

### Who are the clients?

In a world that partially rejects the false choice between identical products, innovative gadgets and bland industrial products, our contemporary society has seen the advent of the “alter consumer” who looks for depth, meaning and more authentic values when spending. The alter consumer is ethical and ecological, committed, active and educated. He or she can take a step back from advertising and orients his or her choices toward original, different products rooted in a culture and the production of which, if possible, has some craft-based input.

No sector has escaped; alter consumers are put off by the size and blandness of the range of products on offer and the increasingly frequent “new products” on the market and are as such rejecting the banality of short term profit-making initiatives. This heralds the emergence of a “consumer culture” that demands the meeting of two minds so that a product can be appreciated for its true value. These “evolutionary” consumers are on a quest for experiences that take them out of the real. They try to get beyond themselves through sensual and spiritual pleasure and the exploration of their subjective emotions.

In order to seduce these consumers that make up over a quarter of the French population even though they perceive themselves to be unique<sup>1</sup>, perfume must distinguish itself from mere consumer products. Without this, it dilutes the values of creativity, uniqueness, rarity and excellence that enable it to get beyond the simple status of merchandise by adding immaterial value. As a result, “we really won’t be able to tell the difference between a mobile telephone and a perfume” (Vera Strubi)<sup>2</sup>. But perfume is essentially a product that demands involvement. The five factors that according to Kapferer and Laurent<sup>3</sup> constitute the level of involvement of the consumer have very high

scores: the interest of the consumer for the product is very high; the subjective probability of making a mistake is huge; the seriousness of such a mistake is important, at the very least on a financial level; the value of social signs associated with the product is highly important; and the emotional or hedonistic value of the product is quite considerable. In the same way that make-up hides imperfections, perfume is a protection, a façade, even a mask placed over the personality. Perfume reveals and affects the domains of fantasy, pleasure and feelings “by touching people with emotions and something in particular” (Véra Strubi)<sup>4</sup>.

Anything that enables one to express one’s own “distinctiveness” has turned out to be a new territory for expression for brands that have recognised that the essence of the product is all. The appearance doesn’t matter. The upsurge in “niche” perfumes, on the edges of the mass perfume market correspond to the renaissance of a territory free of olfactory libertinage, an enclave in a world of norms that must answer the demands of the marketing men who conform their desires and short-term profit to the taste of the lowest common denominator. It is like a return to the roots of perfume, initiatives that favour innovation and adventure have taken up the flame rather than brand names.

### Who are the niche brands?

Niche brands are not necessarily small brands. Here we are dealing with a different type of luxury that promotes audacity, quality and creativity. And, while niche perfumes don’t have a federation that can attest to their growth figures, the French market is estimated at 400 million euros<sup>5</sup>. The houses can be one hundred years old or very recently established, their growth began around the year 2000, and they are aiming to federate a clientele that is curious, loyal and educated with a project with a strong personality.

Niche brands are faithful to the luxurious characteristics of traditional perfumes where the quality of the ingredients takes precedence and are developing olfactory concepts that are systematically strong, articulated around char-

acteristic notes with a powerful wake that is an end in itself the wearer should wear with pride. They give creation back its suggestive strength. Unlike brands that produce huge volumes, their creations last by attracting a clientele that wish to express their uniqueness through a choice of perfume that makes them stand out from the masses.

A history that harks back to the roots and traditions of perfume, an in-house retail circuit, low-key elitist launches with controlled advertising and communication with an emphasis on press relations are the cornerstones of their strategy of exclusivity. "We put money in to the product, not into marketing or advertising" (Luc Gabriel, The Different Company)<sup>6</sup>.

### **Innovation, a key role**

#### **The conception of the product**

The eighties heralded the vulgarisation of the perfume market: strategies that before had been applied to mass market products (accessible in terms of cost and highly visible in the media) were used on perfumes. Profit-making objectives and a demand for short-term success replaced the quest for something different with a real personality and a long life. Marketing took perfume over and removed its sacred aspect. "Perfumers became detergent sellers. The market brought out a non-event every three minutes and lost its magical connotations" (Vincent Grégoire, Nelly Rodi)<sup>7</sup>. Marketing –the decision-maker– became the major player in the sector. It acted as a real decision-maker in as much as it organised the birth of a perfume stage by stage. It determined the characteristics to begin with, outlined the target market and the image to be projected. Then it outlined the objectives to be aimed for on an olfactory level while it managed the work of the designer of the bottle and the media agency.

The early noughties and the growth in niche perfumes put an end to this system where creativity was expected to be "on tap" at the mercy of a marketing brief and got back to emotional, free and instinctive creativity that would valorise audacity and inventiveness. This type of strategy demands patience, a qual-

ity that is in short supply with the short-term strategies of the big corporations that are after huge and immediate profits in order to pay for their colossal advertising investment. Niche brands accept that development time can be long in order to fully respect the freedom of creativity that can not be made to toe the line. They lay a claim to passionate "noses" and a non-formatted formulation that are incompatible with the tests carried out on mass market perfumes to ensure that they appeal to the lowest common denominator. "Sniff tests" do away with surprise and originality as when suddenly confronted with a smell a person will always go for a more familiar, reassuring one. This means that there is an overload of unoriginal fragrances. Niche brands have managed to get beyond these tests and bet on creativity. This has meant a little revolution in a universe that heretofore had been exclusively guided by profitability. The vocation of a niche perfume is to be an innovative product that makes those who like it loyal to the scent. The idea of "a perfumer, a product" has come back into vogue. The key to success being above all the rate of sales of a perfume once the media fires have gone out, and niche brands seem to have made the right choice: "If you try to please everyone, you will please no one" (Véra Strubi)<sup>8</sup>. The off the shelf retailing that came into practice in the middle of the nineties with chains such as Marionnaud, Sephora, Douglas or Watson seriously contributed to perfume's loss of prestige. Since the off the shelf system arrived, the market has needed perfumes that "sell themselves". Choosing a perfume from a stick favours head notes that are easy and strong: immediate perception is all that counts. The obsession with pleasing the customer immediately, with the "top note" takes precedence over the definitive or base note that is nevertheless essential as it is what defines the wake of the perfume, and is the basis of the success of the great classics. Niche perfumes mark the return to the ancestral rites of application as vectors for choice.

Wholesale sampling has led to incessant olfactory stimulation: now, everything is perfumed but nothing has a smell. Western societies are both deodorised and "over-odorised" and have lost their olfactory markers. The overabun-

dance of candles, incense and deodorant sprays remove and dilute the identity of things. In the same way that wool should smell of wool, wood of wood, leather of leather, toilets should smell of water, not lavender. This all weakens the sense of smell and the individual's knowledge of perfume that has a hard time existing in the permanent olfactory lie in which niche brands refuse to participate. They prefer unique taste that makes a difference to the universal standard and are on a quest to discover new olfactory worlds. So quite a number of them are rehabilitating the culture of perfume making and are developing explanatory tools –bringing the client backstage.

But, before anything, niche brands are concentrating their investments in the olfactory: the quality of the ingredients and the time spent bringing them together. While the basic cost of a traditional perfume is around 4 euros (not counting marketing and advertising costs), that of a niche perfume is about 6 euros. All of them speak, either directly or indirectly of their creator and underline the importance of their artistic gift like Apollonius used to say in ancient times: “the excellence of each perfume depends on the skill of the artists and the good quality of his materials”<sup>9</sup>.

### **Retail and distribution**

As vectors for a perfume's image, retail outlets have become the unavoidable representatives for the philosophy of niche brands. Their retail networks are in-house, often small, and have become the cornerstone of their success. Their boutiques are destinations in themselves rather than places one pops into. Their strength lies in basic creativity. The plainness of the wrapping (bottles and retail outlets) give this strength its meaning. Low-key, little known retail outlets make the point that their perfumes remain a precious and intimate luxury. Without giving in to the temptation of mass retail, niche brands have found locations necessary to their growth in department stores within the network of “concept stores” and online. The problem is to know when to stop being restrictive and whether an elitist product can resist relative expansion without losing its soul. This is what is at stake for the future.

On a merchandising level, everything is designed and set up to emphasise the scents. Innovative olfactory platforms are made available to the public. Olfactory libraries make clients want to find out more about perfume: they are often the preamble to discovery workshops and initiation classes in olfactory composition. Columns, cones and perfume organs enable one to experience the wake of a perfume. These machines help visitors to understand the technical means used by professionals to know and appreciate a perfume. So the retail outlet becomes a space for sharing knowledge where intimacy reigns like in the boudoirs of old. Learning about perfume becomes a fun thing to do that is also technological and poetic. For example, The Different Company has clients smell the “jus” of their perfumes like nectars in wine glasses: by breaking with the traditional codes of the way scents are smelled, the brand reinvents a “perfume attitude”.

Finally, great care is taken training the staff who provide expert advice. In addition to the fragrances and the actual location, luxury here is a question of the time given over to the client. Elitism comes from the correct orientation of the choice.

### **Well thought-out communication**

While one perfume advertising campaign is simply outdoing another in cost, niche brands have not given in to the temptation of outlandish media investments or wholesale sampling. The question here is not to buy a high level of visibility in order to guarantee a quick return on investment demanded by the financial groups behind the big brands. As with the product, the methodology regularly employed in advertising is more like supermarket advertising than that for a luxury product. So the messages are simple, strong and direct so as to seduce the broadest range of clients possible. All perfume advertising images are the same: they depict the same models in similar positions and with similar expressions. This confusion maintains the feeling of déjà vu that the niche brands are fighting against as they prefer word of mouth among those in the know and client loyalty to massive recruit-

ment. The omnipresence of big brand innovation in all media has tended to standardise their advertising and give certain sameness to their strategies. The multitude of promotional events and their systematic nature dilute the intrinsic values of perfume and reinforce the image of retailers as discount operators.

On the other hand, a direct marketing program enables the creation of strong emotional links to the brand, helps with the valorisation of the clientele that likes to be recognised and engenders an exceptional level of loyalty. “Perfumes are exceptional products made to be introduced extremely slowly” (Frédéric Malle)<sup>10</sup>. One must be patient for the “nez à l’oreille” (nose to the ear) to work, to use an expression by Serge Lutens. Good press relations are essential to this. Press events are planned as ceremonials that re-enchant the surprise of something new.

#### **Time to reform the codes of traditional perfume?**

In order to try to rehabilitate perfume, the players in the traditional perfume industry, both developers and distributors have been taking the lead from the niche brands and are getting rid of the mix-marketing mantras in favour of perfumes that have “taste” meaning distinction and uniqueness. Perfumers are yet again allowed to speak of their instinct, to invent new forms and listen to their imagination to get beyond the conventional schemas and the creative crisis that perfume is going through at the moment. It is in this chaotic environment, which is being constantly redefined, that the big brands are launching their counter-attack.

#### **A return to perfume as a profession and the tradition of in-house perfumer**

For the most part, perfumes today are created by outside perfume composers while in-house perfumers such as Jacques Polge at Chanel, Jean-Michel Duriez at Patou and Richard Frayssé at Caron remain the exception. Even though it was in-house perfumers that developed the clearly identifiable olfactory signatures for the big name brands. For example the “Guerlinade” (a warm and amber

accord that brings together all of the house’s favourite materials<sup>11</sup>) and the “Mélodie Patou” (a duo of jasmine and rose) are still very much a part of the success of these brands.

With this in mind, certain brands have made the choice to go back to this tradition with the aim of telling true stories from the inside. So all of the recent in-house hiring is synonymous with superior quality and a need to split with habitual marketing practices. After Jean-Claude Ellena at Hermès, Mathilde Laurent at Cartier, LVMH have just hired François Demarchy: “we are coming back to the traditional schema that puts the emphasis on an affinity between brand and perfumer” (Antoine Lie)<sup>12</sup>.

#### **Growth in made-to-measure perfumes**

While couture, jewellery and accessories have been made to measure for a long time, shifting this service into perfume is part of the attempts by the big name brands to bring perfume back to its former glory. This approach is a means for the big brands to get back to the skills and values that have been neglected by mass consumerism while at the same time satisfying the need for individualism. Free creativity, rarity, individuality and noble materials justify their elitist price tags.

Alongside independent perfumers such as Patricia de Nicolai or Francis Kurdjian, some of the big houses have institutionalised the practice. Perfumers are only too glad to participate as made to measure enables them to express themselves fully with no financial constraints. However, this approach is not a worldwide thing. France, and most notably Paris are still today the incarnation of the prestige of the older brands.

Jean-Michel Duriez, for example does his “parfum Couture” in the first floor salons of the boutique on 5 rue de Castiglione designed as a “rare perfume showcase” by Eric Gizard. The success of this customised beauty is a follow-on for a demand from the consumer for a certain amount of appropriation. They co-produce with the brand, they are the co-composer. The demand is clear: “make me unique!”.

## The resurgence of old perfumes and retro notes

Other big name brands have indicated their wish to get back to their roots with the re-edition of the perfumes of their origins. *La Violette de Madame* and the *Mouchoir de Monsieur* first launched in 1904 were recently resuscitated by the Maison Guerlain when they reopened their store on the Champs-Élysées. The examples are numerous: *Femme de Rochas*, *Habanita* de Molinard, and *Diorling*... all ways to give credibility to a roots in traditional perfume. Bid retail is following close behind: Sephora is going for vintage with the re-launch of *Fracas* by Robert Piguet (1948) and a version of *Métopion*, the famous Egyptian perfume. Harrods in London has created a special space for re-editions of old successes while the Bon Marché is referencing the creations of Téo Cabanel whose “jus” are bringing the perfume of the start of the last century to life. Distributors are also trying to gain legitimacy through this approach.

Another tactic for latching on to the signs of traditional quality : delving in to forgotten families. Some fragrances that were considered too segmenting in market terms are making comebacks in forms that are being made more accessible. So ferns are coming back in a big way in men's fragrances. While in women's scents, aldehyde and cypressy flowery scents are back despite their strong scents. Retro notes are also back in style: violets and lavender are being reinterpreted; notes of myrrh and incense are being used to create the wake of some oriental fragrances. Not to mention the forgotten colognes that have been best sellers since their renaissance in 2000.

## Collections that are more edgy and rare

A few big brands have launched edgier lines like their “image” collections where they can express their elitist vision of traditional perfume. For example, Giorgio Armani has developed the Armani privé collection around scents that are very personal “just like when perfume was a real luxury industry”<sup>13</sup>. Their high cost and relative rarity add to this exclusivity. Jean-Claude Ellena has designed the *Hermessences* collection as “a new language

for the initiated in search of different sensations, for connoisseurs who want to be surprised”. By launching more low-key projects of this type, the big name brands segment their olfactory offer as they have been doing with their clothes since ready-to-wear came into being.

This portfolio of strategic actions is aimed at retaining a growing clientele attracted by the alternative in niche perfumes. Brands are also rethinking their retail strategies in favour of in-house boutiques designed as intimate and convivial spaces that enable the clients to benefit from a multitude of services. Taking one's time is on the way back. You have been warned.

Catherine Têtu  
Fashion & Beauty Consulting Director,  
Nelly Rodi

1. Etude THEMA 2004 (qualitative/10000 questionnaires) carried out with the support of Universal Comcord – TGI Europa and Sigillat.
2. L'originalité comme principe du succès (Originality as a principle for success), *Parfums et Senteurs*, n° 7, mai 2001.
3. J.-N. Kapferer; G. Laurent, *La Sensibilité aux marques*, Paris, Editions Organisation. 1992.
4. « La domination contestée des géants des cosmétiques » (The contested domination of the cosmetic giants), in *Le Monde*, 15 September 2005.
5. Results of a survey published by *Economie Matin* on January 5<sup>th</sup> 2006.
6. « La domination contestée des géants des cosmétiques » (The contested domination of the cosmetic giants), in *Le Monde*, 15 September 2005.
7. « Le parfum aspire à renouer avec le luxe » (Perfume aspires to luxury, again), in *Les Echos*, 4 January 2004.
8. « Le pari de la différence » (The challenge of the different), in *Fashion Beauty*, October 2002.
9. Denis Diderot, *Encyclopédie ou dictionnaire raisonné des arts et des métiers*, Jean Leron d'Alembert, 1780.
10. [www.luxe-magazine.com](http://www.luxe-magazine.com), Frédéric Malle éditeur de parfums, April 7<sup>th</sup> 2004.
11. Creezy Courtoy, *Les Routes du parfum*, Paris Editions, 2003.
12. Caroline Schmollgruber, « Les contraintes stimulent la création » (Constraints stimulate creativity), in *Cosmétique Magazine*, n° 70, July/August 2006.
13. Armani Privé press release, May 2005.