

Research on the Marketing Strategy of Perfumes of Luxury Brands

- Taking Dior and Guerlain as Examples

Zekai Wu^{1,a,*}

¹Macau University of Science and Technology, Macau, China

a. 1220013637@student.must.edu.mo

*corresponding author

Abstract: In recent years, the perfume industry has developed rapidly in the domestic market. For different brands, they will have their own unique marketing methods and strategies. This made this study curious because the perfume market in China is also gradually emerging, and many of China's own perfume brands are beginning to emerge. I think the analysis of successful marketing cases of old luxury brands can help our brand and provide some marketing ideas and experience. This study can also take this marketing strategy as the basis to compare Guerlain and Dior's marketing methods to find the possibility of mutual improvement and progress so as to make perfume marketing go further. At the same time, because perfume is a very subjective product due to the differences in culture and customs, this study can also properly analyze the differences between hot perfumes at home and abroad and whether the consumer groups who buy perfume are the same, so as to find a more suitable marketing method for the domestic market.

Keywords: consumer, scene marketing, perfume market, niche and luxury brands

1. Introduction

With the development of the world economy, people's spiritual needs have begun to appear, and people have begun to pay attention to making their lives more comfortable rather than just pursuing a physiological need. Perfume, as a product with a long history of letting people get spiritual wealth and helping people better decorate their own products, is also rising in this era. There are many different perfume brands in the market today, which are generally divided into commercial perfumes and salon perfumes. Some brands have a long history, and some brands are popular once they are launched. And various luxury brands have found this market early and have chosen to join. Of course, the same luxury brands, their marketing methods and product positioning are also different. This article, mainly through the Guerlain and Dior two brands of perfume research and analysis, in order to understand the general situation of the luxury perfume market and find out the opportunities to find ways to expand the market and the future development direction of the perfume industry. With the gradual end of the epidemic and the development of digital technology, the ancient product of perfume has gradually become familiar to people. This seminar will study and understand the market situation through case analysis and comparative analysis of some perfume brands.

2. Overview of the Luxury Perfume Market

2.1. The Trend Description of Luxury Brands Doing Perfume

According to IMARC data, the global luxury perfume market size reached US\$ 11.9 Billion in 2022. Looking forward, IMARC Group expects the market to reach US\$ 19.5 Billion by 2028, exhibiting a growth rate (CAGR) of 6.14% during 2023-2028 [1]. It can be seen that the luxury perfume industry is a potential market. As for the perfume of luxury brands, with the rise of the perfume market, the products are known to more people. The general trend of perfumes made by luxury brands is mainly about the taste that is more acceptable, the bottle personality is attractive and eye-catching, and the perfume name is appealing to the heart. Most of the new perfumes launched by luxury brands are mainly based on fragrance tones that are more acceptable to the public, such as citrus tones and floral tones. For example, Prada launched Paradoxe Intense in 2022; This is a floral scent with citrus, bergamot and more. Almost all luxury brands have completed their entry into the perfume industry, and a large part of the brand's perfume line operation is in a good state.

2.2. The Importance of Brand Building and Extension in the Perfume Industry

The brand effect plays a key role in the marketing of the perfume industry because the fragrance of perfume, as a feeling that must be felt directly, is difficult to carry out specific publicity in daily marketing. To attract consumers to have interest in the product or purchase desire, brand recognition is a good way, and people generally believe that the products of big brands will be of better quality. In the first link of sales, brand impact will be a huge link to attract consumers. In the perfume market, the number of niche perfume brands far exceeds that of luxury brands, but the sales and sales of luxury brands occupy the majority of the market.

2.3. The Application of Marketing Strategies in the Field of Luxury Perfume

Luxury brands use a variety of marketing tools. Because smell cannot be intuitively reflected in marketing through the screen, luxury brands will attract consumers by creating scenes that can be linked with smell or inviting stars that match the image of perfume. At the same time, they will also design the packaging and name of the perfume to make it look more advanced and luxurious.

3. Analysis of Guerlain Brand and Marketing Strategy of Perfume Line

3.1. Overview of the Guerlain Brand

Founded in 1828, Guerlain sells perfumes, cosmetics and skincare products. With nature and art as the source of inspiration, advocating the beautiful philosophy of bringing joy and sensory pleasure to people is the DNA of their brand. With bees as their logo, they are committed to sustainable innovation and biodiversity protection, and have designed bee printed bottles that are still popular today. Has a long history and experience in perfume production, during the launch of more than 1,100 fragrance products. Among them, Apres l'ondee, Shalimar, and Vol de Nuit are all handed down by the famous critic Luca Turing, rated the highest five-star rating.

3.2. Introduction to Guerlain perfume Product Line

Guerlain, as a long-time perfume maker, has a variety of different positioning of the product line, namely Aqua Allegoria Collection, Mon Guerlain, Shalimar, La Petite Robe Noire, Les Legendaires Collection, Les Colognes. It can be found that the perfumes section of Guerlain has a very large product line, thanks to the resources accumulated from its long history of development, and Guerlain

is only focused on the perfume and cosmetics industry. And the founder of Guerlain, pierre-francois-pascal-guerlain, is a very good perfumer himself. Among them, the most frequently used perfume series for Guerlain ladies in France from 2017 to 2020 is La Petite Robe Noire, with approximately 2.3 million bottles sold annually, ranked second is Shalimar. About 900,000 bottles are sold each year.[2]

3.3. Analysis of Marketing Strategy of Guerlain Perfume

3.3.1. Pricing Strategy

Guerlain's product pricing is generally divided into three levels. The most expensive line is its exceptional creations, priced at 700€/125ml. Next is its Art Salon line, priced at 315€/100ml. Other product lines are generally priced from 150€/100ml to 75€/100ml. Three different price positioning basically cover the spending power of most perfume consumers, and there is no choice of lower pricing to destroy their own brand positioning.

3.3.2. Product Strategy

Guerlain's product styles are diverse, covering a variety of different aroma styles that can meet the different needs of the vast majority of consumers. For example, Guerlain's EXCEPTIONAL CREATION product line reproduces the original classic old fragrance of Guerlain and works with artists to produce unique and beautiful perfume bottles, which is the symbol of Guerlain perfume. This product line is more open to customers with higher consumption levels; its beautiful bottle is very collectable value, and the fragrance of the perfume is also a classic that has been recognized by consumers for a long time. L'ART & LA MATIERE, too, is made by a master perfumer, adding high-quality raw materials. The exquisite bottle body has a unique design sense but also supports personalized customization; it can be engraved on the bottle body or choose a special bottle cap; these operations improve the grade of this product line, make it more high-end, attract consumers to buy, At the same time to highlight the strength of the brand. On the other hand, the aroma and taste of this product line are unique and more niche, but this just caters to the preferences of today's consumers who do not want to be more popular. Many raw materials that are not well known to the public are introduced in this product line, which will produce a unique smell.

Although men are increasingly buying perfume products, women are still the main consumers of perfume, so Guerlain clearly grasped this situation by launching LA PETITE ROBE NOIRE for women, which focuses on rose aromas. The logo bottle and the black dress printed on it show a unique attitude, giving the impression of a mature woman with a successful career. AQUA ALLEGORIACOLLECTION, on the other hand, is more acceptable to the public, and it is also a product line for most consumers. Its aroma is basically unisex, mostly fruit and floral, without an overly strong smell. The bottle used is also a tribute to Guerlain's famous bee bottle.

Other product lines, such as Shalimar and LES LEGENDAIRES COLLECTION, are the re-modulation of classic perfumes that have been discontinued by Guerlain, which can attract many consumers who liked these fragrances but lost them because of production suspension and re-establish a good relationship with them. In addition, it could also catch the attention of new consumers who want to see what the legendary perfume originally tasted like.

4. Analysis of Marketing Strategy of Dior Brand and Perfume Line

4.1. Dior Brand Overview

Christian Dior is a luxury brand from France, mainly engaged in fashion, shoes, jewelry, perfume, cosmetics and other high-end luxury goods. In the perfume market, Sauvage has become a global leader in all categories; J 'adore, Dior Homme and Miss Dior also posted good results, boosted by a redesigned fragrance profile in September and a new marketing campaign. The Collection Privacei distils the brand's unrivalled expertise in fine perfumes and adds new scents. Francis Kurkdjian has been named creative director of fragrances, succeeding Francois Demachy, who has been Dior's perfumer since 2006.

4.2. Introduction to the Perfume Product Line of Dior

Most of DIOR's perfume product lines are relatively single which is generally divided into three categories: LA COLLECTION PRIVÉE CHRISTIAN DIOR, women's fragrance and men's fragrance. Women's perfumes are out in total: J'adore, Miss Dior, JOY by Dior, Poison, Les Escapes de Dior, Dior Addict, Dune, Dolce Vita, Les Créations de Monsieur Dior. Prices range from €70 to €120. For Man's fragrance, it has Sauvage, Dior Homme, Fahrenheit, and Jules four lines. Dior's True Self collection sold 2,290,000 bottles in France in 2020[3]. This is a very brilliant achievement. This bottle of perfume uses high-quality jasmine raw materials from Grasse, France, the "perfume capital", paired with a gold bottle to give people an elegant, atmospheric atmosphere experience.

4.3. Pricing Strategy

Dior perfume prices are basically between 70€-140€, which is basically in the middle to the upper middle position. This price positioning makes it easier for a luxury brand to be accepted by consumers, and it also makes those high-end consumers not think that this product is not in line with the positioning of Dior luxury goods and will make consumers who cannot consume Dior fashion or luggage products willing to pay for perfume. Of course, as a luxury brand, Dior will also use its strong fashion design capabilities to produce special perfume products, using unique packaging, the price of about 1000€ to attract consumers who love Dior perfume and Dior's own brand design.

4.4. Product Strategy

Dior has designed a variety of exquisite bottles to attract female consumers. For example, J 'Adore uses a golden circle placed on the neck of the bottle and a huge gem as the bottle cap. The overall look is very aesthetic. In this way, consumers have relevant associations, and consumers who aspire to become such people have a desire to buy. For younger female consumers, Dior also designed square perfume bottles with colorful bows to carry the Miss Dior series of perfumes. For the fragrance of perfume, basically floral, because Dior has a huge financial advantage, so the use of raw materials is very high quality, which makes in the same price; dior perfume texture may have a certain advantage. In the packaging design of men's perfumes, it has become simpler, but different shapes and colors are selected. For art salon line products, the bottle body is simpler, the conventional cylindrical bottle body plus a black lid and printed with the name of the perfume and the logo of Dior, which expresses Dior's confidence in the quality of this product line perfume, no need for complicated packaging, only by taste can attract consumers, and this also gives consumers a kind of money, these money are spent on the design and raw materials of the perfume aroma, which will improve consumers' awareness of the quality of this perfume and raw materials.

4.5. Promotion Strategy

For the hot-selling products promoted by Dior, Dior will choose a star which matches the personality to be created by the perfume to endorse this perfume, which can create a good space for consumers' imagination, thinking that spraying the same perfume can become such a person to attract consumers to buy, and at the same time, in advertising, Dior often sets a scene, such as Johnny Depp, playing the guitar in the wilderness, followed by a wolf, consumers will make the aroma of this perfume connect with this scene when they see this scene, Thus transferring the powerful, cold atmosphere of the scene to the aroma of this perfume, which will enhance the memory points of this perfume.

5. Comparison of Marketing Strategies between Guerlain and Dior

5.1. Comparison of Brand Positioning and Target Consumer Groups

Compared with Dior, Guerlain wants to target the main consumers to be younger, about 22-28 years old, the main products are also easier to be accepted by young people, a fresher taste. At the same time, the diversification of Guerlain's product types also makes the types of consumers attracted by the brand more diverse. With the development of the perfume market, consumers' demand for perfume is gradually changing. From the previous blind pursuit of the brand, they gradually have their own knowledge of fragrance and begin to pursue personalized smell. Guerlain's products are more personalized and diverse, so they can attract more kinds of consumers.

On the other hand, Dior's main consumer group slightly older than Guerlain. Dior's perfume products have fewer fragrance types and are not as rich as Guerlain's, but the quality of the products is high, and the competitiveness in the field of the same fragrance is strong. In addition, Dior's brand effect is not always strong, which can attract many consumers who do not know the field of perfume to buy. It may be the first choice for most consumers who first consume perfume products.

5.2. Comparative Analysis of Marketing and Promotional Activities

Dior's marketing methods mainly involve bundling its popular products with endorsement stars, and marketing through filming grand advertisements that feature celebrity endorsers appearing in various beautiful scenes, creating a fantastical and beautiful atmosphere. Secondly, Dior brand itself is a major means to attract consumers. Long term luxury management has made Dior a synonym of high-end and fashion in the eyes of consumers. So, when hearing that perfume is Dior brand, consumers may ignore the degree of adaptation of perfume to themselves and have impulse consumption. So, in terms of market penetration, the Dior brand will be even better.

Compared to Dior, Guerlain's promotion is more focused on the digital field. In the Chinese market, Guerlain chooses to collaborate with Tencent, which has a large number of young users, and places promotional advertisements on the QQ platform, which builds the most penetrating and covering open social media platform. For example, in social scenarios covered by QQ advertisements, According to Tencent's annual results for 2020, the number of active users of QQ reached 5,949,000 in 2020[4], with a very high proportion of young people, especially those born in the 1990s and 95s. At the same time, Guerlain keeps up with the development of the times and chooses to cooperate with video bloggers on multiple video platforms to promote perfume. For example, in China, Guerlain will choose to cooperate with perfume bloggers on TikTok or other short video platforms, recommend and evaluate the perfume series recommended by Guerlain.

5.3. Analysis of Similarities and Differences in Channel Strategies

In addition to traditional offline store sales and department store sales, both brands have opened up online sales channels. The advantage of online sales is that there is sufficient inventory and a complete range of products. Some products may be out of stock in offline stores due to excessive sales, but online sales can largely avoid this situation. At the same time, Dior and Guerlain cooperate with duty-free retailers such as Chinese duty-free retailers and DFS to sell their own perfume at a more favorable price, which can not only attract more consumers to buy, but also promote their products on a broader platform.

However, the number of offline stores of Dior is more than that of Guerlain, and Dior cosmetics and perfume counters can be basically seen in a large shopping mall. Dior has nearly 300 offline perfume boutiques in China, while Guerlain has only half of Dior's number, and Dior has a great advantage in the popularity of offline sales. According to the financial report of Dior, the total revenue of Dior in 2022 is 79184000000€ [5], which is enough to prove the great influence of Dior in the market. This is also one of Dior's marketing tools that does not require marketing.

6. Future Trends and Challenges of Luxury Perfume Market

6.1. Trends

According to LVMH's financial report, Asia's perfume revenue accounts for 42% of global perfume revenue in 2021[6]. As the market becomes larger and larger, many brands begin to be known. The competitive pressure in the perfume market is growing. Since there is no patent for fragrance, a popular fragrance will be cheaper soon after it appears. It is similar imitation, which will lose some consumers. Therefore, only one or two works cannot maintain the competitiveness of the brand in the perfume industry forever, the brand needs to constantly introduce new perfume products to ensure its competitiveness. At the same time, after several years of purchase, consumers now have a preliminary understanding or even in-depth understanding of the field of perfume. According to the Research Report on China's perfume Industry in 2021, people's preference for each fragrance will increase significantly from 2020 to 2021, which means that consumers have learned about most of the fragrance and have their own preference for choice, and their acceptance of different flavors has also improved. It can be seen from the data in the White Paper on China's perfume Industry Research in 2021 that although the amount of offline sales channels accounts for about 70% [7], the increase of online sales channels is very obvious, which means that having their own online channels has gradually become a necessary condition for brands to gain a firm foothold in the perfume market. At the same time, e-commerce platforms, live broadcast with goods and other forms will also become a trend in the perfume market. Many brands choose traffic anchors on various platforms to help them sell perfume, especially brands that only focus on perfume. Their advertising ability is completely unable to. According to the data in the White Paper on perfume Industry Research in China in 2022, the reason why consumers buy perfume from 2021-2022 is that the number of blindly following the crowd starts to decrease, and the number of consumers pursuing personality and taste starts to increase, which indicates that people begin to derive their own perfume aesthetics, rather than being completely attracted by advertisements, and begin to pay attention to unique taste experience [8]. At the same time, niche brands have become popular in the market, consumers' pursuit has become different, and luxury perfume brands have begun to launch high-end salon fragrance product lines, which has also become a major trend. For example, Dior's Les Cr é ions de Monsieur Dior and Guerlain's L'ART&LA MATI È RE COLLISION, these high-end lines enable luxury brands to have competitive products with the same positioning as niche salons, which can help luxury brands open up the market and provide more room for the perfumers who work for them to unleash their potential.

6.1.1. Influence of Sustainable Development and Environmental Protection Trend on Perfume Market

According to the definition of Glamour, a famous American women's magazine, a truly sustainable perfume brand should show real responsibility and respect for ecology and society through the following measures: 1) The production process will not cause damage to the environment, making the creative process sustainable for a long time and minimizing the impact on the Earth. 2) It is replaceable, reusable, and can recycle the raw materials, packaging, and waste generated throughout the entire manufacturing process. 3) Reduce carbon footprint by selecting local suppliers and reducing fuel consumption and emissions. 4) Collaborate with suppliers who are equally socially aware, adhere to the spirit of sustainable development and fair trade (such as glass manufacturers, ingredient manufacturers, packaging graphic designers).

Environmental protection and sustainable development have always been a hot topic in recent years. For the old luxury brands, this is already a familiar way. Dior brand chooses to use recyclable environmental protection materials for some product bottles. Many brands allow consumers to buy perfume refills with used perfume bottles.

Some essence companies have also started to introduce sustainable planting and picking to ensure that the use of raw materials does not damage the ecological balance. Mathilde Lecourt and Dr.Sylvain Antoniotti wrote : ““White biotechnology has emerged in biochemical manufacturing processes to deliver perfumery ingredients satisfying interests of the society for natural, eco-responsible, and sustainable materials.” [9] IUM é candles are handmade in France and are made from 100% natural, vegan, zero cruelty, and organic soy wax, essential oils, and cotton wicks. They do not contain genetically modified organisms or insecticides, and their packaging can also be recycled. One of the Lueur d'É pice candles is a vibrant pine forest fragrance that can make people feel like they are in a fresh forest outdoors in an indoor space. In order to eliminate the demand for nature, IUM é has also helped a bee welfare association to protect the life cycle of bees and expand their populations, taking action to protect nature.

6.1.2. Opportunities for Exploring and Developing Emerging Markets

In the era of information explosion on the internet, consumers are receiving the “stimulation” of advertising bombardment and online planting every day. The overload of information and excessive choice have led young consumers to involuntarily return to the “pre social media era”, refuse to “share the same taste”, and constantly explore niche product categories. Perfume market is an industry with huge potential in the last olfactory economy in the five senses market of mankind. In the era of underdeveloped transportation, all regions can only use local raw materials for creation, so each local brand has its own unique style, unique understanding and treatment of certain local plants or other materials. Today, with economic globalization, transportation has become convenient and fast, Brands from different regions enter the perfume market at the same time, and the use of raw materials has changed from the original local restrictions to globalization. Different brands.

At present, the perfume market is developing rapidly. Many brands and businessmen want to enter this market. Without their own unique marks, they cannot survive in the market for a long time. For example, Masion Margiela's perfume line has a very simple product line composition. There is only one perfume called REPLICA, in which the name of each perfume is a scene that can be seen in life, and the smell of perfume is also relatively simple. Instead of the obvious three tone changes of traditional perfume, it chooses to accurately restore the atmosphere of the scene smell, this simple but very memorable perfume can more easily evoke the good memories or dreams of consumers, and make people have a good feeling. In the PERSONALIZE YOUR MEMORY area, you can use a retro printer to print the moment and name you want to commemorate on the cotton label. You can also

choose a photo you like and make a unique perfume bag with a customized image of Pernod, so that this memory will last forever. This unique offline interactive experience and exclusive customized services can also greatly enhance consumers' liking for the product. This makes Margiela a great success in entering China, a region where the perfume market has just begun to rise.

6.2. Challenges

6.2.1. Consumer Behavior Changes and Response Strategies in the Digital Era

In the digital era, online marketing has become an indispensable part, as has the perfume market. According to consumer research data, 90% of consumers do not reject online purchase of perfume [8]. Among the reasons for this, seeing others' comments can be used as a reference to help decision-making, online purchase can avoid entering crowded and noisy shopping centers, and some people think online shopping is convenient, you can buy it anytime, anywhere you want.

Regarding online sales, live streaming with goods has become a trend in China. Bloggers from all platforms use their rich language and preferential prices to stimulate consumers' hearts. They use a lot of marketing rhetoric and introduce a perfume with exaggerated elements. The strong tone of the anchor also drives the sentiment of consumers, plus related benefits, this makes it easy for consumers to have the possibility of impulsive consumption but have to admit that this has also greatly improved the sales of perfume and consumers' awareness of the product.

Of course, there is also a disadvantage in the live broadcast of goods. When a perfume appears in the videos or live broadcasts of many different anchors, consumers may think that this perfume has been purchased by many people and is not unique, or after hearing the anchor's words, they have a stereotype of perfume, which may not affect the perfume products of some luxury brands, because luxury brands have enough influence, Consumers have a high level of trust in them, and the core of promoting these products is to create a corresponding impression and attract consumers to purchase. So not all brands can adopt the form of live streaming sales. If niche brands want to increase their visibility, they still need other methods, such as investing more in offline store operations, conducting free fragrance testing activities, and expanding through word-of-mouth among consumers. This method is not easy to affect the brand's reputation but can choose consumers who match their brand positioning [10].

7. Conclusion

This study listed the marketing methods and product composition of different brands in order to explore the strategies of businesses in the emerging perfume market, analyze their intentions, and provide new ideas for future development. In general, selling perfume and promoting perfume is more about promoting an atmosphere, a sense of picture and imagination that can be generated in the minds of consumers, and all marketing methods. The goal is to let consumers build a good imagination and expectation before they really smell this perfume. So, this study can find that the marketing idea of the perfume market is not only the fragrance of perfume itself can be used as the starting point of marketing, but also needs to be promoted and beautified from a number of aspects related to fragrance, such as bottle body, name, and associated scenes.

For future research, it is possible to conduct in-depth research on specific components of perfumes rather than just analyzing the marketing cases of companies. This study can conduct an in-depth analysis of consumer data and study the scientific research achievements related to smell, such as the relationship between vision and smell or the relationship between smell and people's emotional processing. Through these studies, this study can explore the real reasons why consumers choose a perfume: To enhance existing marketing models or create new marketing methods.

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