharel and to buy Anaïs Anaïs. He felt that the brand revitalization process should start by discovering exactly what these customers saw in the product that attracted them. What meaning did Cacharel provide to these consumers? What was it that brought these consumers back to Cacharel? What was its particular and enduring appeal?

Katsachnias thought that uncovering the brand's identity was particularly important for Cacharel because it lacked the support of a major couture house. Cacharel had no designer with the provocative creativity of someone like Jean Paul Gaultier. Individuals like Gaultier do not have to think about who they are or what they do in order to create, they simply create. Managers, on the other hand, have to undertake the process of decoding creative sources. Katsachnias believed that a document stating Cacharel's brand identity would help clarify the source of the problem and would provide guidance for future marketing strategy. He also reasoned that it would set out a common vocabulary, thereby improving communications between the team, the 'juice' (perfume) creator, the packaging designer, and the film director.

Katsachnias was aware that his approach might be seen as focusing on the past rather than on the future or on the consumer. Some argued that a better strategy would be to consult an agency specializing in consumer trends. Katsachnias was unmoved by such arguments. He

firmly believed in this maturity crisis that a branding strategy should start with introspection. As he later said:

“A brand is like a person, it evolves. He or she may do different things at 30 or 40, but that person has the same potential, the same self that he or she can use for good or ill, brilliantly or badly. We may not be able to predict the future of a person or a brand precisely but I think we have a duty to know what they are capable of and who they really are.”

Uncovering Cacharel’s Brand Identity

As a newcomer to Cacharel, a company founded on creativity, how could Katsachnias understand the sense and meaning of their success? He thought that the answer to this question was in analyzing Cacharel’s history of product launches and advertising. In order to conduct the brand audit, advertising and publicity materials for six products over a 20-year period were selected for close scrutiny. These were Anaïs Anaïs in 1978 and 1987, Loulou from 1987, Cacharel Fashion from 1987 and 1989, and Eden from 1994 (see accompanying CD).

Katsachnias, Van Tran and Begue Turon chose to work together to decode the identity of the Cacharel brand. This was not exactly psychoanalysis. It was more a question of unraveling what was there. Their goal was more ambitious than simply synthesizing the values or images associated with the brand as perceived by consumers. They had to go deeper than that to understand where these images were coming from. As he said:

“If you see a Spielberg film, and you feel that the film is about peace and love and hope, these are the ‘values’ that you receive from the film as an audience. But just because you have received these values doesn’t mean you can then go out and create a film like Spielberg. If you tell a director that you want the film to be about love, the result is unlikely to be what you expected because his or her understanding of love is likely to be very different from yours. You need to have the genetic code, the core tangible elements that produce these values and which everybody understands.”

Katsachnias faced no shortage of questions:

- What was Cacharel’s brand identity? What did it stand for? What were the tangible, objective signs that distinguished the brand and its advertising from its competitors?
- How could they explain Cacharel’s brand identity to people inside and outside the company?
- Was the root cause of Cacharel’s decline genuinely a branding problem driven by inconsistent new product launches? Could it be that the whole crisis was, in fact, a marketing mix problem or a failure to adapt to customer needs and values?

Exhibit 1
Floral Scents

Floral

4

October 98 / Firmenich

Category	Perfume Name	Year
Aromatic (Aromatique)	CK ONE	1994
	EAU DE TROUSERS	1970
	O	1989
	CK SE	1986
	NEW WEST	1996
	AMARIS	1978
	LAUREN	1978
	ACQUA DI GIÒ	1988
	MITO D'ORONHA	1997
	BEAUTEFUL	1996
Woody/Musk (Bois/Musc)	LE FEU D'ESSEY	1998
	ESCAPE	1991
	PLEASURES	1995
	LAUREN	1978
	ACQUA DI GIÒ	1988
	MITO D'ORONHA	1997
	BEAUTEFUL	1996
	WHITE LINEN	1978
	PARIS	1988
	LAIR DU TEMPS	1988
Watery (Aquatique)	COOL WATER	1996
	ROBBI	1996
	IN LOVE AGAIN	1988
	ROMANCE	1996
	VERY VALENTINO	1997
	STARSING	1997
	TRESCOT	1990
	ENVY	1987
	DAZZLING SILVER	1988
	ETERNITY	1988
Muguet (Muguet)	POUD'ESPION	1988
	ULZ SCOUT	1997
	HAPPY	1997
	212	1997
	STARBUCK	1997
	TRUSSARDI	1997
	NO. 5	1921
	LAIR DU TEMPS	1988
	AMORICE	1991
	DE LA PÉTALE	1987
Fruity (Fruité)	O OUI	1998
	FURY	1998
	IN LOVE AGAIN	1988
	ROMANCE	1996
	VERY VALENTINO	1997
	STARSING	1997
	TRESCOT	1990
	ENVY	1987
	DAZZLING SILVER	1988
	ETERNITY	1988
Green (Vert)	DOOL WATER	1996
	ROBBI	1996
	IN LOVE AGAIN	1988
	ROMANCE	1996
	VERY VALENTINO	1997
	STARSING	1997
	TRESCOT	1990
	ENVY	1987
	DAZZLING SILVER	1988
	ETERNITY	1988
Citrus (Citrus)	FLIRT	1998
	EXTRAVAGANCE	1998
	IN LOVE AGAIN	1988
	ROMANCE	1996
	VERY VALENTINO	1997
	STARSING	1997
	TRESCOT	1990
	ENVY	1987
	DAZZLING SILVER	1988
	ETERNITY	1988

Exhibit 1 (Cont'd)
Oriental Scents

12

October 80 / Firmenich

Oriental oriental
































		L'HEURE BLEUE Guerlain 1912		JEAN PAUL GAULTIER Gaultier 1993		ORGANZA Garnier 1986		ALCHIMIE Rochas 1989		BULDOZER Vivienne Westwood 1996
		FRANCKE DU BOIS Shiseido 1952		DOLCE VITA Liber 1995		JIL Jil Sander 1987		JUST ME Moncler 1987		CONTRADICTION Calvin Klein 1987
		BLACK Bulgari 1998		MYSTIC POISON Liber 1998		JUNGLE ELPHANT Kenzo 1988		JUNGLE TIGRE Kenzo 1987		ESCADIA COLLECTION Escada 1997
		SHALIMAR Guerlain 1925		OPHIUM Yves Saint Laurent 1977		YOUTH DEW Evaite Lander 1982		ALLURE L'Oréal 1996		EMPIRO LI Aimé 1988
		ANGEL Thierry Mugler 1992		OBSESSION Calvin Klein 1986		ILUNE Dior 1991		WISH Chopard 1997		
				ALL ABOUT EVE Jil Sander 1986		LOUTA LUTAFIKA Lolita Lempicka 1987				

Exhibit 2
Motivations of Female Perfume Buyers and Users

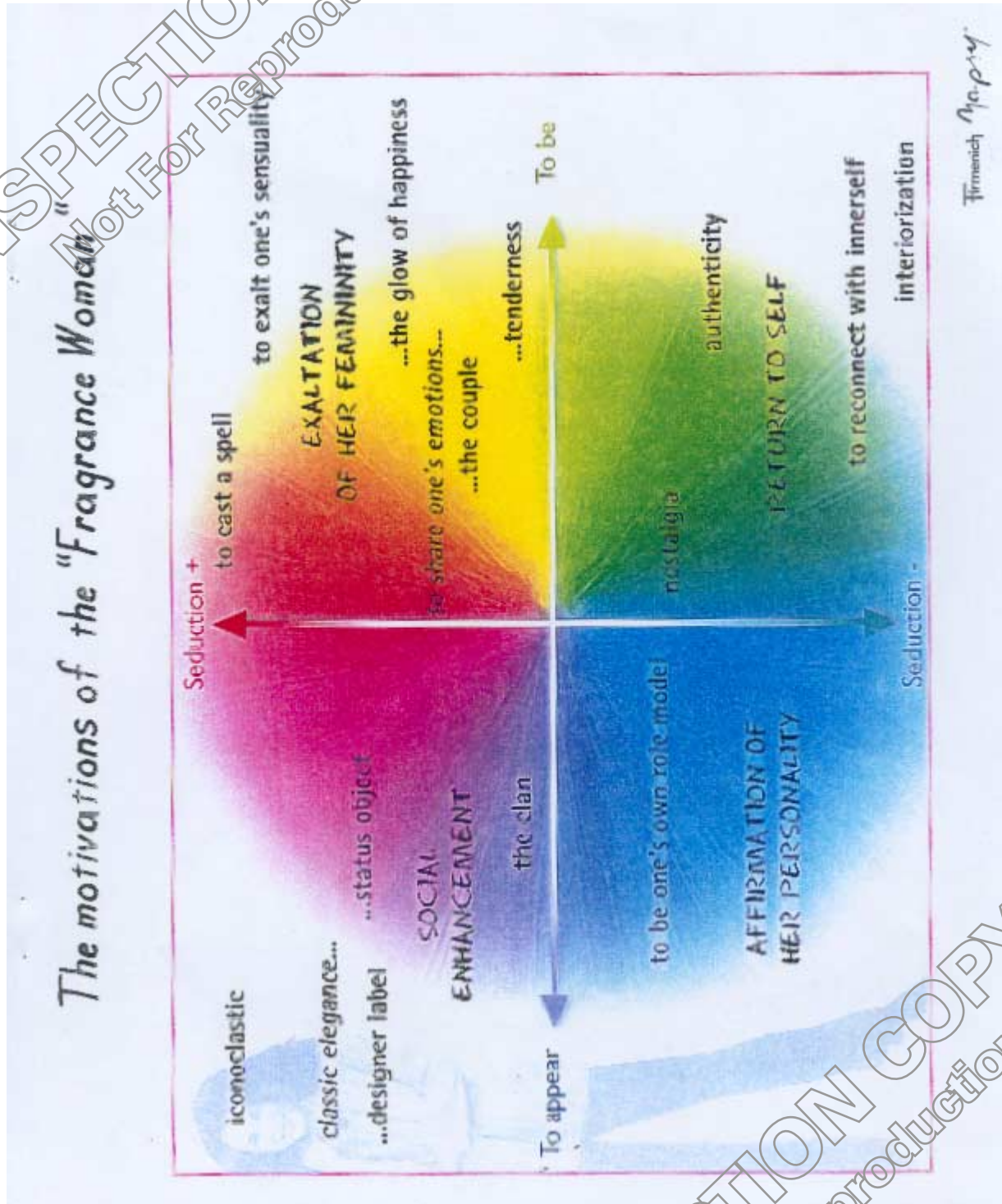


Exhibit 3
Positioning of Feminine Perfumes

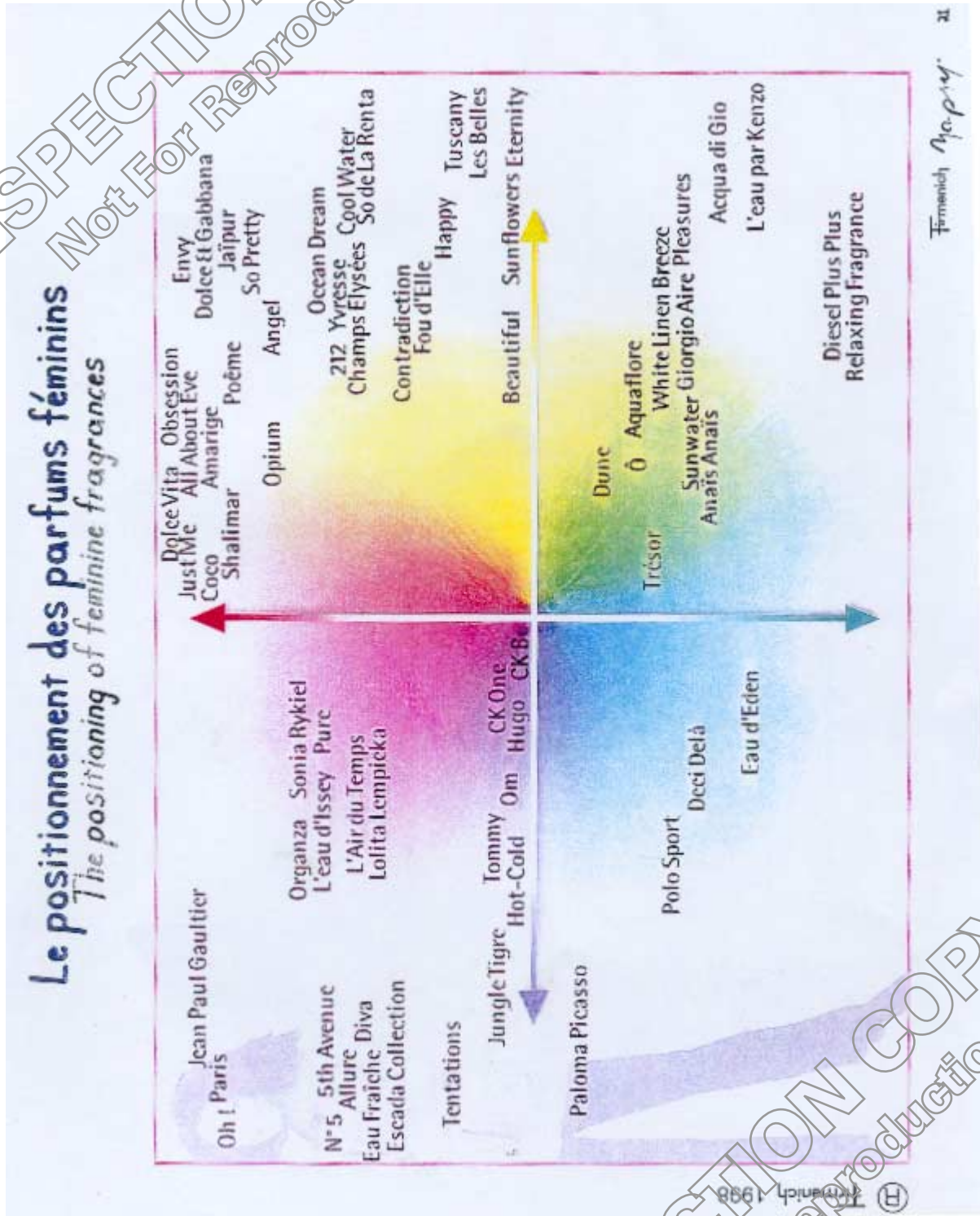


Exhibit 4
Cosmetics Companies' European Market Shares in 1997

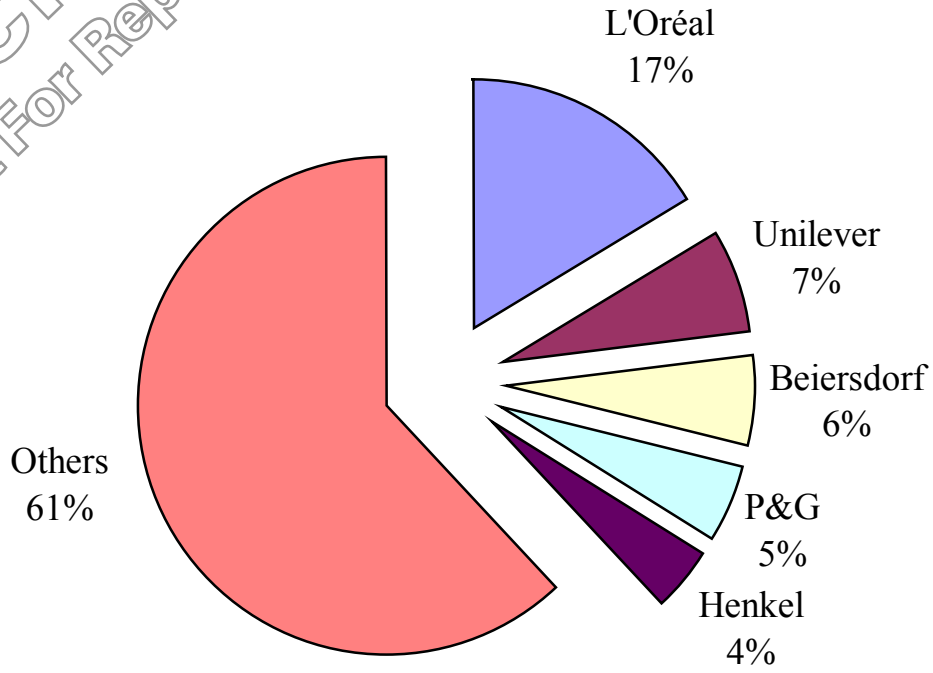


Exhibit 5
Perfume Companies' Market Shares 1982-1997 (main European markets)

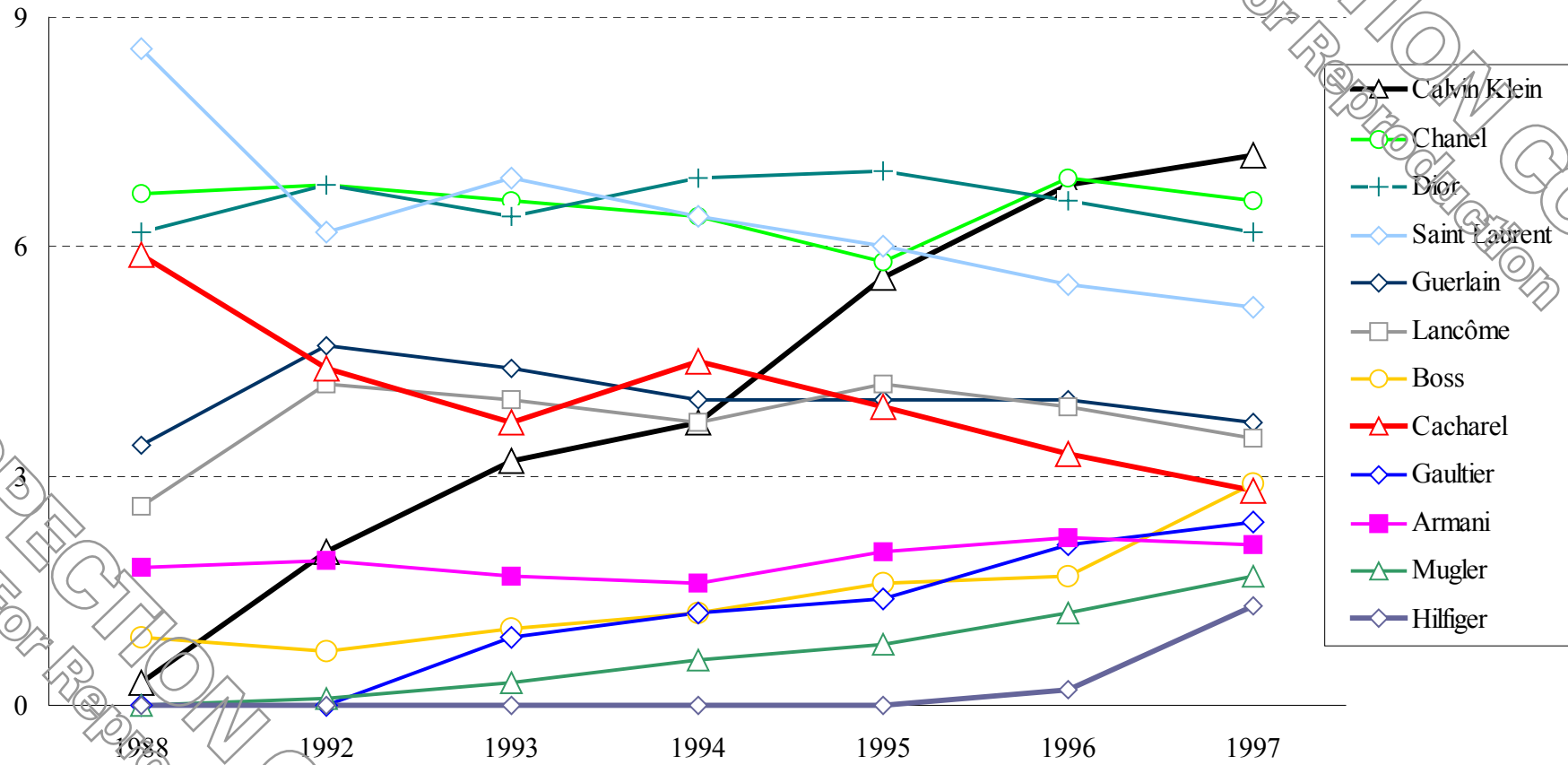


Exhibit 6
Perfumes in the 1970s: Creation of the Lifestyle Concept

1970's

- ◆ **Creation of the lifestyle concepts**

 <p>Romantic: Anaïs Anaïs, Cacharel 1979</p>	 <p>Provocative: Opium, Yves Saint Laurent 1978</p>	 <p>Natural: Aliage, Estée Lauder 1973</p>	 <p>Liberated: Charlie, Revlon 1973</p>
			

Exhibit 7
Cacharel Perfume Bottles

Anaïs Anaïs



Eden



Loulou

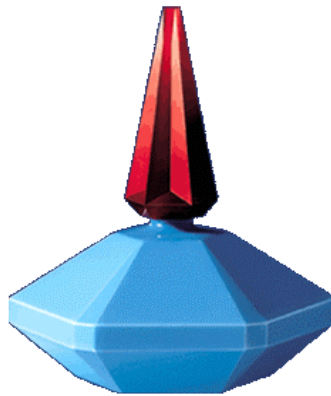


Exhibit 8
CKone Advertisements (See accompanying CD for additional advertising)

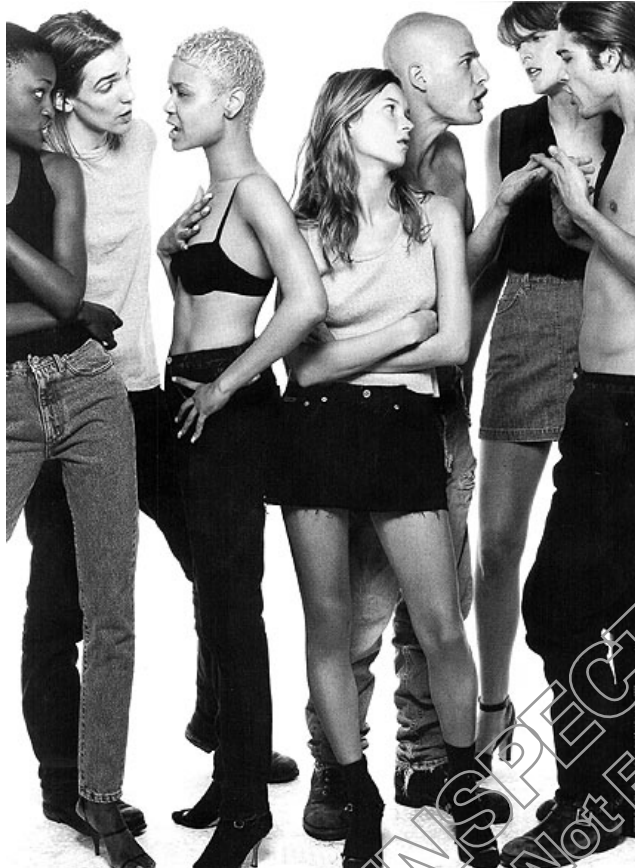


Exhibit 9*The 1990s versus the 1970s***1990s**

Gulf War
Berlin Wall falls
AIDS
Cloned sheep
The 'Rachel' haircut
Backpack Purses
Doc Martens
Flannel shirts
Piercings
Chillin'
Duh!
Not!
Whatever!
What's the Story? (Morning Glory) by Oasis
O.K. Computer by Radiohead
Alanis Morissette
Odelay by Beck
Nirvana
Silence of the Lambs
The Matrix
Forrest Gump
Beanie Babies

1970s

Vietnam War ends
Nixon resigns
Franco dies...
...Thatcher elected
Halter Necks
Cheesecloth
Denim jeans converted into skirts
Bell Bottoms
Hot Pants
Far Out Man!
Foxy
Goodbye Yellow Brick Road by Elton John
Boston by Boston
Physical Graffiti by Led Zeppelin
Grease Soundtrack by Grease Movie Cast
Rumours by Fleetwood Mac
Butch Cassidy and the Sundance Kid
Star Wars
Jaws
The Sting
Clackers
Dawn Dolls

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