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Department of Management  
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Thesis for a PhD Degree In management  
Under the supervision of Professor Joseph Lampel

Entitled: The Role Of Product Launch Strategy  
in the Creation Of Sales Momentum:  
The Case of the Fragrance Industry

SUBMITTED ON: 23/10/2008

**In The name of God the merciful, the compassionate**



*To my dear parents*

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## **DECLARATION**

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## **ABSTRACT**

This thesis examines the strategic processes which can be employed to overcome the challenges of launching creative products that possess little or no tangible selling points. Launch decisions and their subsequent impact on the creation of sales momentum in the fragrance industry are analysed.

A context specific model for product launch effectiveness is an initial contribution. Secondly, this study examines product launch activities through the dramaturgical lens. Primary qualitative data collected through a mixed method approach is a further contribution to the current body of knowledge on product launch. 'Elite interviews' with senior management are employed to gain an in-depth perspective into the dynamics of launch processes. Fourthly, the dynamics of organisational self expression, particularly during product launch are distilled through the analysis of organisational narratives. Finally, focussed encounters whereby organisations attempt to shape product evaluation are examined through participant observation.

# 1. INTRODUCTION

## 1.1 Motivation and aim of study

The product launch stage is perhaps the most critical stage in the product's life cycle, as activities which constitute the launch plan can lead to the success or failure of the product. The importance of launch strategy is widely acknowledged in the literature (Kohli 1999; Hultink et al 1997; Hultink and Robben, 1999; Hultink et al, 2000; Thölke et al 2001; Benedetto, 1999; Guiltinan, 1999; Langerak et al, 2004). This study aims to address the decision making issues which managers face prior to launching a major product, particularly those in industries which manufacture and sell products with little functional or tangible values.

In such markets, firms face new challenges and new choices when launching new products as the concept of value creation in the current economy is shifting and changing. Furthermore, the difficulties which such firms face is twofold: on one hand managers must overcome existing information barriers and create a visible market launch in order to gain sufficient attention and subsequently the resources which can support a sales momentum cycle; and on the other hand, the non functional nature of such products poses an additional difficulty in differentiating and creating value.

In the context of saturated and crowded consumer markets firms find it difficult to achieve both tasks successfully, hence the large percentage of product launch failure in various consumer markets (Kotler, 2003; Hultink et al 1997; Guiltinan, 1999; Langerak et al, 2004). The challenges which firms in such contexts face in launching major products, the strategic decisions made prior to the product launch in order to overcome such challenges, and their subsequent impact on product launch will be examined in this study.

The choice of topic for this dissertation is motivated by the current evolution witnessed by today's economy. Increasingly, products and services' competition is shifting from one which is utilitarian based to one which is based on hedonic benefits such as providing opportunities for self expression, status signals, entertainment, exploration and so forth. As Rifkin (2000) contends, objects are being replaced by the production of lifestyles, cultural experiences, constructed heritages, fantasies, images meanings and emotions.

The factors driving this evolution are due to the increasing intensity of competition which is driving the continuous search for product differentiation.

As Pine and Gilmore (1999) state, this evolution is driven by:

“[The] increasing competitive intensity, which drives the ongoing search for differentiation. But the most encompassing answer resides in the nature of economic value and its natural progression- like that of coffee bean- from commodities to goods to services then to experiences.” (Pine and Gilmore, 1999; p.5)



Car manufacturers excel at enhancing their in-vehicle experience by spending considerable time and money on developing in-car entertainment, perfecting the sound of closing doors, providing luxurious seat material and so forth. Universities draw on their heritage, location, and status. Organisations are increasingly focussing on affective means of communicating their product qualities, and are increasingly focussing on highlighting the intangible qualities of their products. This phenomenon is gaining a growing recognition in organisational literature as Schulz et al (2000) state:

“Thus increasingly organisations compete based on their ability to express who they are and what they stand for. Emotional and symbolic expressiveness is becoming part of the experience of doing business... ” (Schultz et al, 2000; p1)

A large percentage of new products fail in the market because organisations fail to acknowledge this point.

The product launch stage marks the point at which the product is first introduced to its respective market. Therefore this stage constitutes the evaluation of the product, and the processes through which organisations shape stakeholder evaluation, thus the argument that the product launch stage can act as the window of opportunity through which organisations can shape and manage product impression in the market. This is done with the intention of winning the necessary support of constituencies which can then facilitate the build up of necessary resources for further supporting the impression management processes. It is this issue which essentially forms the heart of this dissertation.

This study is also an answer for a call for a context specific product launch study. In a study by Guiltinan (1999) on the search for a common framework for all industries including both consumer and industrial, it was found that there were no generic strategies for a successful product launch:

“Finding no generic strategy could have arisen because ...decision sets are extremely sensitive to environmental or competitive contexts, suggesting that launch strategy research should be done in a much narrower context.” (Guiltinan, 1999; p. 282)

## 1.2 Contribution of the study

This study is positioned in the field of organisational strategy. It forms a new contribution to this field as it examines non conventional cognitive communication tools and their impact on market share creation and product sales.

The contribution of this study can be described along two dimensions. On the macro level, social science theory is applied to organisational strategy in order to synthesise product launch processes, and to address market launch uncertainty.

On a micro level, the study contributes to the area of product launch. Although an increasing number of studies have addressed the importance of the product launch stage, and its powerful role in product success (Kohli 1999; Hultink et al 1997; Hultink and Robben, 1999; Hultink et al, 2000; Thölke et al 2001; Benedetto, 1999; Guiltinan, 1999; Langerak et al, 2004), the role of product launch activities in creative and luxury goods industries remains almost non existent.

The overall aim of this study is to examine the role of product launch activities in creating sales momentum and market share in the fragrance industry. More specifically, this study aims to examine signalling properties that are incorporated in the launch plan and their direct impact on launch success.

This study is positioned in the wider literature on product launch. The available body of literature examines launch from various perspectives including timing (Kohli 1999), launch in industrial (Hultink et al 1997) and consumer markets (Thölke et al 2001). Others have focussed on contingency theories and technicalities of product launch (Benedetto, 1999; Hultink et al, 1997; Guiltinan, 1999; Hultink et al, 2000; Hultink and Robben, 1999; Langerak et al, 2004), the impact on demand (Guiltinan, 1999), and the impact on product performance (Hultink and Robben, 1999).

This study will contribute to the existing body of literature by examining the impact of launch activities on the creation of market momentum through increasing launch visibility, and winning the support and acceptance of key stakeholders. This study will specifically focus on: 1- the launch stage, including all the activities that take place to present the product to relevant constituencies, and the interaction between such activities; and 2- more specifically, strategies for creating launch visibility through the incorporation of dramaturgical activities in the launch plan. The focus of this research will be on the fragrance industry.

The choice of study context is based on several factors. Firstly, the study deals with launch effectiveness for consumer products rather than industrial products. A meta-analysis on the determinants of new product performance by

Montoya-Weiss and Calantone (1994) showed that most of the earlier work was exclusively based on industrial products (Biggadike, 1979; Choffray and Lilien, 1984; Choffray and Lilien, 1986; Cooper, 1979; Maidique and Zinger, 1984). This study is done with the aim of contributing towards a better understanding of effective product launch strategies in consumer industries, particularly where the success of products is primarily based on their perceived psychological value. Secondly, research on the effective launch of creative and luxury products is scarce. This study aims to bridge some of the gaps in this area of empirical research.

Thirdly, the rationale behind an industry specific research stems from the necessity to account for the product launch context (Hultink et al, 2000; Guiltinan, 1999), which may include factors that impact product launch success in this particular industry:

“The tendency toward industry-specific research...is necessary to take cognizance of those factors within certain industries that condition the nature of a new product launch.” (Hultink et al, 2000; p. 6)

The study is based on data collected from the fragrance industry. The fragrance industry offers products with little functional qualities which are difficult to observe; thus making it very difficult for organisations designing and selling fragrances to differentiate their products on the basis of superior quality or value for money. Such products therefore rely on creating experiential and sensual qualities; and in some cases status acquisition qualities in order to successfully differentiate their products in the market. Secondly, such markets

heavily rely on non literal forms of communication in passing on information about the product and its concept; instead they rely on figurative and imaginative language which draws on the emotional rather than the rational realm. This makes the fragrance industry an ideal case for studying the implications of image management and image creation activities which constitute the launch plan; and the role of such implications in the success of such products.

The study poses the following questions:

*What is the role of the launch activities in the creation of launch success in the fragrance industry?*

*What is the relationship between launch strategy, launch tactics and launch success in the fragrance industry?*

*What are the processes employed to gain product launch visibility in the fragrance industry?*

In attempting to find the answers to these questions, various methodological tools are employed for data collection. One to one in-depth semi structured interviews using open ended questions with senior management in the fragrance industry are employed in order to gain a deeper insight into the dynamics of the fragrance industry, the product development process; and of the fragrance launch process in particular. Secondly, quantitative data is collected in order to test the relationship of various launch activities with fragrance sales and fragrance market shares. Thirdly, an ethnographic methodology is applied whereby the researcher took on the role of a participant observer in a number of product launches in order to add a third dimension to

the data collected. Finally, a qualitative analysis of the fragrance narratives which are used to communicate the fragrance concept to industry partners will form part of the study. The decision to employ four different dimensions is motivated by the researcher's quest to truly understand the launch processes and dynamics employed by creative and luxury industries, particularly those which offer products with little functional qualities.

### 1.3 Definitions of key concepts

- Product launch: a set of processes which consists of those strategic decisions and activities necessary to present a new product to its target market and to begin to generate income from sales of the new product. Product launch is the final stage of the product development process and the first point of time when the product is presented to its respective market. This stage is commonly referred to as the commercialisation stage in the new product development process.

- Launch success: In this study, launch success is measured by product sales in the period immediately following the launch (nine months window), and the market share achieved.

- Sales momentum: *"Positive consumer awareness [that] generates resources which are used to create more consumer awareness"* (Lampel and Shamsie, 2000). Market momentum is measured through sales revenues and market shares for individual fragrances in the sample.

- Launch strategy: this refers to the overall strategy which is put in place by organisations to present the product to its target market with optimal market visibility. Strategic decisions include product strategy, market strategy and firm strategy. Launch strategy decisions are those which are made at the start of the product development process, and are usually difficult and expensive to change later in the development process. This will be dealt with in more detail in chapter four.

- Launch tactics: Launch tactics refer to the decisions which are made later in the product development process and are usually easy and inexpensive to change such as assortment, price, advertisement and so forth.

- Evaluation routines: These are defined as the “filters screening out information not consistent with beliefs about the product” (Kelly, 1963; Garud and Rappa, 1994).

#### 1.4 Study outline

The following chapters will deal with strategies which are primarily targeted at industry players.

Chapter two will present the relevant literature review. Chapter three; will outline industry dynamics, industry players, the product development processes and the launch activities. Subsequently, chapter four will be present a model for launch effectiveness, the variables, their interactions and their roles in the

model. The chapter will be based on quantitative data collection and analysis where fragrance sales data, fragrance market share data, advertising frequency and expenditure, celebrity endorsement data, launch strategy variables, among other variables are used to test the hypotheses which are postulated in this chapter.

In the subsequent chapter, the researcher will present data gained through first hand perspective on the launch event dynamics. These are events which are essentially an enactment process where key constituencies are invited to attend carefully planned dramaturgical events during which evaluation routines are transformed. This chapter (chapter five) is based on participant observation methodology where the researcher personally attended some of launch events. Chapter six is based on qualitative data composed of fragrance narratives used to communicate the fragrance concept to industry partners and other key industry figures during the fragrance design and launch phases. The fragrance narratives are analysed in order to distil the relationship between launch strategy and narrative type.

Finally chapter seven will conclude the study by drawing on the results in light of the questions proposed. Further, the discussion will also ascertain the generalisability of the research across creative and other luxury goods industries on one level and across all other industries under the current economic conditions on another level.



1.5 The product launch process

Fragrance design, creation and launch are overseen by the creative team who are usually at the centre of the process. In addition to the creative team, the core of the process includes the perfumer and the packaging designers. The next level of involvement includes the regional retailers, and public relations. The third level involves regional sales consultants, and consumers. Figure 1-1 outlines the key stakeholders during the development and launch of the fragrance, and their level of involvement in the process. The creative team are the centre of activity of the development and launch process, and the rest of the players are placed in relation to this centre. The further the circle the less involved the player is, and the later their involvement.

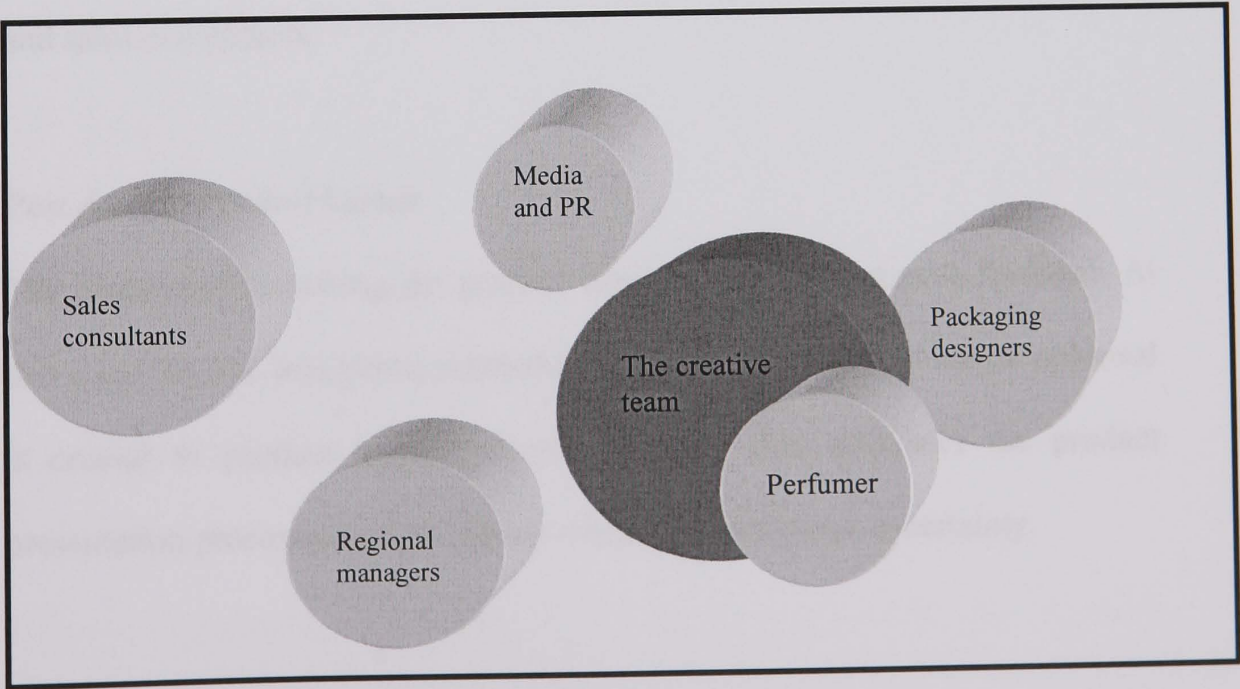


FIGURE 1-1: KEY PLAYERS DURING A FRAGRANCE DESIGN AND LAUNCH

## 1.6 Key stakeholders

The main stages of the fragrance development process can be divided into two: pre- design and post design. Chapter three addresses product development stages in detail, however, this is an outline of the key stakeholders involved in the development process:

### *Concept creation and design*

The first stage is dependent on the creative team's and the perfumer's creative abilities. The concept creation stage involves the perfumer and the creative team as the main players. This is addressed in chapter six of the study. The concept is expressed in the form of narratives which is then used during the entire product development process, and is shared by all parties involved in the process. This includes the packaging designers, the media, regional managers and sales consultants.

### *Post design: Product launch*

The process of launching the product begins once the design is finalised. At this stage, media, and public relations, act as key stakeholders whose approval is crucial to product launch success. Chapter five addresses the product presentation processes and the rituals which can overcome uncertainty.

## 1.7 Methodology

The thesis includes three studies. In the first study, quantitative data analysis is applied to analyse the impact of a number of product launch factors on market share and sales in order to derive a model for product launch effectiveness. The second study in chapter five is based on qualitative data analysis using participant observation methods in order to analyse product launch event staging experiences. These events are used to present the product to industry stakeholder. The third study is also based on qualitative data analysis. It presents a synthesis of fragrance concept narratives which were initially created by the perfumer or individuals in the creative team in order to communicate a vision for a fragrance composition. It is then passed down to all players involved in the fragrance design and launch chain. The study applied discourse and literally analysis tools in examining the data. Each study will discuss methodological issues in detail.

## 1.8 Conclusion

This study aims to examine organisation's product launch strategy in the context of creative luxury products. Attention will be particularly paid to the role of various launch activities in creating launch success for such products.

Hedonic, experiential and sensual benefits form an important basis on which organisations currently compete. This shift in competitive focus is due to the increasing intensity of competition which is driving the continuous search for

product differentiation in crowded markets. A wide range of industries, including technology based industries on one end of the spectrum and service related industries on the other end are excelling at endowing their products and services with experiential value as a form of competitive strategy in the current economy. The researcher combines the examination of quantitative and qualitative data in order to answer the questions posed by the study.

## **2. LITERATURE REVIEW**

### **2.1.1 Introduction**

The overall aim of this study is to examine the role of product launch actions in sales momentum and market share creation in the fragrance industry. More specifically, this study aims to examine signalling properties that are incorporated in the launch plan, their relationship with the launch strategy; and their direct impact on creating a virtuous momentum cycle.

This study will contribute to the existing body of literature by examining the impact of launch activities on the creation of launch success through increasing launch visibility and effectively creating a link between the product concept and the buyer's emotional field. The area of focus is specifically on: 1- launch: including activities that take place to present the product to its respective market, 2- and more specifically the concept of dramatising the qualities of a product in order to create market acceptance and adoption. The focus of this research will be the fragrance industry.

The discussion in this chapter will commence by defining the precise meaning of the concept of launch which is applied to this research, and framing the research problem by discussing the context of launch with which this study is concerned. Next, the concept of launch strategy as outlined in the literature will be discussed. Subsequently, product launch will be discussed from a dramaturgical perspective which aims to increase launch visibility, capture

consumer attention, and shift the stance of consumers from critical observers to participants in the launch event. The subsequent section will engage in a discussion on product pre-announcement as a tool which can create awareness, hype and anticipation of the upcoming launch.

## 2.2 Definition of Launch

The launch stage has been referred to under the collective terms of launch plan, market entry, product introductions, or market launch. Cooper (1993) referred to the term as “protocol” of the new product; Crawford (1984, 1994) used the term product innovation charter to refer to strategic launch decisions, and Biggadike (1979) referred to these same decisions as “posture”. And although Cooper and Kleinschmidt (1990) define commercialisation as trial, production start-up, and market launch; Guiltinan uses the term in reference to launch (Guiltinan 1999).

There is little consistency on what decisions constitute a launch plan (Guiltinan, 1999; Hultink et al, 2000). One study includes product strategy, market strategy, competitive stance and firm strategy as variables (Hultink et al, 2000). In a second study they included target market decisions, leadership decisions, and relative innovativeness (Guiltinan, 1999). Another study on launch strategy refers to segmenting, targeting and positioning as part of launch (Langerak, 2004). Hultink and Robben (1999) refer to launch strategy as relative product innovativeness, targeting, introduction objectives, and product newness. Guiltinan (1999) on the other hand describes launch strategies as a

firm's decision on whether to be to be a niche follower, niche innovator, mass marketer or a "would be me too".

The definition of product launch which is applied in this study is as follows: Product launch consists of those activities necessary to present a new product to its target market and to begin to generate income from sales of the new product. This definition is commonly cited in research studies on product launch (Langerak et al 2004; Guiltinan 1999; Hultink et al 1997; Kotler, 2003).

### 2.3 Context of Product Launch

Launch activities can be the core factor to the success of the product (Guiltinan, 1999; Hultink et al, 2000; Langerak, 2004; Hultink and Robben, 1999; Hultink et al, 1997; Biggadike, 1979). When the performance of the product is difficult to assess; the risk is psychological and, or social, rather than functional (Kohli, 1999; Friedman and Friedman, 1979), launch has a core impact on product success- in particular on the creation of market momentum. Launch activities have a core role when the product's intangible qualities are difficult to present, and the product is therefore difficult to evaluate objectively, especially prior to consumption (Bjorkegren, 1996; Holbrook and Hirschman, 1982; Lewis, 1990). In this case consumers are looking for the experience promised when using the product rather than the functional qualities of the product (Gobé, 2001; Pine and Gilmore, 1999). Launch activities in this case have a much more crucial role in the success of the product than it has in

any other circumstances such as with products where the technology and functionality are most important.

In addition to the nature of the product, the environment in which the product is launched can further increase the challenge of presenting the product to its target audience in a manner which can capture their attention and elicit their interest. In industries that create and release products that are difficult to evaluate objectively without prior consumption, and where there is rapid entry and exit, shift and instability of consumer taste; firms compete for industry buyers and consumers' attention by releasing masses of information about the merits of the product. This creates a barrage of information which overloads consumers and leads to increased uncertainty. This uncertainty is caused by the perception of risk associated with product usage. The risks are categorised in the literature as: functional, economic, social or psychological (Kohli, 1999; Friedman and Friedman 1979). With regards to the case of the type of industries with which this study is concerned, the risk that consumers face is primarily a psychological, and arguably social.

The discussions in this section will be presented as follows: first, the definition of launch as it applies in this study will be outlined. Secondly there shall be a discussion on the concept of launch from the dramaturgical perspective, and the use of dramaturgical tools which can overcome obstacles to market acceptance. Such dramaturgical tools include staging events. This is a process which aims to grab the audience's attention, and transform their evaluation routines. In the context of this study, such events are used as a



preannouncement tool to industry buyers; hence product preannouncement literature will be subsequently addressed. Finally a discussion on the employment of celebrity endorsement will be presented. This concept is strongly related to wider discussion of dramaturgical launch tools as it can capture consumer attention, which can be the key to achieving a highly visible launch. Celebrities bring with them a set of narratives that are then transferred to the product through endorsements process (McCracken, 1989).

## 2.4 Product Launch

It is widely accepted in the literature that consistency between launch strategic decisions with launch tactical decisions can lead to successful product launches (Guiltinan, 1999, Hultink et al, 1997; Hultink and Robben, 1999).

Strategic launch decisions are defined as the boundaries of the program (Biggadike, 1979; Crawford, 1984), and these decisions encompass elements of the project product strategy, market strategy as well as the firm's strategy (Guiltinan, 1999). Strategic launch decisions are made at an early stage of development, and the impact of these strategic decisions on product success over its life cycle is moderated by tactical decisions that follow on (Biggadike, 1979; Hultink et al, 1997; Robinson and Fornell, 1985). Aspects of launch decisions which are made early in the development process and are difficult or expensive to change later in the project are identified as strategic launch decisions; on the other hand, decisions which were made later in the project and were relatively easy and inexpensive to change are identified as tactical

launch decisions (Biggadike, 1979; Cooper, 1993; Crawford, 1984; Hultink et al, 1997, Hultink and Robben, 1999).

## 2.5 Dramaturgical Perspectives and Product Launch

In a growing number of industries, due to the higher rates of new product introductions, the window of opportunity during which firms must overcome obstacles to market acceptance while presenting their products to the target audience is shrinking. Frequent product introductions tend to result in the rapid entry and exit of products which in turn creates intense competition for quick consumer acceptance.

This suggests that advantages that may result from any single product cannot be held very long. It also means that firm strategy must focus on generating and capturing temporary surges of revenue from each product. A short window of opportunity also implies that firms have a short period of time in which they must persuade industry buyers and consumers of the merits of their products. This pressure leads firms to invest heavily in marketing and promotional tools that are primarily focussed on generating sales momentum. Firms can try to create positive consumer awareness by coupling product introductions with bursts of information to increase consumer awareness. As a result, buyers are faced with a confusing mass of information that can be difficult to evaluate, leading to uncertainty.

In industries where firms create and release products that are difficult to evaluate objectively, and where there is difficulty in presenting intangible

qualities of the product, both industry buyers and consumers face increased uncertainty about the quality of their experience prior to consumption. An important part of the claims made about these products revolves around their distinction from other similar products; this means that the past performance is a poor indicator to present quality.

Consumer uncertainty caused as a result of the masses of information they receive is an obstacle that must be overcome if sales are to achieve the level needed for adequate return on investment. Sellers must overcome significantly high levels of noise in order to communicate with their customers. To do this, firms are likely to invest heavily in attributes that send strong positive signals about the quality of the product to perspective consumers. There are two points to be made on this: Firstly, firms in such industries, (which produce and sell products with hedonic, luxury, and psychological values) realise that the use of conventional marketing tools and the correct positioning of their products is not sufficient to create the returns required to invest into the creation of further consumer awareness. There is a need for alternative tools which can present the product through the dramaturgical frame (Lampel, 2001). Secondly, it must be highlighted that the involvement of such attributes should stem from a strategy which aims to change the manner in which buyers (particularly industry buyers) evaluate the product. Evaluation routines, defined as the filters screening out information not consistent with beliefs about the product” (Kelly, 1963; Garud and Rappa, 1994) must be changed to tackle the issue of uncertainty, and increase the speed of buyer acceptance, and the subsequent generation of sales momentum.

From the above discussion a certain cycle develops: The frequent introduction of products leads firms to intensify their competition for consumer attention by bombarding them with masses of information. In doing so, consumers are further confused, and are even more uncertain about purchase decisions. This in turn poses a threat to firms as it delays the resources that are needed to improve and promote the product; and thus paralysing the momentum cycle. This also leads consumers to strictly filter information presented to them about the merits of a product; resulting in detached and highly critical evaluation routines among constituencies when making choices.

Dramaturgical processes are seen as attempts to break out of this cycle by influencing the psychology and atmosphere surrounding the emergence of the product (Lampel, 2001). Launch activities should therefore be geared towards attempting to manage the context in which the product is evaluated by shifting it from a detached approach where evidence is weighed against claims, to one where uncritical enthusiasm dominates (Lampel, 2001). The key to this is changing the way in which consumers evaluate products. The question which remains is how can this change be achieved?

Consumers' evaluation routines oscillate between critical evaluation routine and commitment evaluation routine (Lampel, 2001). The problem that firms face is that consumers normally rely on critical evaluation routines because information circulating about the product is ambiguous and contradictory, and because they are aware that these claims are aimed at influencing them. In order for firms to get consumers to see the product in a positive light, critical

evaluation routines must be disabled, and substituted by commitment evaluation routines. In order to disable critical evaluation routines and enable commitment evaluation routines, product launch is often executed within a dramaturgical frame. To achieve this drama there are certain processes that must take place.

Such processes begin with a build up process during which firms increase and shape constituencies' awareness in anticipation of the forthcoming product launch. This is where product pre-announcement plays an important role. Pre-announcement, not as the brief press release, but as the whole process of elaborate presentation of the product to the target audience is what is being referred to in this study. It builds anticipation for the upcoming product launch while signalling the qualities of the product. A recent example is Lagerfeld's *Chanel No5*'s launch campaign where hype was built up prior to the release of the \$18 million advertisement; which is in the format of a two minute film starring Nicole Kidman (ntlworld.com November, 2004). Before the release of the advert to public viewers, there has been a great build up of anticipation of the release of the advertisement. Of course by the time this short film reached viewers, they have been extensively "versed" in the narratives about the making of the advertisement. This is perfectly in line with the set of processes which precede a launch performance to build awareness about an upcoming performance "*...they rely on conventional narratives and cultural archetypes... audience who are versed in these sagas therefore arrive at the dramaturgical*

*events as participants rather than as critical observers”* (Lampel, 2001; p.314).

In line with executing the launch plan through the dramaturgical frame, celebrity endorsement is a tactic which can gain strong visibility for the product. This is another element of the larger set of tactics firms employ to disable critical evaluation routines. Celebrity endorsement is effective in doing so as it raises awareness of the product through the amiability and familiarity of the celebrity character which represents a complex set of meanings which consumers aspire to represent. The concept of celebrity endorsement forms a dramatic communication tool which is regulated by commitment evaluation routines. Before turning to the discussion on these elements, it is important to first outline where they stem from: i.e. Dramatic communication.

As discussed earlier, in an economy where products are announced frequently, acceptance of products is often difficult to obtain, which causes firms to compete in communicating the advantages and qualities of their products. This can lead to the creation of a barrage of information which can confuse consumers and cause them to critically scrutinise and filter information presented. The manner and attitude of communication is hence crucial. Literal communication such as that in press releases and reports, provide factual information which is intended to reduce uncertainty. Recipients are aware that an attempt is made to influence them and so they are more likely to be strictly guarded in what they choose to believe. On the other hand dramatic communication looks to certainty creation as a way of gaining acceptance.

Attention in this case is not drawn to factual information about the product, but rather it is extended to the idea of the product as “*a vehicle of social transformation capable of satisfying unmet desires.*” (Lampel, 2001; p.309) Dramatic communication disables critical evaluation routines by inviting consumers into the “theatrical frame” (Goffman, 1974). This enables consumer to abandon their role as detached observers, and engage in commitment evaluation routines. Dramatic communication is of considerable importance in the context of this study for reasons relating to the nature of the product, particularly the difficulty of presenting their intangible qualities.

Elements of dramatic communication which look to certainty creation, as governed by commitment evaluation routines include preannouncing an upcoming launch event through spectacular staging of launch events, such as the exquisite staging of the new fragrance by Giorgio Armani: Armani Mania at the grand Hotel Splendido, which included a presentation in a grand theatre. Secondly, such elements include the employment of external reputational resources such as celebrities. These elements among many others, form an affective means of communicating product concept and qualities.

## 2.6 Product Launch pre-announcement

Pre-announcement of an upcoming launch is one form of signalling product qualities that can be an integral part of the launch plan. In light of the discussion above on evaluation routines, product pre-announcement belongs to a set of activities which increase the visibility of the product in advance of the

product's introduction to the market. This is in line with elements of dramatic communication as governed by commitment evaluation routines. Eliashberg and Robertson (1988) define pre-announcement of a new product as: "*formal, deliberate communication before a firm actually undertakes a particular marketing action such as price change, a new advertising campaign, a product line change*" (As cited in Mishra and Bhabra; 2001). A similar definition is used by Kohli (1999): "*Pre-announcement is a firm's planned act of signalling its future intentions to a specified audience.*" Preannouncement is a strategy that can be an important factor in the success of the product launch as it can accelerate the creation of a large customer base.

The creation of hype in anticipation of the product increases launch visibility of the product by building awareness about the upcoming launch. Just as successful launch decisions are important for product success, pre-announcements have to be crafted in a deliberate manner. Preannouncement can be advantageous in attracting resources that are needed for product development. Otherwise, the firm could fail to attract the crucial resources for the creation of positive consumer awareness and market momentum (Mishra and Bhabra, 2001). It is equally important for firms seeking positive dramatic communication to avoid the pitfalls of pre-announcement as this could lead to adverse results, and could risk the failure of the product launch. Careful consideration must be given to the timing risks, legal risks and corporate reputation risks when making a decision on product pre-announcement.



Various studies outlined the benefits and the risks of such decisions (Garud et al, 1997; Elishberg and Robertson, 1988; Kohli 1999; Mishra and Bhabra, 2001); the variables under which a firm is likely to announce or suppress new product information (Elishberg and Robertson, 1988), the right timing of these pre-announcements (Kohli, 1999), the economic gain and the legal risks (Mishra and Bhabra, 2001), and the impact this action has on corporate reputation (Garud et al, 1997).

New products in this context are defined as those that are new in relation to the firm's conventional products; they may or may not be new to the external environment (Eliashberg and Robertson, 1988). And the timing of pre-announcements can be weeks or months in advance. In general there are strategic decisions to be made by the firm as to whether to send a signal, when to send it and to whom. However, it must be pointed out that these studies are primarily based on data samples from the high-technology industry. In industries which offer luxury and creative products with little functional qualities, the timing tends to be standardised to two or three months in advance of the market introduction date. Pre-announcements in this case take the form of spectacles which are elaborately hosted with the aim of shaping the environment in which the product is presented to industry buyers; thereby switching the evaluation routines to commitment routines.

The economic worth of new product preannouncement has received considerable attention in the literature (Mishra and Bhabra, 2001). Preannouncements have important strategic objectives that affect the firm, its

competitors, and customers. This study looks at preannouncements as a mean of shaping buyer evaluation, gaining launch visibility, and subsequently raising capital to support the product.

It has been proved that only relatively irreversible announcements that include evidence of the project are valued positively by the stock market; announcements that include no tangible evidence are ignored. Therefore, for a preannouncement to achieve its desired signal, it has to contain evidence that make it credible, otherwise the claim would be dismissed by the stock market as “bluff” (Mishra and Bhabra, 2001). This is indeed the strategy generally followed by the type of industries with which this study is concerned. Although product qualities itself are mostly intangible, the pre-announcement process is made as tangible as possible through the elaborate presentation of the finished product in an environment which has been carefully created to shape constituencies’ impressions.

Naturally the benefits to be gained from signalling must exceed the costs in order for a firm to decide to allocate considerable investment into the pre-announcement event. The costliest risks of pre-announcement from a marketing and strategic point of view can include: cannibalising the firms’ own current products, and damaging the firm’s reputation if expectations are not met. The benefits however can include: being a market pioneer, the ability to position the product in the most profitable segment, the possibility of developing an initial level of opinion leader support and word of mouth; all of which can accelerate market acceptance.

Consistency, clarity, commitment, and credibility, are factors effecting the encoding of the pre-announcement signal (Eliashberg and Robertson, 1988). In the case of industries offering creative luxury products with little functional qualities, it is rare that organisations pre-announce their upcoming launches to consumers; and they are seldom done early in advance. A very early pre-announcement is of little advantage as consumers will have little interest in learning about the product, or postponing the purchase of a competing product. In addition, premature pre-announcements can lead to the cannibalisation of existing products from an early stage. Thirdly competitors will have more time to react to these pre-announcements.

Further in a study which used timing as the dependent variable (Kohli, 1999), the relationships for which empirical support was provided in the study were as follows: there was convincing support that as the length of the purchase cycle increases (which is the expected time between two purchases of the same product) companies are expected to increase their pre-announcement timing. There was a positive relationship between the length of the pre-announcement, the learning requirement about the product and the switching costs. In other words, the timing of the pre-announcement is expected to increase as these variables increase. This explains the rationale behind the pre-announcing behaviour in industries which produce and sell creative products whose qualities are primarily hedonic.

Successful product preannouncements result in creating hype and anticipation for the product launch. Important as they are, preannouncements are not the

sole element in creating a dramatic product launch. Celebrity endorsements can form a powerful mean of communicating the product's unobservable qualities.

## 2.7 External Reputational Resources: celebrity endorsement

The substitution of communication from literal to dramatic must take place if commitment evaluation routines are to be enabled. Known to the public for their achievements in areas other than that of the product class endorsed, celebrities bring with them narratives that are based on their private lives and their public performances (Friedman and Friedman, 1979; Kamins et al, 1989). For instance Nicole Kidman's appearance in the Chanel fragrance commercial brought with it narratives based on her famous divorce from Tom Cruise, her latest performance in the film *Moulin Rouge*, among other narratives. Celebrity endorsement, defined as: *"any individual who enjoys public recognition and who uses this recognition on behalf of the consumer good by appearing with it in an advertisement..."* (McCracken, 1989), is an invaluable tool to marketers as it captures consumer attention, and subsequently involves them in the product launch.

The association of pop stars, movie stars, and other celebrity faces with a particular product is a widely used marketing strategy. This comes naturally during such convergence period when the line is becoming increasingly blurred between celebrity, the product, and entertainment. Celebrity endorsement can be a highly effective form of dramatic communication with the consumer. This is because celebrities come with their own narratives which have been built and

reinforced over a long period of repeated public performance. They embody meanings which allude to distinction in lifestyle, class, gender, age, status, and personality types. For example women of status are reflected by Catherine Deneuve and Audrey Hepburn. The distinction of new wealth is contained in the character of Pierce Brosnan. Upper middle class is represented by Tim Matheson, whereas the lower middle class is represented by John Ritter and Christie Brinkley (McCracken, 1989). Celebrities can also include politicians and sport celebrities. David Beckham is a famous sport celebrity example who has endorsed a variety of products ranging from men's accessories, apparel, and fragrances. He also brings with him a set of meanings which are transferred to become part of the product meaning (McCracken, 1989).

The famous singer Cher represents the middle class, youthful attitude, and extrovert personality (McCracken, 1989). These are a set of meanings that are transferred to the product or service through the endorsement process. Another example is James Garner's endorsement of the Mazda car whereby qualities such as maturity, maleness, Americanness, confidence, and good humour, were made the qualities of the Mazda vehicle (McCracken, 1989). It can be inferred that an endorsement succeeds when there is a clear association between the cultural meanings of the celebrity world and the endorsed product. When this clear association is deliberately made, meaning transfer acts as an amplifier to the product's intangible quality signals. This in turn could overcome the information barrier facing organisations during product launch.

A stream of studies identifies the attributes that cause a celebrity to stand as a persuasive source (Friedman and Friedman, 1979). Some of these attributes are: trustworthiness, expertise, similarity, attractiveness, likeability. It is clearly agreed that effectiveness of endorsement stems from the alignment between the endorser's image and the product type, and that consumer's evaluation will depend on this alignment.

A further study confirms that celebrities are most effective for products that demonstrate the presence or lack of taste, such as film, theatre, and fragrances. It is concluded that products high in psychological and social risks are best suited for celebrity endorsement. Where as products which are high in financial and performance risks are less suited to such strategy (Friedman and Friedman, 1979). The credibility of the advertisement is based on the appropriate alignment between the endorser image and the product that is represented.

The employment of celebrities as product endorsers and spokespeople during a product launch is prevalent among firms launching products into the consumer mass market. Endorsement modes can be categorised as: explicit mode (I endorse this product), implicit mode (I use this product), imperative mode (you should use this product), and co-present mode whereby the celebrity merely appears with the product (McCracken, 1989). There is also a range of endorsement roles: cases when the celebrity is an expert, cases where the celebrity is associated with the manufacturer in a long term capacity, or cases when the celebrity has no special knowledge or association with the product in

question. The typical endorser consumer is excluded from this study as these types of endorsers do not act as a reputational resource.

To create the shift from critical to commitment evaluation routines, dramatic communication is often used. In doing so celebrity endorsement is employed to create a sense of certainty.

Literature on celebrity endorsement generally proposes two models: the source credibility model and the source attractiveness model. Both models are designed to determine the conditions under which the message sender is persuasive. The first model contends that a message depends on the expertness (ability to make expert assertions) and trustworthiness (perceived willingness of the source to make valid assertion) of the source. The second model contends that effectiveness of the message depends on the familiarity, likeability, and similarity of the source (Kahle and Homer, 1985).

But these models are heavily criticised as insufficient and lacking. These models only make assertions about the credibility and attractiveness of the source, and none about the endorser's role as a message medium. For example, Bill Cosby failed as an endorser for E. F. Hutton despite his success for Kodak and Coca Cola (McCracken, 1989).

McCracken (1989) explains celebrity endorsement as a process of three stages which constitute cultural meaning transfer from celebrity to the consumer to product. First, endorsement makes available individuals charged with detailed

and powerful meaning (McCracken, 1989). Although there is the possibility of employing anonymous models for a fraction of the price, celebrities hold special qualities. Anonymous models offer demographic information such as gender, age, and status, but these meanings are blunt and imprecise. Celebrities are able to reflect these distinctions with superior precision. Celebrities offer a range of life style meanings and personalities that anonymous models can't provide. In addition celebrities are more powerful media than anonymous models. Celebrities own their meanings because they have created them on the public stage through intense and repeated performance (McCracken, 1989). Type casting is precisely what makes celebrities of greater value to endorsements, as this repetition of the same role reinforces and focuses the meanings they represent.

In the second stage of the process, and after the decisions have been made regarding the symbolic meanings sought for the product, the firm would explore available celebrities and the meanings they reflect. Having identified a suitable celebrity, the meanings wished to be obtained from the celebrity are highlighted, and all unwanted meanings are kept out. The endorsement will be designed to highlight the similarity between the product and the celebrity endorser in order to aid the consumer in transferring this meaning in the final stage.

In the final stage the consumer takes the meaning of the product into their lives. The consumer chooses to possess these products with the motivation to create the self which they aspire to be. These products will reflect messages



about the person's self. The social influence that causes the adoption of a particular product is outlined as identification:

"...when individuals conform to the attitude or behaviour of another person because ...they derive satisfaction from the belief that they are like that person) and internalisation (when individuals conform to the attitude or behaviour of another person because they believe in the substance of the new attitude or behaviour." (Friedman and Friedman, 1979; p.64).

Celebrities aid the transfer of meaning in the last stage because they are seen as exemplary figures: they have created a clear, coherent, and powerful self. By using the identification process, celebrities are most effective for products that demonstrate the presence or lack of taste. And thus as mentioned earlier, there is a growing relationship between entertainment, and the product: *"there is indeed a delicate and thoroughgoing relationship between the culture, the entertainment industry, and the marketing system..."* (McCracken, 1989; p.318).

It is acknowledged that celebrity endorsers make advertisements more believable (Agrawal and Kamakura, 1995; Friedman and Friedman, 1979), enhance the recognition of a brand name, create a positive attitude towards the brand name, and create a distinct personality for the brand (Agrawal and Kamakura, 1997). In addition it was found that use of celebrity endorsers lead to more favourable evaluation of the product and significantly more positive purchase intention than advertisements using expert or typical consumer endorsers (Friedman and Friedman, 1979). This justifies the significant investment in intangible assets by sponsoring firms, as these costs are expected

to be offset with the greater sales revenues and profits. There is evidence that celebrity endorsement is the most effective in sustaining recollection of the advert and brand name of the product regardless of the product type (Friedman and Friedman, 1979).

The economic worth of celebrity endorsers justifies the large costs they incur. The impact of celebrity endorsement contracts on firm profitability is examined in one study (Agrawal and Kamakura, 1995). The impact of these announcements on stock returns is positive, which suggests that celebrity endorsement contracts are generally viewed as a worthwhile investment. It is empirically proved that celebrity endorsement contracts are positively associated with returns (Agrawal and Kamakura, 1995). The cost is more importantly justified in the fact that these endorsements act as a vehicle for dramatic communication, which contribute to disabling critical evaluation routines.

Industries where firms produce and release products with little or no tangible qualities ideal for exploring the role of celebrity association to the product as a form of external reputation resource. This association plays the role of a signalling strategy and is increasingly employed across various industries regardless of the product type (such as banking, books, food and beverages, jewellery, liquors and fragrances). This is done with the objective of increasing market acceptability and awareness and eventually creating sales momentum.

Celebrity employment in advertisement campaigns and as part of spectacular launch event staging are used as an element in the signalling strategies developed to achieve product launch visibility.

## 2.8 Affective Advertisement

Advertising remains one of the cornerstones of organisational and marketing communication. As a form of organisational expressiveness, advertising plays the role of delivering information about the brand, and about the product in question. Advertisement forms a variable in this study as it represents one of the cornerstones for product launch activities.

There has been a considerable shift in the way advertising is conducted: in early print media advertisements included a simple illustration of the product and the maker's name. Over the past years this has shifted to print media presenting very complex and abstruse advertising that appears to have layers of meanings.

Imaginative advertisements do contain meaning even if they do not specifically refer to product attributes. This type of advertisement can be seen in many of the highly regarded magazines for high-fashion brands. In this sense advertising is seen to invite the consumer to project their fantasies into the advertisement and receive fantasies from the advertisement (Stern, 1989). Moriarty (1996) adds that the process of advertisement interpretation is not merely a matter of decoding but of active synthesis where the meaning is

extended and elaborated as the involved audience engage in processes involving cognition and emotion.

Furthermore, it is proposed that post modern advertisements are vague illusions that are designed for stimulating questing by implying rather than asserting through the use of superficial imagery. Meanings can be drawn and analysed from many aspects of an advertisement such as signs, words, and the relationship between signs within a given context. For example, the *Chanel No.5* advertisement was characterised by the use of a subverted version of the fairy tale about Red Riding Hood and the wolf. There is a strong focus on a young woman (model Estella Warren) wearing a Karl Lagerfeld red dress and hooded cape. This advertisement contained many examples of metaphor where one of the items is pictorially absent. In the case of this advertisement, the story involves the ironic change in power involving Red Riding Hood and the wolf: Little Red Riding Hood is the powerful character. However, the relationship between this young woman with power and the *Chanel No. 5* product is left for the viewer to conclude, and therefore the interpretation of the advertisement could be rather diverse (Bulmer and Buchanan, 2004) There was no verbal or textual element to anchor meaning to advertisement.

As is the case in most markets which produce and sell products with hedonic or psychological qualities, informative advertising plays a minor role. This is particularly true in the case of fragrance advertising.

Affective advertising further reinforces dramaturgical product launch activities. As an affective mean of communicating the product concept, this is clearly an antithesis of literal communication.

## 2.9 Product Pricing

For a large number of industries, pricing strategy is changing to reflect the shift in today's economy. In today's economy organisations are turning to the production and consumption of images instead of the production of material objects as the first rivals the latter (Peng, 2006). "*Symbolic consumption recasts the distinction between 'use value' and 'exchange value', or what a product provides in itself and what it offers*" (Shipman, 2004; p.278)

Product price can be used to signal the quality and positioning of the product, and in some cases it can signal status properties that the product embodies. Generally, the overpricing of products in relation to their quality may cause negative reactions by consumers, as they may feel misled by the pricing strategy; therefore organisations must set their prices in relation to the value delivered and perceived by consumers (Kotler, 2003). In the case of luxury goods, organisations try to bridge the gap of price and perceived value through a variety of communication means such as attaching symbolic and emotional meanings to the product; pricing in this case is used as a tool that creates the impression of a superior product. Luxury products are mostly governed by the concept of Veblen goods, i.e. consumer preference for buying such products increases as a direct function of their price. Some types of high-status goods,

such as expensive fine fragrances are Veblen goods: decreasing their prices decreases preference for purchase because they are no longer perceived as exclusive or high status products. Similarly, a price increase may increase that high status and perception of exclusivity, thereby increasing the desirability of the product. Sales of Veblen goods are largely driven by conspicuous consumption and status-seeking buyers.

In such contexts, products are characterised with positive price elasticity of demand; for example, making a fragrance more expensive can increase its perceived value as a luxury good to such an extent that sales can go up, rather than down.

“If the acts of buying and consuming yield utility in themselves, it may not matter if what is bought and consumed has little or no practical value. In a cultural sense we are what we wear, hear, see, and otherwise sense or experience.” (Shipman, 2004; p.278)

An increasing number of organisations apply the perceived value pricing strategy; i.e. their prices are based on the customer's perceived value. Marketing mix elements are implemented to communicate and enhance perceived value in the buyer's minds (Kotler, 2003).

In the case of products that offer little or no functional qualities, in order to justify premium pricing, value is often reflected within the psychological realm. Cultural symbols, social status, and other emotional messages are attached to the product; particularly during the launch stage, in order to bridge the gap between relatively high prices (relative to costs) and the value

perceived by the buyer. All the signalling variables mentioned above form some of the tools used by organisations as a price bridging tactic.

Product price in the context of this study therefore serves two purposes: it serves as a signal to buyers by positioning the product in the market; and secondly, it signals the status, taste, lifestyle and social status of the end user. The product therefore becomes in its self a cultural artefact with symbolic meanings. Such adopted strategies are in line with the shift in economic focus where organisations are turning to the production of images instead of focussing on the production of material objects.

## 2.10 Conclusion

As more markets become increasingly competitive, firms struggle to achieve product launch visibility. Regardless of the nature of the product, whether it is a tangible good or an intangible one, this increasing competition for consumer attention amidst the increasing number of entries into the market is proving to be a problem. This leads market players to bombard consumers with a barrage of information which increase consumer uncertainty, thus creating a barrier to product acceptance in the market. This impacts product launch and hinders the creation of sales momentum and market share creation.

To create the shift from critical to commitment evaluation routines product launch is executed within the dramaturgical frame. Dramaturgical communication in the form of emotional narratives, employment of celebrity

endorsers, spectacular launch events staging and affective advertising, constitute elements of such launch plans.

Short windows of opportunity to overcome market acceptance obstacles and the inability to rely on previous success to ensure current success of the launch represent some of the challenges which face organisations during product launch. In addition, the rapid entry and exit, shift and instability of consumer tastes the intense competition which generates temporary sales surges; are all major drivers to incorporating the above mentioned element that could overcome market cacophony which can hinder launch success.

Some lessons could be learnt from this study on how to dissolve this barrier, and increase the chances of gaining sales momentum, which leads to an increased market share. This can be generalised across hypercompetitive industries where there is rapid entry and exit of products. Changing buyer evaluation routines to commitment evaluation routines is the key to gaining product acceptance. The strategy to achieving this switch is through dramaturgical launch plans which increase product visibility through amplified signalling properties, thus capturing consumer attention. But that does not stop there, what follows is the requirement to move this attention a step further by changing it into consumer involvement. The consumer needs to be emotionally involved in the launch taking place. This is where dramaturgical launch processes play a crucial role.



### 3. INDUSTRY BACKGROUND

#### 3.1 Evolution of the modern fragrance industry

Perfumery has existed for thousands of years. The use of perfumed ointments, creams and oils preceded the use of perfumes simply for their fragrance. Perfumes first developed with the introduction of alcohol as a solvent base for fragrant natural essences. Toilet waters, the less concentrated forms of perfume originated in Cologne- which gave the name Eau de Cologne- at the end of the 17<sup>th</sup> century. More sophisticated fragrances were developed at the end of the 19<sup>th</sup> century, when chemists began to extract fragrant substances from natural essences and to synthesise fragrance components. One of the earliest modern perfumes still available is *Jicky* which was introduced in 1889 by Guerlain. In the years leading up to the First World War other famous perfumeries, such as Coty and Houbigant, followed suit. During this period luxury packaging of fragrances was introduced. After the war, fashion designers began to adopt perfumes to complement their fashion designs and enhance their revenue. The first was Chanel, with *Chanel N° 5*, followed by Lanvin with *My Sin* and *Arpège*. This development gained impetus after the Second World War with the entry of Rochas, Dior, Givenchy, and Yves Saint Laurent to the perfume market. More recent developments are seen in the growth of fragrant products for men and the launching of perfumes under the names of celebrities. While the use of perfumes is an old history, it was not until the 19<sup>th</sup> century when

major advances were made in organic chemistry that the fragrance industry emerged as it is known today.

Perfumes are described according to their strength, i.e. the concentration of perfumed essence:

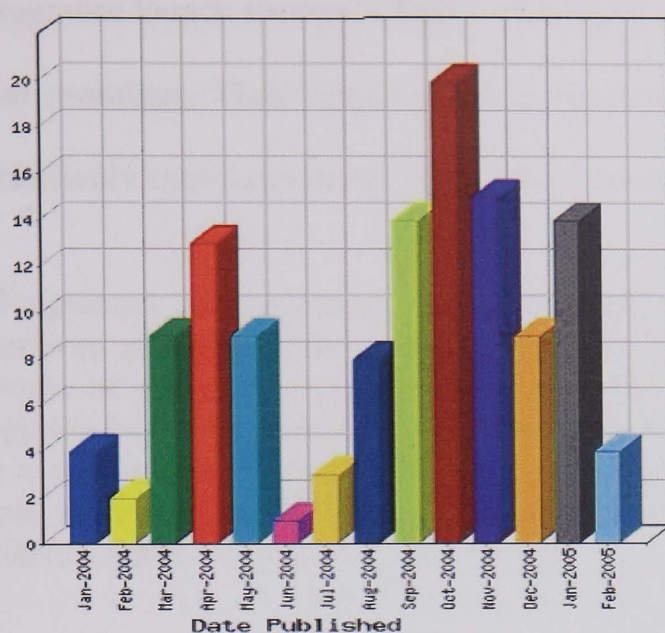
- perfumes or concentrates (15 to 14 per cent concentration of essence)
- eau de parfum (7 to 15 percent)
- eau de toilette (3 to 8 percent)
- eau de cologne (1.5 to 6 percent)

There has been a dramatic change in the number of fragrance launches over the years. Between the years of 1940 and 1950 there was under ten fragrance launches. In 2005 however, it was reported that over 600 launches took place (The fragrance foundation, 2005). This reflects the increasing level of challenge that organisations face today in launching new fragrances into the market. Apart from a few examples which stand as long term success, the vast majority of fragrances disappear within two to three years. This reflects the short-term view, which many companies now have of fragrance brands. A number of firms try to maximise fragrance sales within the first year of launch, usually by launching globally, then pulling back on the level of fragrance support in the second year before taking it off the market to make way for the next big launch. In order for fragrance brands to survive long-term, companies must be prepared to invest money in supporting them on a continuous basis, such as Chanel's support for its long-standing top selling fragrance *No.5*.

The fragrance industry is closely aligned with the fashion industry with many successful couture houses including Chanel and Dior, relying on perfume as a major revenue source. More than ever before, fragrance reflects fashion trends with consumers updating their fragrance wardrobe each season as they would their clothes.

Most major fashion brands now launch limited edition fragrances each year, which may be inspired by the trends of the season without needing to consider long-term implications for profit. The peak selling period for fragrance is Christmas, when up to 70% of a brands' turnover takes place in the last two months of the year. As a result, the fragrance companies tend to launch new brands in the autumn and spend most of their advertising budget during the last quarter.

The fragrance industry also focuses on other events in the calendar to stimulate year-round purchasing, especially of gifts, at Valentine's Day, Mother's Day and Father's Day. Limited edition fragrances and brand flankers launched during the Spring and Summer are used to encourage consumers to buy outside the Christmas period. Figure 3-1 outlines the level of sales which typically peak twice a year.



**Figure 3-1:** Number of new products, by date published (months), Jan 2004-Feb 2005 Source: Mintel/GNPD database, 2005

The launch cycle for new women's fragrances peaks twice annually, once during the spring, with a more important increase taking place between September and November, as companies prepare for Christmas sales.

The blockbuster fragrance launch first became a feature of the market in the 1980s, with the introduction of Giorgio Beverly Hills and Dior Poison. The next major launch was Calvin Klein's *cKone* in 1995 which was the first unisex fragrance. The launch campaign employed model Kate Moss in black and white advertising, providing a complete antithesis to the luxurious and inspirational image promoted by most fine fragrances. Since then, the numbers of new launches have immensely escalated, making it hard for any brand to stand out, even when supported by a substantial advertising budget. As a result, this has created difficulty for a fragrance launch to achieve the status of these earlier icons.

Fragrance launch success is highly contingent on the endowment of symbols and meanings. Their launch needs to be executed in a manner which can effectively communicate the emotional message.

“Fragrances have aesthetic appeal through the sense of smell. Thus a perfume qualifies for some kind of recognition as a work of art and, like the works of other arts, is appreciated or disliked in accordance with human opinion based on personal judgement; some will like it, others will not, but it is hardly likely simply to be ignored. A perfume can be just as arresting, just as appealing, or just as incomprehensible...” (Curtis and Williams, 2001; p. 424)

Image creation is the only means to convey the subtleties of the fragrance and differentiate one fragrance from the other. Fragrances need to deliver on an emotional promise to the buyer immediately; it is a familiar item that touches our most intimate romantic and sensual chords as they are strictly about emotions and sensations, and they do not provide any real practical benefits. The benefit is clearly in the psychological realm, so fragrance needs to express an idea in the most emotional manner possible (Gobé, 2001).

“The most successful fragrances have always been about telling stories or sending messages, such as the tale of exoticism from Yves Saint Laurent’s Opium, the very personal message from Christian Dior’s Remember Me, the snow white Eve story told by Christian Dior’s Poison, or the tale of eternal passion told by Calvin Klein’s Eternity. The story behind the Yves Rocher fragrance Neblina that’s reads: Between heaven and earth, in a sea of clouds high above the Amazonian forests, a shimmering mist releases a rare, delicate fragrance of nature. This is the essence of Neblina”. (Gobé, 2001; p.206)

Every year there are hundreds of new fragrances, but only a few survive to become fragrance stars. These are the ones that strike a profound emotional

chord. *“I have seen fragrances test well in focus groups but fail miserably on the market because of poor communication”* (Gobé, 2001; p.206).

### 3.2 The fragrance value chain

The fine fragrances sold by companies such as Chanel, Yves Saint Laurent, and Givenchy are likely to begin life in Grasse in Provence in Southern France. It is there that thirty member companies of the 70 strong Syndicat National des Fabricants de Produits Aromatiques are based. These companies specialise in raw material extraction, perfumery compounds and food flavourings. Some of them are owned by large multinational companies such as Bayer and others are family run and retain their independence.

The companies in Grasse develop fragrances for the perfume houses by blending the oils together. Essential oils such as jasmine are classified into four fragrance families: floral, fresh, oriental and woody.

However, they undertake this product development work for free and only get remunerated if they win a contract with a fragrance house. The chance of winning a contract is one in ten (Curtis and Williams, 2001). A fragrance house will spend large sums of money to develop and launch a perfume on the marketplace. Dior spent £40 million on developing *Dolce Vita* fragrance in the mid-1990s ([www.challenges.fr](http://www.challenges.fr), accessed on 26<sup>th</sup> August 2007), with a £2.5 million advertising campaign in the UK alone in its first year on the market (Mintel, 2002). Fragrance houses are constantly searching for new ways in which they can work with ingredients, either by including new ones

or reworking their existing palette. For example, fragrance house IFF is investigating the fragrance possibilities of hydroponics plants grown under water which are said to have a different scent to those grown in the soil. Jasmine is said to smell very “animalist” when grown in soil, but has a richer, more feminine note when grown in water. *Island Michael Kors* is the first fragrance to use hydroponics honeysuckle to create a humid floral effect.

The cost and profit associated with the production of a bottle of perfume which costs £30 through high street retailers breaks down as follows: retail-£12; tax- £5.13; fragrance house- £10.59 (to cover advertising, marketing, packaging and profits); perfume-£2.28 (Mintel, 2004).

A major challenge for fragrance brands lies in sustaining profitability in the face of continuous pressure for product innovation. The intensifying competition witnessed by the fragrance industry is reflected in the increasing frequency of new product launches and shorter life cycles in general. In the fragrance industry- where luxury brand owners particularly rely on independent distribution- new product proliferation is creating clutter and margin pressure at the point of sale.

Short production runs of a wide variety of products have generated higher complexity costs<sup>1</sup>. However established luxury brands that have established their fashion authority are less subject to the complexity cost problem. This is due to the customer pull for these brands. This permits longer production

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<sup>1</sup> Complexity factor is arrived at usually through estimation or judgment of the (1) number of parts or factors, (2) type and number of their interrelationships and interconnections, (3) number of unknowns, and (4) degree of uncertainty (<http://www.businessdictionary.com>, 12/09/2007)

runs. Secondly, despite the higher percentage mark up in price, fewer sales are made on discount in these brands. The product development process will now be explained in more detail in order to better clarify the type of complexities that organisations face in developing and launching new fragrances.

There are several strategies used in the industry for a new fragrance. Some firms request a particular fragrance design, which is undertaken by a third party fragrance manufacturing firm such as IFF. In this case the design of the fragrance takes place according to the client's specifications (these specifications are not communicated in a conventional literal sense. Chapter six will discuss this in detail. The second approach is where firms purchase a pre-designed fragrance composition from an external manufacturer, this is usually done to cut costs and to enable shorter time for new product development. In the premium sector of fine fragrances the first approach is the most prevalent.

### *3.2.1 The Fragrance Brief*

The concept of the fragrance is initiated by the artistic direction of the creative team. The creative team department (the new product development team) prepares a brief based on the fragrance concept that is then communicated to the various participants including: the bottle designer, perfumer, point of sales staff (POS), advertising department and production facility. The brief functions as a communication tool used to ensure that all parties receive the same information regarding the product concept. The



fragrance brief plays an important role in the design and launch phase of the fragrance. The brief primarily functions as a tool for fragrance concept definition.

### 3.2.2 *The Development Process*

First the bottle design takes place, and then the name is created. A name is not always descriptive of the fragrance. For example Yves Saint Laurent the name *nu* was directly linked with the concept of purity, the key word in the brief. The development of the fragrance does not take place until the third stage. The packaging development department is involved in the development process from the beginning. The production department comes in after the marketing department has worked on various design directions, and seeks their advice before submitting these directions to the creative director for approval. The main function of Packaging Development is to study the various aspects of the packaging presentation. It assists in the creation process by finding ways to invent new gestures and interpret the concept of the fragrance such as purity, the sensation of coldness or transparency.

Expertise involves transforming what is still just the designer's idea into a few producible pieces. The Marketing Department must be aware of the technical constraints related to the various ideas: the closure system, the compatibility of the fragrance with the plastic, the highly specific colour of the box, the anodized metal, the choice of high-tech material that gives an

impression of transparency and depth. Once the prototype version is ready the development phase begins, in particular by testing the compatibility of the fragrance with the packaging.

The Research and Development team studies the chemical stability of the various proposals submitted by suppliers. Once the right direction has been determined, R&D investigates any potential discolouration of the fragrance, the risks of oxidation, and conducts stability tests on batches of 2 litres, 100 litres and 1,000 to 3,000 litres. Based on these tests, R&D and the perfumer decide how long maturation and maceration should last to obtain the olfactory optimum.

Then, the entire production staffs starts to work as a team, led by one or more project managers under the creative department. The directions selected by the marketing department are studied, analysed and tested until a perfect product with the best quality/price/delivery ratio emerges from the packaging production lines, ready to be presented to consumers at points of sale.

The purchasing department acts as the watchdog which makes sure that the project stays within the budget. It intervenes very early in the development phase. Once the creative team has defined the type of parts needed, the purchasing department relies on its experience to estimate their cost without consulting suppliers. This expertise lets the marketing department know which possible direction meets its cost objectives. Next, the purchasing

department selects the supplier that has adequate logistics and development capacities for a reasonable cost and defines the best strategy for distribution among service providers.

While the creative department and the research and development departments deal with feasibility and development, the production department is the one in charge of the production side. It selects the packaging in cooperation with the suppliers. Pre-production runs begin with continuous quality testing and until that moment the parts are produced individually by each supplier. During pre-production, all of the pieces are assembled, and put together under the actual production conditions so that the finished product can finally be evaluated in terms of quality and final goals.

Following this stage full production takes place. The challenge is to produce in quantity and on time. This involves composing the fragrance maturation, maceration, cooling<sup>2</sup>, filtration and storage; filling, closure, labelling, packaging, cellophane wrapping and boxing.

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<sup>2</sup> \*Cooling: after maturation and maceration, the fragrance is cooled to 0° C so that all the non-alcohol-soluble raw material precipitates. These materials are then filtered out so that no further precipitates can form at any temperature.

### 3.3 Fragrance Market Segments

Perfumes have historically been 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 old perfume houses 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 Hermes or Gucci.

Prêt à porter or ready to wear brands began to develop in the 1960's; these brands challenged the rules of 'haut couture' by offering new lines of more accessible and affordable clothing from 1960s designers. Prêt à porter was thus in line with a period of rebellion against establishments values and politics. Designers who were able to tap into this shift in social consciousness began to gain the interest of 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.

The upper end of the market is occupied by premium priced fine fragrances from leading fragrance houses. These fragrances are expensively packaged and presented, and are marketed with strong brand images linked to the perfume characteristics and to the reputation of the house. Premium

fragrance houses are highly selective of retail distribution. Suppliers restrict distribution to outlets considered to provide a retail ambience which accords with the luxury brand image and specialist sales staff.

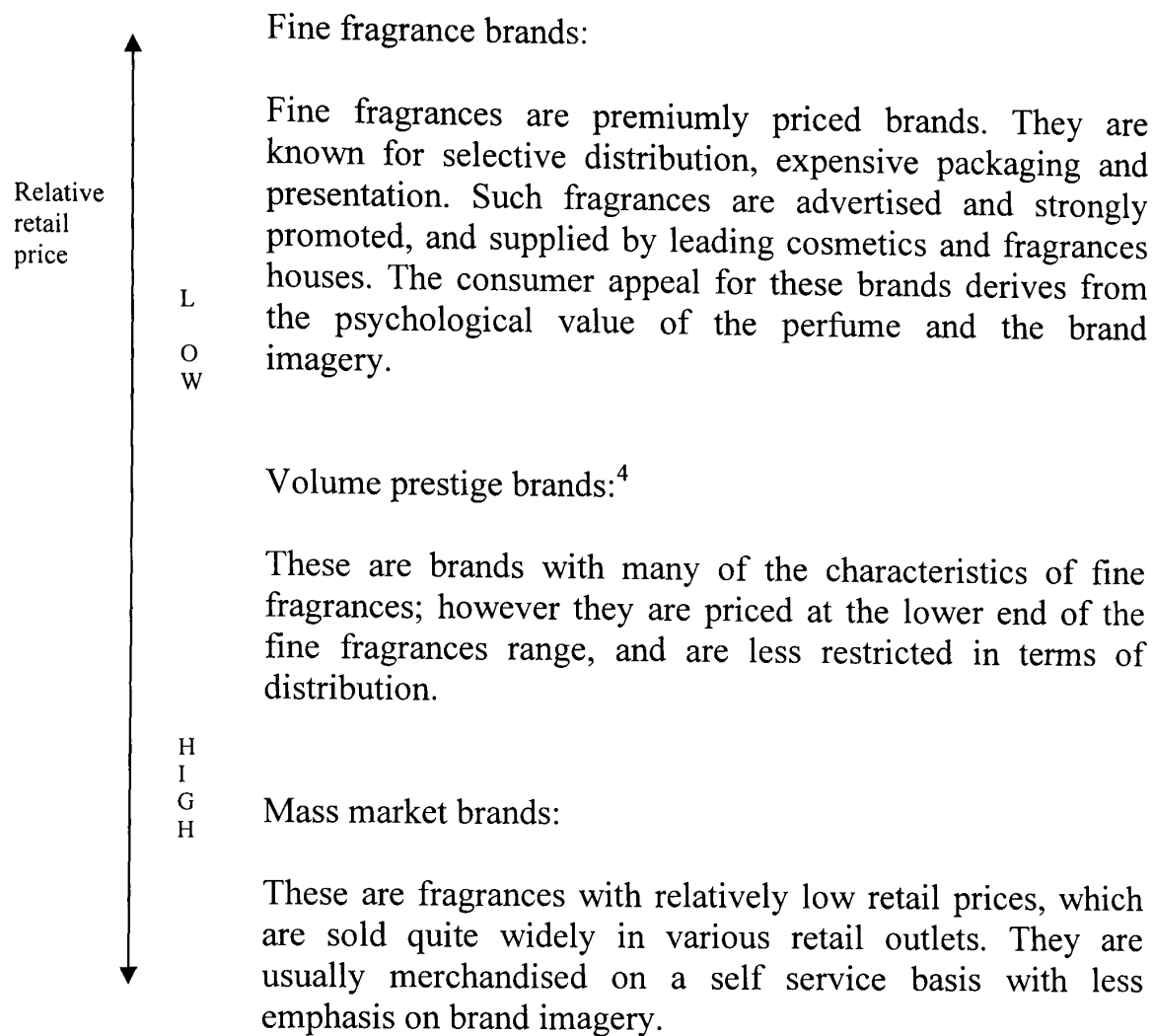
The lower end of the market includes low priced, mass distributed and mass merchandised brands whose retail distribution is not restricted. But while the upper and lower ends of the market are clearly differentiated, a limited number of medium priced fragrances, sometimes known as volume prestige brands are generally distributed on a less restrictive basis than premium brands.

The terms 'fine fragrance' and 'mass-market fragrance' are commonly used by both suppliers and retailers of fragrance to distinguish between two basic categories of fragrance.

The following diagram details the spectrum of fragrance market segments and their characteristics<sup>3</sup>.

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<sup>3</sup> Source: MMC (Monopolies and Mergers Commission, as cited in the Fine Fragrances, Competition Commission, 1993



### 3.3.1 *Quality and Creativity*

Typically materials used in creating the packaging of fine fragrances are more expensive and the packaging itself is more elaborate and refined in comparison to mass market fragrances. Mass market fragrances are sold without boxes and the bottle design is usually less creative and mass produced. Additionally, most fine fragrances have a fashion designer parentage and the significance for the fragrance's image depends in part on consumer awareness of the reputation and style of the fashion designer.

<sup>4</sup> In later chapters, reference to the mass end of the premium market applies to volume prestige; the study does not include mass market brands as defined above.

Essential oil concentrates- also referred to as the 'juice' are composed of various mixtures of natural or synthetic products derived from flowers, fruits, spices, or from miscellaneous other sources. These form the raw ingredients used in producing fragrances. Fine fragrances are products which generally have a more complex juice formula and generally contain more ingredients of higher quality and greater subtlety than mass market fragrances. The cost of developing and manufacturing the fragrance itself is therefore higher for a fine fragrance than for a mass market fragrance.

The main upstream suppliers of perfumed ingredients are large companies such as Unilever's PFF, International Flavours and Fragrances, Givaudan, Roure & Bertrand, and Bayer's Haarmann & Reimer, as well as Firmenich and Delaire which are relatively smaller sized firms. However a small number of fine fragrance houses including Chanel, Patou and Guerlain, have preserved their independence from such suppliers by retaining direct control over product formulation and by growing some of their own crops in Southern France.

### *3.3.2 Product Variety: Life cycles and firm types*

While some long established fragrance houses such as Guerlain, have concentrated on fragrances and rely primarily on reputation in that specific field, most fragrance houses, such as Chanel, Yves Saint Laurent and Calvin Klein, bear a house name which is either the name of an haute couturier or a prêt à porter designer. Moreover, over the past twenty years some new

fragrance houses have been established which rely on celebrity names such as Elizabeth Taylor. The couture designs and luxury goods of these houses are mostly unattainable to the public because of their limited availability and excessively high prices. Fragrances which bear the names of such luxury brands may thus represent an affordable means by which consumers can associate themselves with status brands.

Fine fragrances are extensively invested in through promotion, public relations, in store activity, point of sale environment and display in order to enhance the luxury image and quality of the product.

The fragrance market includes fragrances with widely varying life cycle spans. Not only does commercial success of individual brands vary considerably from year to year as fashion changes, but new brands regularly appear on the market as others decline, cease to be promoted, or get withdrawn from sales. Thus while some current brands are long established (e.g. *Jicky* (1889), *Chanel No.5* (1921), *Arpège* (1927), *Joy* (1935), or *Miss Dior* (1947), others have only very recently been introduced. In some cases brands may still be available but the suppliers have ceased to support them, and their sales gradually decline.

### 3.3.3 *Pricing and Supply*

Fine fragrance prices are largely controlled by fragrance houses that remain in control of their pricing strategy throughout the supply chain, particularly the downstream side where retailers are involved. Fragrance houses

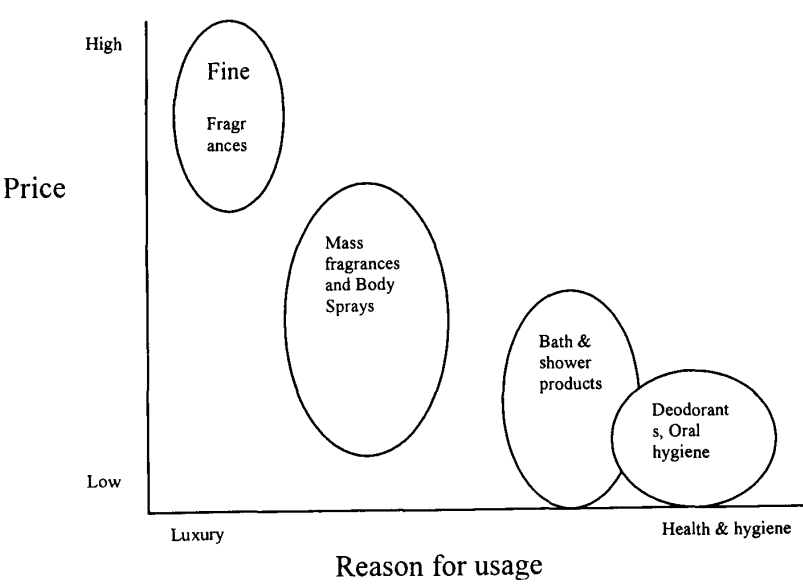


generally form a clear view as to where on the retail price scale their particular brand should be positioned. This is usually determined in light of factors such as the brands' image, its consumer appeal, the amount of advertising and promotional expenditure invested, and the retail prices of competing brands. A report on the fine fragrance industry in the UK (1993) confirms that fragrance houses list prices applied to all their customers (the retailers) and that no discounts had been negotiated. Fragrance houses notify recommended retail prices to retailers and expect them to use this recommendation. This also enables brands to position their products in the market accurately, and allows for clear price signals to consumers. Most retailers sell at the recommended retail prices including, department stores such as Selfridges Ltd, Harvey Nichols and Company Ltd, Harrods Ltd, Connors Chemists Ltd.

Secondly, in the fine fragrance industry, distribution strategy of the products is also largely controlled by the fragrance houses. A representation to the Office of Fair Trading by certain retailers, notably Superdrug Stores PLC and Tesco Stores Ltd in relation to fragrance houses unfair refusal to supply the stores with their products (namely Givenchy and Yves Saint Laurent) reflects this control of distribution. However, the European Commission exempted the selective distribution arrangements for luxury cosmetic products, from the application of article 85(1) of the Treaty of Rome which puts forward arguments against selective distribution as it impacts negatively on fair competition in the industry. The reason behind this is that end consumers required a high level of exclusivity when buying such fine

fragrances. Selective distribution systems are part of the product strategy since this helps to ensure that retailers' image was equal to that of the product. It is also implied in the report that retailers such as Superdrug were refused advertisements by relevant publications as they feared that by accepting, they would jeopardise their relationship with the fine fragrance houses, and thus could lose the lucrative advertising business offered by these houses. These were up-market magazines such as Condé Nast Publications Ltd, IPC Magazines, Southbank Publishing Group and Hachetter/EMAP Magazines Limited.

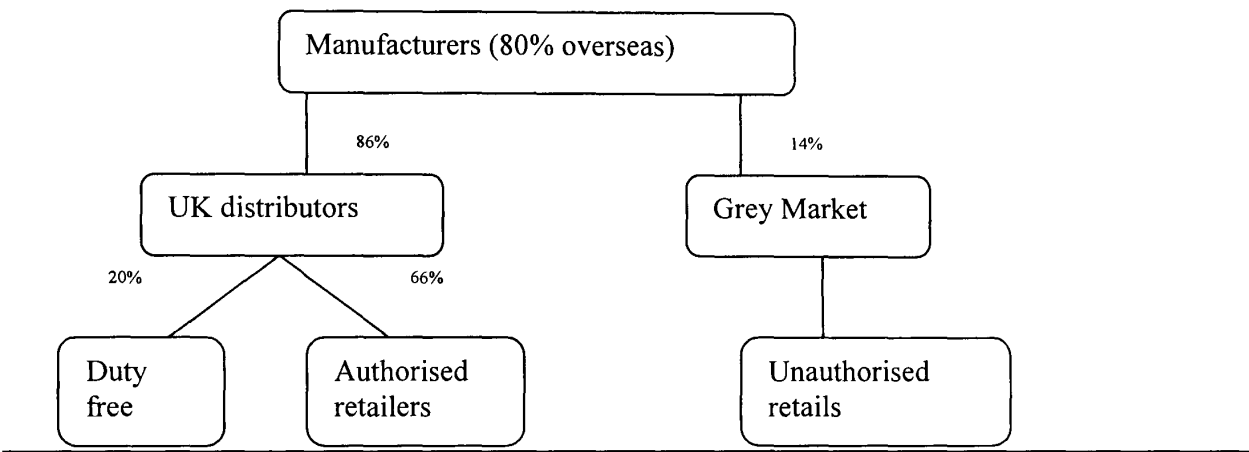
The report (1993) argues that mass and the premium fragrances belong to two separate industries. The following map illustrates the segmentation in the industry:



**Figure 3-2: Fragrance market segmentation, Competition Commission 1993**

The supply of fine fragrances is a world-wide business conducted largely by international companies pursuing global marketing strategies. The main decisions on the development and pricing of new brands are made at group

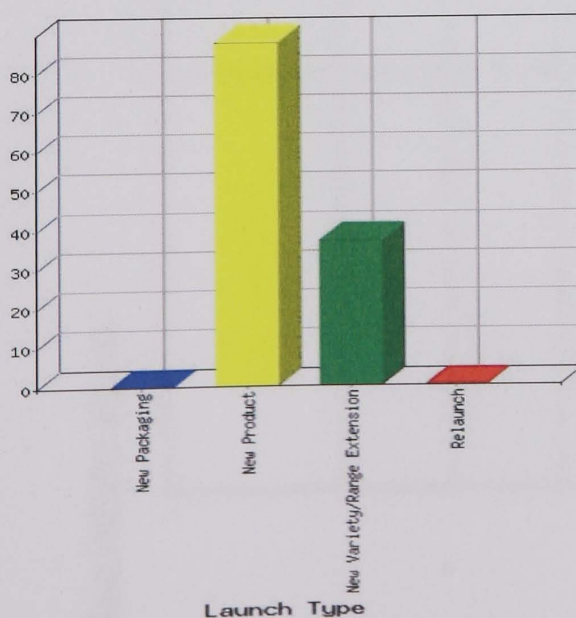
headquarters. Fragrance houses in the UK are for the most part marketing and distribution subsidiaries of overseas parent companies. A few of the groups have manufacturing operations in the UK, but over eighty percent of the total amount of fine fragrances supplied to UK domestic retailers are imported. Figure 3-3 summarises the general distribution channels and their relevant percentages in the UK market.



**Figure 3-3: Fragrance distribution**  
Fine Fragrances, Competition Commission, 1993

Traditionally, leading suppliers of fine fragrances were French houses, some of them with a prestige extending back to the last century. Many of the main players are still French such as L’Oreal, Yves Saint Laurent, Chanel, Givenchy, Christian Dior, and Guerlain; but there are some prominent US suppliers such as Estée Lauder, Calvin Klein, and Elizabeth Arden. Some companies own two or more fragrance brands such as L’Oreal, and LVMH. The situation is further complicated in that some companies market fine fragrances under several house names. Prestige and Collections- a L’Oreal division- markets its products under Cacharel, Ralph Lauren, Giorgio Armani, and Helena Rubenstein.

Around eighty eight launches in 2004 were new products (Mintel, 2005), reflecting the importance of novelty and newness within the women's fragrances market. These include new fragrances, such as Prada and Dior Pure Poison, as well as limited edition summer fragrances such as cKone Summer. A less risky approach to launching a fragrance is to develop a limited edition version of an existing successful brand, which is only available for a number of weeks. Very occasionally, a limited edition line is so successful that it is retained and supported as a permanent line. Usually, launching a limited edition or flanker brand decreases the pressure on companies to develop new and original fragrances, although this has led to criticism that the market has become standardised with many brands smelling too similar. Limited edition versions, in particular, often tend to be lighter floral scents designed for use during summertime. Figure 3-4 outlines the number of new products by launch type. It is clear from Figure 3-4 below that new product launches represent the large majority of market launches.



**Figure 3-4: Number of new products by launch type**  
Source: Mintel/GNPD database, 2005

3.4 UK Fragrance Distribution

Main industry players:

	2002		2004		% change
	£m	%	£m	%	2004-04
L'Oreal	76	15	82	15	+7.9
Chanel	60	12	72	13	+20.0
Estée Lauder	60	12	60	11	-
Procter & Gamble	40	8	49	9	+22.5
Unilever	35	7	38	7	+8.6



Yves St Laurent	35	7	38	7	+8.6
KGA	35	7	38	7	+8.6
Avon	25	5	22	4	-12.0
Christian Dior	25	5	34	6	+36.0
Coty/Lancaster	20	4	22	4	+10.0
Revlon	15	3	16	3	+6.7
Others	78	15	78	14	-
<b>Total</b>	<b>504</b>	<b>100</b>	<b>549</b>	<b>100</b>	<b>+8.9</b>

Manufacturers' shares in women's fragrances 2002-04

Source:

Mintel

2004

Fragrance Distribution: Main retailers:

There are several categories of fragrance distributors in the UK: Pharmacists, department store chains, and other specialist shops. Overall, Boots is the UK’s leading fragrance retailer. Its market share has grown from 32% in 2001 to 32.5% in 2005.

Pharmacists: The pharmacists sector has been concentrating rapidly into the hands of the big three specialists, Lloyds, Moss (Alliance) and Superdrug.

Department stores: There are three major department store chains: Debenhams, John Lewis and House of Fraser.

Specialist shops: The Perfume Shop, owned by Merchant Retail, has grown rapidly. Meanwhile, the similarly named Fragrance Shop is also now expanding. It was bought by Peacocks in June 2004, at which time it had 29 stores and Peacocks is already well underway with its intention to grow this to a 150-store chain.

The following is a table summarising the major UK retailers and their overall market shares.

Retailer	Market share
Boots	32%
Duty free travel	16%
The Perfume Shop	12%
Debenhams	11%
Avon	10%
Other	19%

UK retailers market share 2005 - The UK Fragrance Foundation

### 3.5 Conclusion

Consumers buy fragrances for reasons which go well beyond strictly functional motivations. Fragrance houses seek to create an image of luxury and see all aspects of the production, promotion, presentation and sale of the products as contributing to this. They regard this image as crucial to launching products for which the consumer will be asked to expend a high price relative to other fragrance products. Intangible aspects of fine fragrances distinguish them from mass-market fragrances and there is a clear dividing line between the two categories in the method of distribution. A view which is well established in the industry is that fine fragrances are a separate market from non-luxury products (Fine fragrance report, 1993).

Heavy expenditure on promotion is a characteristic of this market. In 1992 (Competition Commission, 1993), forty four percent of the value of sales was spent on promotion, and this has been continuously increasing over the past years. The biggest element is the cost of beauty consultants: their pay and training costs are met wholly by the fragrance houses. Media advertising primarily in magazines and on television comprise a major portion of expenditure. Other items involve point of sales material.

As is the case with all luxury products, in order to create value in the market place, the design initiatives of a luxury brand firm must be communicated worldwide. Fashion shows, special events, and other public relation efforts must be carefully coordinated to secure favourable editorial coverage in



magazines, and in order to communicate the desired image of the luxury brand. The magazines selected for advertising are often trendsetting magazines whose quality of readership is more important than numbers (Nueno and Quelch, 1998).

The creation of fragrance forms the heart of perfumery, a technology based art dedicated to communicate through the sense of smell. The purpose of this chapter was to introduce the dynamics of the fragrance industry in order to lay the ground for the forthcoming chapters. The heart of the fragrance industry is the creative perfumery house; here the perfumer receives briefs from manufacturers. The perfumer works from a range of available materials- mostly synthetic, numbering in a typical supply company from 1000 to 2000 different items to produce fragrances that have the desired odour profile.

## **4. A MODEL OF FRAGRANCE LAUNCH EFFECTIVENESS**

### **4.1 Introduction**

Effective product launch is a critical driver of top performance (Benedetto, 1999). Of all the stages in the new product development process, the product launch stage often requires the largest commitment in time, money, and managerial resources (Hultink et al, 1998). To demonstrate this importance, a recent example can be seen in the launch of the mobile phone service Orange in the UK which cost US\$11 million. This is quoted to be three times as much as the new product development costs (Hultink et al, 1998). Moreover, a study by Cooper and Kleinschmidt (1998) found that 54% of all new product development expenditures were spent on the market launch versus 39% on product development and 7% on predevelopment activities.

Several studies have consistently shown that a strong product launch greatly improves the chances of success. (Calantone and Benedetto, 1988; Cooper, 1979; Cooper and Kleinschmidt, 1988; Cooper and Kleinschmidt, 1990; Maidique and Zirger, 1984; Benedetto, 1999; Kohli, 1999; Hultink et al, 1997; Hultink and Robben, 1999; Hultink et al, 2000; Thölke et al, 2001; Guiltinan, 1999; Langerak et al, 2004). Montoya –Weiss et al (1994) conducted a meta-analysis of the new product literature in an effort to determine launch success factors. The study indicated that most of the factors affecting new product success are in fact controllable by

management; which clearly suggests that if the product launch strategy is improved, higher success rates can be achieved. Based on this finding, this study aims to establish a product launch effectiveness model by incorporating factors which can be controlled by management.

As discussed in previous chapters, the product launch stage can be the most critical stage in the product's life cycle, as organisational launch decisions can lead to the success or failure of the product. The current body of literature on product launch addresses various factors including timing (Kohli, 1999), launch in industrial (Hultink et al, 1997) and consumer markets (Thölke et al, 2001); others have focussed on contingency theories and the micro management the of launch plan (Benedetto, 1999; Hultink et al, 1997; Guiltinan, 1999; Hultink et al, 2000; Hultink and Robben, 1999; Langerak et al, 2004), impact on demand (Guiltinan, 1999), and the impact on product performance (Hultink and Robben, 1999).

In an attempt to find the answer to what constitutes a launch plan, the researchers' extensive and systematic research into the current body of scholarly literature revealed that there is not a great deal of consistency among scholars in that respect, this finding is also confirmed by two further studies by Guiltinan (1999) and Hultink et al (2000). Examples of this inconsistency are demonstrated through a study which included product strategy, market strategy, competitive stance and firm strategy as variables (Hultink et al, 2000). In a second study, target market decisions, leadership decisions, and relative innovativeness were included (Guiltinan, 1999). Another study on launch strategy referred to segmenting, targeting and

positioning as part of launch (Langerak, 2004). Hultink and Robben (1999) referred to launch strategy as relative product innovativeness, targeting, introduction objectives, and product newness (Hultink and Robben, 1999). Guiltinan (1999) on the other hand describes launch strategies as a firm's decision on whether to be a niche follower, niche innovator, mass marketer or a "would be me too".

However, despite this inconsistency, upon re-examining the literature relating to what constitutes a launch plan, three broadly common underlying factors emerge. These include decisions relating to the product, the market, and the firm.

Having identified three broad categories of what constitutes strategic decisions, it is perhaps important to revisit what is meant by strategic decisions. Strategic launch decisions are defined as the boundaries of the program (Biggadike, 1979; Crawford, 1984), and these decisions encompass elements of the project: product strategy, market strategy as well as the firm's strategy (Guiltinan, 1999). Strategic launch decisions are made at an early stage of development, and the impact of these strategic decisions on product success over its life cycle is moderated by tactical decisions that follow on (Biggadike, 1979; Hisrich and Peters, 1991; Hultink et al, 1997; Robinson and Fornell, 1985). Aspects of launch decisions which are made early in the development process and are difficult or expensive to change later in the project are identified as strategic launch decisions; on the other hand, decisions which are made later in the project and are relatively easy

and inexpensive to change are identified as tactical launch decisions (Biggadike, 1979; Cooper, 1993; Crawford, 1984; Hultink et al, 1997, Hultink and Robben, 1999).

This study will be based on the three categories of strategic launch decisions identified in the literature as discussed above, i.e. decisions relating to product strategy, market strategy and firm strategy. Reference to the decisions which take place later in the launch plan includes activities which are essentially used as product launch signalling tools. Differently put, the two primary cornerstones of the model based on existing literature are strategic decisions and launch signalling tactics.

As stated in the introductory chapter, one of the identified gaps in the current literature of product launch is the need for context specific studies. This was further confirmed by a second study on the identification of a common framework for all industries (Guiltinan, 1999). The study concluded that there were no generic strategies for a successful product launch:

“Finding no generic strategy could have arisen because ...decision sets are extremely sensitive to environmental or competitive contexts, suggesting that launch strategy research should be done in a much narrower context.” (Guiltinan, 1999; p. 282)

#### 4.1.1 Context Specific Product launch

This study aims to address product launch decisions specific to industries which manufacture and sell products with little functional or tangible values. More specifically, this study will address product launch strategies in the fragrance industry, where the most of the product values are intangible and product qualities mostly exist in the psychological realm. In this context, not only is it a challenge to differentiate such products, but the major difficulty lies in communicating the product qualities.

Organisations in the fragrance industry face a two fold challenge; on one level, the number of fragrance launches is increasing considerably each year. To demonstrate this increase, statistical evidence as reported by the Fragrance Foundation ([www.fragrancefoundation.com](http://www.fragrancefoundation.com); as sighted on 15<sup>th</sup> of March 2006) show that there were ten fragrance launches worldwide between 1940 and 1950, this figure has increased to over 600 launches worldwide in 2005. On a second level, irrespective of the increasing number of launches, attempting to convince industry buyers of the merits of a fragrance can prove to be a difficult task as there are no real tangible selling points for a fragrance; which means that organisations can not rely on conventional product differentiators such as quality and price. Moreover, any evaluation formed by buyers is highly subjective. Moreover, organisations launching products into saturated markets are faced with the challenge of differentiating their products and being able to overcome the barrier of information noise in the market. On the other hand, if the product

launch is to succeed, key constituencies must be convinced of the merits of the product.

In the case of the fragrance launch, key constituencies act as gatekeepers to the market; in fact, the positive evaluation of these selected few is vital for influencing the masses. Buying directors, journalists, magazine editors, and fragrance review specialists, act as gatekeepers to the fragrance market. Media constituencies' positive reviews are vital for influencing the evaluation of the masses. Buying directors in department stores must also be convinced of the non functional qualities of the fragrance in order to accept and adopt the fragrance, to allocate prime locations in their department stores, and in order for them to provide the necessary in- store support for the fragrance; without which the fragrance is less likely to succeed in the face of competing launches.

It is interesting to note that during face to face interviews with department store buying directors, their personal and subjective involvement in the evaluation of the fragrance was unanimously expressed: choices made are based on subjective evaluation by the managers. This is unsurprising given the fact that a fragrance's qualities primarily lie in the psychological realm and are mostly non functional. It is the emotional message that the fragrance sends out which is used as an evaluation factor; therefore in order for a fragrance to succeed, the art of amplifying its intangible qualities needs to be mastered.

From this it can be inferred that in launching such products organisations need to be aware that all forms of communication need to be on a subjective, emotional level, and so the environment in which the fragrance is presented; the language used to communicate its concept; and the qualities presented need to all stem from the same rationale. In line with this, chapter five will examine the launch staging processes and dynamics in detail; and chapter six will address fragrance narratives which are used to present the fragrance concept to industry constituencies.

This chapter aims to propose a fragrance launch effectiveness model and will examine the relationship between fragrance launch variables and their impact on creating sales momentum and market share.

## 4.2 The Model

The literature on product launch identifies two major categories of launch activities which will be referred to in this study as strategic launch decision and product signalling tactics. The model proposed in this chapter is derived from both the literature and from in-depth interviews conducted with senior management in the fragrance industry. Differently put, this model is derived using a combination of inductive and deductive approaches. The macro aspect of the model is based on the available body of literature relating to product launch. This is based on the identification of two types of launch activities: strategic launch decisions and tactical launch decisions. Having interviewed a number of senior managers from the fragrance industry, a



range of industry specific launch decisions which managers need to ascertain were established and incorporated into the model.

The main issue during the deductive process was access to data. The fragrance industry is a relatively closed and secretive one where data is closely guarded and not readily shared with third parties. Sales and market share data is highly confidential, and access was extremely problematic. This was fortunately overcome through gaining access to key managers of various organisations who were willing to share this data.

#### *4.2.1 Strategic launch decisions*

The first set of activities which constitute the strategic launch decisions are divided into three categories based on the available literature on product launch as outlined in the introduction of this chapter.

*Firm strategy:* this construct answers the question of “what triggers the product launch?” As a result of interview analysis with thirty brand directors, it was found that there are two main types of product launch: tactical launches and strategic launches. The first refers to a situation where the firm simply aims to maintain market attention and interest for a particular fragrance or a portfolio of fragrances. In the second situation, the organisation aims to create further market share by creating an additional “pillar fragrance”.

*Market strategy:* market strategy refers to signalling the product as either belonging to the mass section of the fine fragrance industry, or the premium section.

*Product strategy:* product strategy refers to decisions relating to the fragrance family.

Secondly, fragrance newness is an additional product strategy decision which is made at the early stages of the product development process. A fragrance can either be a re-launch of an existing one, a new addition, a seasonal addition to an existing fragrance, or an entirely new fragrance.

#### *4.2.2 Fragrance Launch Signalling tactics*

The second category of decisions comprise a set tactical decision variables most of which are ideally made following careful consideration of the strategic decisions made early in the new product development process. Due to the relatively intangible qualities of a fragrance in comparison to other products such as leather goods, cars, and jewellery, a successful fragrance launch plan needs to be executed in such a way which can signal the fragrance image, and the fragrances message as a status related product. Such tools are referred to in the model as “signalling tactics”, and parallel tactical decisions as referred to in generic launch models in the literature. The term signalling tools however, allows the inclusion of a wider concepts which shape the fragrance reputation. Secondly, the choice of the term stems from the nature of the study which contends that a successful

fragrance launch plan needs to signal a fragrance's "personality" as an individual would in a social context as described by Goffman's (1959) dramaturgical theory. The signalling tactics included in the launch model are discussed below.

#### Price:

Signalling tactics include pricing decision. A fragrance's price can signal messages regarding the fragrance as a status product. Relatively lower priced fragrances are less likely to be seen as status goods, whereas relatively higher priced fragrances are more likely to be seen as a status good. This variable is closely tied with market strategy and product newness.

#### Advertising:

Advertising acts as a fragrance signal on three main levels: on one hand, the affective content of the advertisement is crucial for communicating the fragrance's promised experience, and the emotional messages which are attached to the fragrance. On the second level, the extent of advertisement expenditure reflects the importance of the launch in market and therefore signals the status of the product and the confidence that the firm has in the success of the fragrance. On a third level, advertising expenditure creates direct market visibility for the product which helps overcome existing market noise, particularly with the high level of increase in fragrance

launches each year. Advertisement in the fragrance industry is commonly known to use affective images and highly affective language. Generally advertisements for experience goods use indirect information where there is little or no direct information that can be delivered. Use of metaphor is particularly prevalent in fragrance advertising and little or no linguistic message is used to accompany the visual images. In short, image advertisement which is predominant in the fragrance industry is known as soft sell advertising as opposed to the hard sell persuasive advertising (Bulmer and Buchanan, 2004).

#### Timing:

The time of year in which the fragrance launch takes place sends a signal to consumers, competitors and industry buyers about the nature of the launch. In most cases, fragrances launched during the summer, or during other seasonal occasions such as Easter or mothers day are most often flankers and are less likely to be strategic launches. Strategic products tend to be launched during the months leading up to Christmas period. From the firm's point of view, the choice of launch timing is largely dependent on product newness and launch objective, i.e. market share creation versus maintaining market interest in current brands.

#### Launch event staging:

Product launch events- common in many industries- are dramaturgical product staging events which announce a product's introduction to the

market. The fragrance industry uses the orchestration of such events to signal the non tangible qualities of the fragrance to key constituencies in the industry. These events act as a signalling tool which conveys two messages to the audience: the importance of the fragrance to the organisation, and their confidence in the fragrance's experiential qualities; and secondly, the fragrance's emotional message and its 'personality' which is a key differentiating factor. Chapter five addresses launch events in detail; however it's important to point out product launch events as an important signalling tool in the fragrance industry through which organisations can shape and manage fragrance evaluation and market acceptance. The scale of the event, its extravagance, and its location, signal the organisation's expenditure and therefore its confidence in the fragrance's market performance. Secondly, the dramaturgical performance through which the fragrance is presented is a form of organisational expression which can effectively shape key constituencies' evaluation of the fragrance. Thirdly, the shaping of the environment in which the fragrance is presented, the theme of the dramaturgical performance and the script used as the events unfold; communicate the emotional message of the fragrance.

#### Celebrity endorsement:

Celebrity endorsement related decisions are perhaps one of the most important decisions during a product launch plan. As previously discussed in chapter two, celebrities are seen as repositories of meanings and social symbols; their association to a fragrance through an endorsement process is

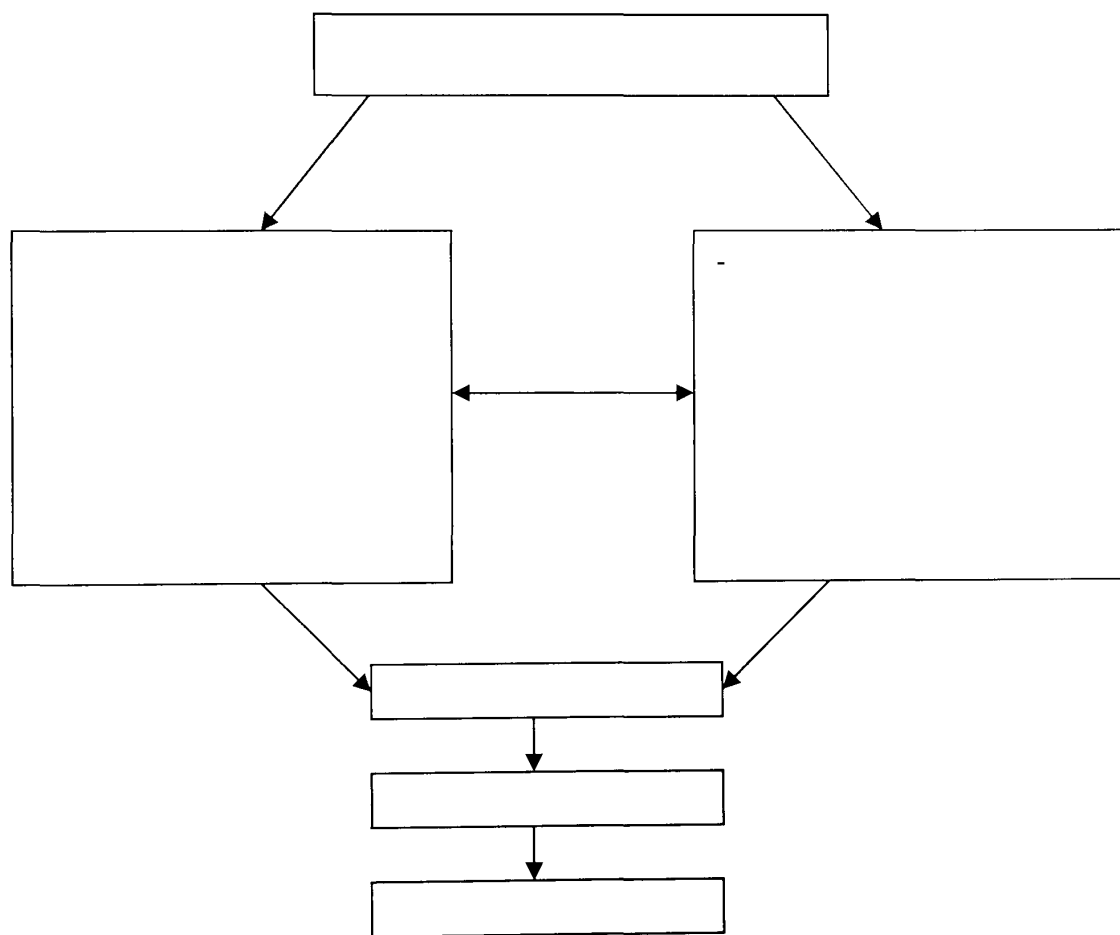
one of the most powerful means of building a fragrance image. The type of endorsement can determine how closely these meanings and symbols are associated with the fragrance, and this is a decision which firms make based on the planned length of the fragrance life cycle, fragrance positioning, type of launch, among other strategic variables.

The role of brand name:

It is important to include the role of the brand name as part of the signalling process, since previous brand performances, particularly those relating to visibility and reputation management can have an impact on new product performance. However, positive brand reputation does not necessarily lead to successful product launches without the incorporation of an effective launch plan.

In the case of low performance products such as fragrances, brand reputation serves as a complementary tool to launch activities (Guiltinan, 1999). Deviation from brand name image can send confusing signals to consumers, which may cause them to revert to critical evaluation routines despite the efforts made by the organisation to switch those to commitment evaluation routines (Lampel, 2001). This factor sets the framework for organisations when choosing event type, celebrity endorser, endorser's field, fragrance narratives, pricing, and advertising.

Finally, the interaction between strategic launch decisions and signalling tactics can create and impact the extent of launch visibility for the fragrance, which can trigger a sales momentum cycle, and ultimately market share creation for the fragrance.



**FIGURE 4-1: CONCEPTUAL MODEL FOR LAUNCH EFFECTIVENESS**

### 4.3 Hypotheses

Signalling tactics:

Fragrances are products whose benefits mostly lie in the psychological realm; they possess intangible hedonic benefits which consumers experience through owning and using the product. In other words fragrances are luxury products whose intangible benefits far exceed any functional benefits if any. By definition, luxury products are *those whose ratio of functional utility to price is low while the ratio of intangible and situational utility to price is high*. (Nueno and Quelsh, 1998; p:62).

In such market contexts, it is crucial for the symbolic and intangible qualities of the product to be effectively communicated and amplified if organisations are to achieve launch visibility in such crowded and competitive markets. Launch activities are particularly important in such contexts since symbolic products; particularly those which have little functional qualities, are more likely to be effected by the launch signalling tactics executed as part of the launch plan to signal symbolic characteristics of a brand and the feelings aroused by the brand.

“Product symbolism is what the product means to consumers and the broad spectrum of feelings they experience in purchasing and using it, such as arousal, excitement or pleasure. It also refers to the image that a particular item evokes in the minds of consumers.” (O’Cass and Frost, 2002; p: 72)



A study found that the higher the symbolic characteristics, the more likely is the brand to be perceived as possessing high status elements (O'Cass and Frost, 2002). Such brand dimensions and associations lead to increased marketplace recognition and economic success for brand owners, as a result of the value consumers place on them. Moreover, if organisations are able to endow their products with a visible status and symbolic qualities they can charge premium prices without losing demand (Eastman and Goldsmith, 1999).

Holbrook and Hirschman (1982) found that feelings and emotions are two prevalent aspects of consumption that have been said to influence brand perception and product success. In fact feeling and affect have been directly linked with purchasing behaviour (Erevelles and Grandfield, 1995; Holbrook and Hirschman, 1992; Cohen and Areni, 1991; Schiffman et al, 1997). Therefore signalling such qualities during the product launch stage can directly impact a fragrance's market success. Market success is measured through sales data and market share data for the fragrance. Based on this Hypothesis Ia, Ib, and Ic are posited:

Product launch signalling tactics have a significant impact on a fragrance's launch success. The importance of signalling tactics such as advertising and price on product success is widely recognised in the literature (Archibald and Haulman, 1983; Kirmani, 1989; Kirmani, 1990; Marquardt and McGann, 1975; Sutton and Riesz, 1979), and therefore such variables are incorporated in the model as control variables. Signalling tactics which are

tested in the hypotheses below include those which represent some of the more complex tactics which organisations employ in an effort to immerse stakeholders into the product experience one hand and to transfer the product into the world of animate beings.

One of the signalling tools used in the fragrance industry is celebrity endorsement. As discussed in the literature, celebrity endorsement is a highly effective tool in disabling critical evaluation routines which stand as a barrier to consumer acceptance. Celebrity endorsement is particularly suitable in this context due to the absence of any real tangible qualities that a fragrance can offer. Celebrities are effective in attracting attention, and involving the consumer in the launch event through the meanings which they lend to the product. From this the following hypotheses are derived:

HI: Launch signalling tactics have a significant impact on a fragrance's launch success.

HIa: Celebrity endorsement has a significant impact on a fragrance's sales momentum.

HIa (i): Celebrity endorsement has a significant impact on a fragrance's market share.

HIb: Celebrity type has a significant impact on a fragrance's sales momentum.

HIb (i): Celebrity type has a significant impact on a fragrance's market share.

In an effort to create launch visibility for a fragrance launch organisations engage in the creation of a dramatic launch event, and by doing so, pre-announce the fragrance launch. This can create a hype surrounding the event. Building anticipation prior to the launch event through pre-announcing the launch can create market momentum for the fragrance. From this the following hypothesis is derived:

H1c: Staging a launch event has a significant impact on sales momentum.

H1c (i): Staging a launch event has a significant impact on market share.

Strategic launch decisions:

Strategic launch variables as uncovered in the literature and according to field research by the researcher in the fragrance industry have been categorised as follows: product strategy, market strategy, and firm strategy (Guiltinan, 1999; Biggadike, 1979; Crawford, 1984; Hultink and Robben, 1999). Based on the literature which examines the interaction between strategic launch decisions and launch signalling tactics within the launch plan, Hypotheses II, III and IV are postulated.

Firstly, product strategy from the point of view of the fragrance industry addresses the fragrance family. Fragrance family plays an important role in determining the tactical tools applied in the tactical launch activities such as the type of advertisement, the theme of fragrance communication, celebrity choice, and the nature of the launch event. There are four main fragrance families: Floral, oriental, fresh and woody, each parallels the concept of genre in film industry.

Secondly, market strategy is operationalised using market segment, i.e. mass versus premium.

And thirdly, firm strategy is operationalised using the launch type variables: strategic versus tactical launches. As discussed earlier, tactical launches are motivated by the need to keep consumer interest, and maintain current market share for an existing product. Tactical products are usually new editions of existing fragrances such as summer editions, holiday season editions, and sometimes lighter editions of the original fragrance. Strategic fragrances on the other hand are termed as 'pillar' products which are designed with the aim of creating market share, visibility and to remain on top of market competition. These usually cost much more to develop, and the development project is has a much longer cycle.

Launch signalling tactics include those decisions which are made later in the project. In this study, tactical launch decision variables include: the decision to employ a celebrity endorser, celebrity endorser's field, launch event, advertising expenditure among other variables as outlined in Figure 4-1.

Therefore it can be contended that interaction of product strategy and launch signalling tactics has a significant impact on launch success. From this the following hypotheses are derived.

### *Product Strategy:*

H II: Interaction between product strategy and launch signalling tactics has a significant impact on launch success.

HIIa: The interaction between fragrance family and celebrity endorsement has a significant impact on sales momentum.

HIIa (i) The interaction between fragrance family and celebrity endorsement has a significant impact on market share.

HIIb: The interaction between fragrance family and celebrity field has a significant impact on sales momentum.

HIIb (i) The interaction between fragrance family and celebrity field has a significant impact on market share.

HIIc: The interaction between fragrance family and launch event has a significant impact on sales momentum.

HIIc (i) The interaction between fragrance family and launch event has a significant impact on market share

### *Market Strategy:*

IIII: Interaction between market strategy and launch signalling tools has a significant impact on launch success.

IIIIa: The interaction between market type decision and celebrity endorsement has a significant impact on sales momentum.

IIIIa (i): The interaction between market type decision and celebrity endorsement has a significant impact on market share

IIIIb: The interaction between market type and celebrity field has a significant impact on sales momentum.

IIIIb (i): The interaction between market type decision and celebrity field has a significant impact on market share.

HIIIc: The interaction between market type decision and launch event has a significant impact on sales momentum.

HIIIc (i): The interaction between market type decision and launch event has a significant impact on market share.

*Firm Strategy:*

H IV: Interaction of firm strategy and signalling tactics has a significant impact on launch success.

H IVa: The interaction between firm strategy and celebrity endorsement has a significant impact on sales momentum.

HIVa (i): The interaction between firm strategy and celebrity endorsement has a significant impact on market share.

H IVb: The interaction between firm strategy and celebrity field has a significant impact on sales momentum.

HIVb (i) The interaction between firm strategy and celebrity field has a significant impact on market share.

H IVc: The interaction between firm strategy and launch event has a significant impact on sales momentum.

HIVc (i) The interaction between firm strategy and launch event has a significant impact on market share.

Extensive literature review lead to the conclusion that there is a direct impact of strategic launch decisions on product performance (Hultink et al, 1998; Hultink and Robben, 1999; Biggadike, 1979; Choffray and Lilien, 1984; Choffray and Lilien, 1986; Green et al, 1995; Green and Ryans, 1990; Hultink and Schoormans, 1995; Lambkin, 1988; Lambkin, 1992; Ryans, 1988; Yoon and Lilien,1985). The following hypothesis tests which

strategic launch decisions impact market momentum. Based on the above, Hypotheses V, VI and VII are postulated.

HV: Product strategy has a significant impact on fragrance performance.

HVa: fragrance family has a significant impact on sales momentum.

HVb: fragrance family has a significant impact on market share.

HVI: Market strategy has an impact on fragrance performance.

HVIa: Market strategy has a significant impact on sales momentum.

HVIb: Market strategy has a significant impact on market share.

HVII: Firm strategy has a significant impact on fragrance performance.

HVIIa: Firm strategy has a significant impact on sales momentum.

HVIIb: Firm strategy has a significant impact on market share.

#### 4.4 Data and Research Method

##### *4.4.1 Data*

Data is collected on 60 fragrance launches in 2003, 2004 and 2005. This includes premium fragrances launched worldwide by established firms. The data excludes low end fragrances, niche fragrances, custom made fragrances, replica fragrances, fragrances sold on the grey market, and any fragrances sold for more than £60 per 50 ml. The data comprises records of UK yearly sales figures and market share data for each of the products in the

sample for the years 2004 and 2005. Although the researcher was provided with sales data relating to 150 different fragrances, only 60 could be used in this study. This is due to the fact that sales data was available for the years 2003, 2004 and 2005 only, and the researcher needed to restrict the sales data to only account for the first nine months following the launch in order to accurately examine the immediate impact of launch activities on fragrance performance. Therefore all fragrances which were launched before 2003 and during or after fall 2005 were excluded from the sample, and only fragrances launched or “re-launched” between spring 2003 and up to and excluding fall 2005 were included in the data sample.

#### *4.4.2 Dependent Variables*

Sales momentum and market share represent the dependent variables in this study. As discussed in chapter 3, fragrance sales peak at two points in the year in spring and in fall seasons. The peak selling period for fragrance is Christmas, when up to 70% of a brands’ turnover takes place in the last two months of the year. As a result, the fragrance companies tend to launch new brands in the autumn and spend most of their advertising budget during the last quarter.

Sales momentum is measured by the sales generated immediately after the launch, so if a fragrance was launched in the spring, the sales accounted for will be between spring and fall, and if a product was launched in the Fall, sales accounted for will be between Fall and Spring of the following year;



this is in order to account for one sales cycle immediately following the product launch, and to avoid data bias by factoring for the time of launch.

More specifically, sales momentum was calculated as the total of nine months following the launch month. The nine month period was used as a bench mark as recommended by brand directors during face to face in-depth interviews. The researcher was advised that a nine month period including one Christmas season is the guide line used to measure the performance of the fragrance. Usually if a fragrance does not meet pre-established targets during this period, the firm then decides whether to withdraw the product or to simply stop supporting it and move on to a new project.

Sales figure for each data point per month was calculated based on advertising expenditure during each month between January 2004 and December 2005. This method was used based on the overarching perspective in advertising literature that advertising expenditure is directly related to sales performance.

The monthly sales were calculated by establishing the monthly ratio of advertisement for all the fragrances in the sample (more of advertising figures will be discussed below). The total advertising expenditure per month was recorded for each fragrance.

Having derived the monthly percentage of advertising expenditure for all the fragrances in the sample, this was then applied to the yearly sales figure in

order to derive each month's sales figures for each of the fragrances in the sample. In other words, the year's sales figure for each fragrance in the sample was multiplied by the relevant monthly advertising percentage. The rationale behind deriving the monthly sales figures for each data point is that it allows the researcher to only take into consideration the first nine months following the fragrance launch in order to derive the sales momentum figure. This included all months between January 2004 and December 2005. The data for advertising expenditure and its collection will be detailed below.

#### *4.4.3 Independent Variables*

The following is a summary of launch variable measures:

Product strategy:

- fragrance family type including floral, oriental, fresh and woody
- fragrance newness: this is categorised as brand new launch or re-launch

Market strategy:

- premium market positioning
- mass market positioning

Firm strategy:

- strategic launch (a market share building exercise)
- tactical launch (a market share maintenance exercise)

Timing:

- Spring launch
- Fall launch

Advertising:

- Frequency of product advertised in a selection of four highly regarded magazines over three years: 2003, 2004, 2005 multiplied by price in magazine tariff.

Launch event:

- Dichotomous dummy variable indicating (yes or no)

Celebrity endorsement:

- Dichotomous dummy variable indicating if the product was endorsed by a celebrity
- Celebrity type: Film star, fashion model, performing arts star (fashion model used as the benchmark)

Firm type:

- three axis (fragrances, skincare, cosmetics)
- Fashion design firms
- Other firms from various backgrounds such as jewellery or celebrity brands

Firm resources:

- determined by establishing firm size as the annual revenue figure

Price:

- (EDT) price per 50ml

Measure of fragrance family and year of launch:

Fragrance family which each fragrance belongs to was collected and recorded in the data base. Two online data bases were consulted to ascertain the families of each fragrance (<http://www.osmoz.com>): an online

encyclopaedia which provides information on each fragrance's history, ingredients, production techniques and olfactory families, as well as a complete list of brands and fragrances. Secondly, a data base created in association with the Fragrance Foundation; which is the main body in the fragrance industry was consulted ([www.fragrancedirectory.info](http://www.fragrancedirectory.info)). The latter is a fragrance library which includes parameters such as fragrance brands, year of launch, country of launch, gender, and fragrance family. This data base holds information on all fragrance launches since 1920. The year of launch was also obtained from these two databases.

#### Measure of Market strategy

In the fragrance industry, market type of the fragrance is determined through price (European Commission Report on the Fragrance industry, 19993). Market type was determined using the price per 50ml. The average price for a 50ml fragrance is £35 for such fragrances, and so the premium segment within the general fine fragrance market was coded as premium if the price exceeded £35.

#### Measure of firm strategy

Firm strategy is divided into two categories, namely, tactical fragrance launches and strategic fragrance launches. As defined earlier, tactical launches are conducted with the aim of maintaining interest for the mother brand while strategic fragrances are being designed and developed. Strategic

fragrances are conducted with the aim of market share creation. The strategic aim behind fragrance launches in the sample was classified in consultation with eight different brand directors.

#### Celebrity endorsement

A comprehensive data base was used to find out who the endorser is if any (<http://perso.orange.fr/imagesdeparfums/en/>). This data base provided the name of the celebrity endorser and the researcher then ascertained the field of the endorser using an online celebrity data base (<http://www.imdb.com>).

#### Launch event

A specific data base is used to tell journalists about upcoming launch events, and is only available to public relation groups. Contact with a public relations firm in London provided information on launch events conducted in the UK. In addition, an industry magazine which lists all launch events was consulted.

#### *4.4.4 Control Variables*

This study includes five control variables:

- 1- Firm size: This controls for available firm resources.
- 2- Firm type: controls for business focus and importance placed on the fragrance business.

- 3- Price: this controls for the impact of price on sales volume.
- 4- Advertising expenditure: this controls for the effect of the scale of advertising on performance.
- 5- Fragrance Newness: this is to control for the surprise element which new products tend to have when launched for the first time.

### Firm Size

Firm size was included to control for the effect of the size of the firm launching the fragrance. The size of firms which hold the license to product development and launch of the fragrance was compiled and consisted of annual revenue figures. Firm size was collected using an online database which provides financial information on the majority of organisations (<http://www.hoovers.com>).

### Firm Type

Secondly, since the fragrances were launched by different firm types, a dummy variable was included to code for the firm type. This was designed to test the differences in the results based on the differences in firm type. The type of firm in the fragrance industry fell into three main categories: three axis firms- which are those which only manufacture and sell skin care products, cosmetics and fragrances such as Estée Lauder and Lancôme. The

second category is couture fashion design firms which include a fragrance business arm such as Chanel and Dior. The third category included all other firms which have launched a fragrance; these come from varying backgrounds such as jewellery design, and Cigar manufacturing etc.

These variables were included to control for the effects of firm size which may have an impact on launch success due to more availability of resources; firm type which may impact launch success depending on the nature of the core business of the firm, and the importance of the fragrance business to the firm; and possibly the difference in brand name equity that firms in certain fields may have over other fields.

## Price

The sample only includes fragrances sold for above £15 per 50ml (EDT) and less than £60 per 50ml (EDT). Price factor is further controlled for by factoring for price variation in the analysis model. Data on the price of each fragrance per 50ml (EDT) was recorded in the data base as a covariate. Prices were obtained for the UK in Pound Sterling. This data was collected by the researcher from department stores in central London. Fragrance prices are uniform across all department stores. Prices were also verified using the Boots- one of the most important distributors in the UK fragrance market- online webpage (<http://www.boots.com>)

## Advertising expenditure

The researcher conducted thirty one-to-one in-depth interviews with brand directors during which fragrance advertising was discussed. These discussions were related to frequency of advertisement, and which publications were regarded as effective for achieving launch visibility. Upon analysing all interviews, the researcher then systematically viewed four main magazine titles, the choice of which was based on managerial perspectives during one to one interviews. The systematic search included four titles in the years 2003, 2004, 2005 and certain criteria was recoded about the advertisement, including the position in the magazine (e.g. front page, back cover etc), colour, size, special inserts, and testers. The researcher obtained the magazine pricing catalogue by calling the magazine houses and requesting the tariffs. The researcher was informed by publication managers that the prices for 2003, 2004 and 2005 remained unchanged. The advertising expenditure was then derived for each fragrance. The titles included *Vogue*, *Red*, *Allure*, and *Harpers and Queen*.

## Fragrance Newness

Fragrance newness is coded for in the study using a dichotomous dummy variable where 0 is a code for a brand new launch and 1 is a code for a re-launch. This is done to account for the effect of the added interest a brand new launch may attract in the market due to the element of surprise and anticipation. The year of launch was used to ascertain whether the fragrance



was a brand new launch or a re-launch of an existing fragrance. Fragrance launch data was collected using an electronic data base which compiles fragrances' launch year among other information on each fragrance. The database can be found on ([www.fragrancedirectory.info/usadirectory](http://www.fragrancedirectory.info/usadirectory)), and is known to be the official fragrance directory created in association with the Fragrance Foundation Organisation (one of the principle fragrance industry organisations).

#### 4.4.5 *Analysis*

Each hypothesis was tested through the use of ANOVA – an abbreviation for Multivariate Analysis (Field, 2000). The technique essentially tests hypotheses about the equality of population means:

“Analysis of variance is a technique whereby the total variation present in a set of data is partitioned into several components. Associated with each of these components is a specific source of variation, so that, in the analysis, it is possible to ascertain the magnitude of contribution of each of these sources to the total variation.” (Daniel and Terrell, 1992; p.384)

In the design of the tests, the choice of sources of variation included, and the control groups chosen, are based on a combination of the analysis of extensive industry one-to-one in depth interviews with senior brand directors and a comprehensive literature review. The tests are designed to measure the extent to which these sources contribute to the total variation. The conclusions are based on the magnitudes of the observed variances.

Statistical analysis using the ANOVA model was conducted using SPSS; which is a computer program for statistical analysis.

#### 4.5 Results

There is some degree of significant support for Hypothesis I. Hypothesis I (a) is only supported for one of the measures of launch success. Celebrity endorsement has a significant role in market share creation but does not play a significant role in sales momentum ( $F(1, 52) = 4.35, p < .05$ ). However, celebrity type has a significant impact on sales momentum but does not have a significant impact on market share. The role of celebrity type in creating sales momentum was significant ( $F(3, 38) = 3.45, p < .05$ ). Covariate “advertising expenditure” was significantly related to sales ( $F(1, 38) = 4.29, p < .05$ ). The second covariate, price, was significantly related to sales ( $F(1, 38) = 4.66, p < .05$ ). The variable “Launch event” is not supported for either measure of dependent variables.

The results show strong support for Hypothesis II (a). Both measures of launch success are significantly impacted by the interaction between fragrance family type and celebrity endorsement. Interaction between fragrance family type and celebrity endorsement is highly significant both in terms of sales momentum ( $F(3, 34) = 3.45, p < .05$ ) and in terms of market share creation ( $F(1, 34) = 5.07, p < .05$ ). The results also show support for Hypothesis II (b); interaction between fragrance family and celebrity type has a significant impact on market share ( $F(3, 41) = 3.38, p < .05$ ). Interaction

between fragrance family and launch event had no significant impact on both launch success measures.

Hypothesis III postulates that interaction between market strategy and signalling tactics has a significant impact on launch success. The results show some support: market share is significantly impacted by the interaction between market type and celebrity endorsement ( $F(1, 51) = 4.11$   $p < .05$ ) and the interaction between market type and celebrity type ( $F(3, 43) = 3.27$   $p < .05$ ). However, interaction with launch event did not have a significant impact on neither sales momentum nor market share.

Hypothesis IV postulates that the interaction between firm strategy and launch signalling tactics has a significant impact on both measures of launch success. The results show a degree of support for Hypothesis IV (a): interaction between firm strategy and celebrity endorsement has a significant impact on sales momentum ( $F(1, 51) = 4.16$   $p < .05$ ). However interaction with celebrity type had no significant impact on either measure of launch success. Thirdly, interaction between firm strategy and launch event showed significant impact on market share ( $F(1, 50) = 4.106$   $p < .05$ ).

The impact of firm strategy; which is categorised by product strategy, market strategy and firm strategy as discussed earlier, was measured against both measures of launch success, i.e. sales momentum and market share. The results varied across the three categories of strategic launch decisions. Product strategy had no impact on either measure of launch success. Market

strategy had a significant impact on market share ( $F(1, 52) = 6.812, p < .05$ ) but had no significant impact on sales momentum. And finally, there was substantial support for Hypothesis VII. The results show strong support for Hypothesis VII in that firm strategy is found to have a significant impact on both sales momentum ( $F(1, 35) = 4.35, p < .05$ ) and market share creation ( $F(1, 53) = 4.36, p < .05$ ).

#### 4.6 Discussion

A correlation test between launch variables was conducted. To begin with, the results shows some significant correlation between couture fashion design firm types and market segment, where as the second firm type- three axis firms- did not correlate with market segment. This could be explained by the fact that couture fashion design firms more often than not, launch fragrances with rich status symbols, and thus mostly opt for the premium market as their market strategy. Three axis firms on the other hand manufacture and release fragrances in a variety of markets. Furthermore, in line with the fact that couture fashion design fragrances are endowed with rich status symbols which are inherited from the brand name; price positively correlates with fragrances launched by such firms, but did not correlate with fragrances launched by three axis firms. Three axis firms however, correlated with large annual revenues, which reinforce the market strategy approach of each of the firm types. Although three axis firms did not significantly correlate with the low price variable, they tended to opt for average pricing with wider market penetration. This can be explained by the

fact that brands with a higher symbolic value are more likely to attract status driven purchases. A study found that the higher the symbolic characteristics, the more likely is the brand to be perceived as possessing high status elements (O'Cass and Frost, 2002). Such brand dimensions and associations lead to increased marketplace recognition and economic success for brand owners, as a result of the value consumers place on them. Moreover, if organisations are able to endow their products with a visible status and symbolic qualities they can charge premium prices without losing demand (Eastman and Goldsmith, 1999).

Market segment is also correlated with fragrance family type; in particular, the floral fragrance type. This can be explained by the fact that floral fragrances are highly popular in the mass market segment, as they appeal to a broad consumer taste, however, interviews with perfumers and perfume manufacturers suggest that floral fragrances are mostly used in the creation of “flankers” and limited edition fragrances, they are composed in such a way that minimises creativity- and therefore the element of risk- as perfumers try to compose notes that do not “offend” any tastes. This strategy is inline with the mass market approach where fragrance scents are becoming increasingly similar. This reveals a further dimension to the relationship between launch activities: strategic decision variables are not only related to certain tactical decisions, but also to some other strategic decision variables; product family type and market strategy are related decision variables.

Fragrance family positively correlates with market share but does not correlate with sales momentum. In other words, sales momentum does not correlate with product strategy. The correlation between fragrance family and market share suggests that each fragrance family type occupies a particular share in the overall fragrance market, and so a product which is released into a market sector which occupies a major share is more likely to gain a larger market share than a product which belongs to fragrance family occupying a small market share. For example, fresh and floral fragrance families occupy a relatively large market share and so a fragrance launched under such categories is more likely to gain market share than those which belong to woody and oriental fragrance family types. Correlation test results reinforce this view: there is a significant correlation between floral family type and market share.

As discussed earlier, firm strategy is reflected in the motivation behind the launch, i.e. a fragrance launch could be strategic (with the aim of market share creation) or tactical (with the aim of maintaining market visibility) - the correlation results show that firm strategy is correlated with market share. Moreover, as discussed above, launch events represent a strategic signalling tool by the firm about the importance of the upcoming fragrance, aimed to generate positive market evaluation. The results show a positive correlation between strategic launches and launch events, which suggests that firms launching strategic products tend to host a launch events where as tactical launches less often take such a decision. It is then logical to assume that strategic launches generate far more sales than tactical launches, in

return for the relatively extensive investments that firms make. Indeed, strategic launches are positively correlated with sales momentum.

To further reinforce the interaction established between firm type and firm strategy, the results show that there is a correlation between market segments and launch event. The researcher has dichotomously coded the variable market segment, attaching number one to premium and zero the volume prestige, which means that premium market launches are positively correlated with launch events. In addition, there is a positive correlation between fragrance price and launch event, which suggests that there is a certain pattern of signalling activities depending on the firm strategy. Strategic products are assigned higher prices than tactical products; they are accompanied by launch events; and they are associated with higher sales momentum and larger market share as opposed to tactical launches.

As extensively supported by the literature, the results show that advertising expenditure is positively correlated with market share and sales momentum, however, it is interesting to note that advertising expenditure is correlated with fragrance family type; in particular high advertising expenditure is positively correlated with the floral fragrance family type. This in fact suggests that managers assign advertising budgets depending on the fragrance family type; which could be explained by the fact that certain fragrance families acquire previously known market shares, and thus the investment is calculated accordingly.

The employment of celebrity endorsers is negatively correlated with low advertising expenditure, which indicates that firms assign a considerable advertising budget when employing celebrity endorsers (although it is not necessarily correlated with high advertising expenditure); however, the results do not show any correlation between the presence of a celebrity endorser and any of the measures of launch success. This could be interpreted in two ways; celebrity endorsers help to build market share over a prolonged period, and since market share data in this study is only concerned with the period immediately after the launch, this may not be visible in the results. A second interpretation could be that celebrity endorsers are used to endow fragrances with meanings and to transfer it from the universe of inanimate objects to the universe of animate beings, hence they are not meant to directly impact sales. The researchers' view is that this is in fact explained by both factors: through endowing the product with meaning, this is a strategy which helps build market share over a prolonged period of time. In fact, field study shows that classic fragrances which have been on the market over ten years have followed such strategy in building market share and prolonging the fragrance lifecycle by achieving sustained market visibility over a prolonged period of time.

Overall, the correlation results show that the only factors which are directly correlated with sales momentum include firm strategy, market share and advertising expenditure. Market share is directly linked with sales momentum, high advertising expenditure, firm strategy, price and fragrance family.



It is evident that the correlation results complement the ANOVA test results by providing a more detailed insight into the interaction between the variables. ANOVA results reveal that particular interactions between the strategic launch decisions and the signalling tactics have significant impact on sales momentum and market share. For example, the interaction between fragrance family and celebrity endorsement had a significant impact on both dependent variables; the correlation results show that celebrities from the performance industry (such as popular music stars) were significantly correlated with floral fragrances. Further, ANOVA results reveal that the interaction between firm strategy (measured as strategic or tactical launch) and launch event staging has a significant impact on both dependent variables; and results in the correlation results show a significant positive correlation between strategic product launches and launch event staging. Interestingly, the ANOVA test results reveal that as a signalling tactic, staging a launch event only has significant impact on market share through its interaction with firm strategy. However when the impact of staging launch events was tested solely, it was found that there was no significant impact on either dependent variable.

Looking at the ANOVA test results separately, three signalling tactics were tested for their sole impact on both dependent variables: celebrity endorsement, celebrity type and staging of launch events. The results reveal that celebrity endorsement has a significant impact on market share creation but not on sales momentum creation; however celebrity type has a significant impact on sales momentum. In other words, the presence or

absence of a celebrity endorser for the fragrance can determine market share creation; however the type of celebrity involved can determine the extent of sales momentum achieved. As discussed earlier, staging of launch events has no significant impact on either dependent variable.

The framework presented complements recent work that empirically documented the existence of linkages among various strategic and tactical dimensions of launch (Hultink et al, 1997; Gultinan, 1999). Specifically, the framework offers a conceptual explanation of how strategic launch decisions and tactical launch decisions are related as well as how they influence market success.

This chapter purely focussed on launch activities and their relationship with each other and their joint impact on success. However, it is perhaps important to draw attention to the fact that while this chapter addresses testable and definable variables the discussion in this chapter does not present the complete picture. Successful fragrance launches are those which have been endowed with powerful meanings and symbols: such fragrances are presented to an audience within a dramaturgical context (Goffman, 1959) just as a person would present themselves in a pre rehearsed and deliberate manor in order to signal to others certain characteristics. Similarly, the launch plan presents a window of opportunity for managers to present the fragrance to its target audience within the dramaturgical frame.

Dramaturgy which is defined as “*the craft or the techniques of dramatic composition.*” (“Dramaturgy.” *Dictionary.com Unabridged (v 1.1)*. Random House, Inc. 23 Aug. 2007. <[Dictionary.com http://dictionary.reference.com/browse/dramaturgy](http://dictionary.reference.com/browse/dramaturgy)>), is a sociological perspective stemming from the symbolic interaction school of thought. The term dramaturgy was first coined by Erving Goffman in his book *The presentation of the self in everyday life* (1959), where social action was portrayed through the theatrical frame. What is most relevant to this study from the dramaturgical perspective is that dramaturgy emphasises expressiveness as the main component of interactions. Actors create an impression through which they signal who they are, how they should be treated, and what they stand for. The logic of dramaturgical theories is that behaviour is a strategic performance on a stage in front of an audience, and performance is scripted and performed using props and characters. (Goffman, 1959, 1961, 1969, 1974; Hochschild, 1979, 1983). The introduction of this concept into the launch processes does not only apply to the staged spectacle through which the fragrance is presented, but rather it applies through out the entire launch process and includes all the processes which shape key constituencies’ evaluation of the fragrance, and help acquire the support necessary for the success of the launch. In fact it includes communication with industry partners during the fragrance design process. Media and advertising creatives, public relations, magazine editors, and department store buying directors; are some industry constituencies who are involved before the fragrance is finalised. There is a close similarity between a fragrance launch and the “Hollywood model” (Rein et al, 2006) this model

variably applies to fragrance launches: *“In the Hollywood model, the emphasis is on product development, coaching, story building, drama, public relations, and capitalising on free media.”* (Rein et al, 2006; p. 25)

The concept of dramaturgy is perhaps the invisible yet important factor in a launch plan; it is the key tool through which the intangible qualities of the fragrance are signalled. Dramaturgy presents a framework through which organisations can present their innovation to relevant constituencies in a manner which is likely to elicit their interest, approval and ultimately their support.

As discussed in chapter one, organisational competitive strategy is shifting from one which is utilitarian based to one which is based on hedonic intangible benefits. This has caused organisations to look beyond products' objective qualities. As Gobé (2001) states:

“Over the last fifty years the economic base has shifted from production to consumption. It has gravitated from the sphere of rationality to the realm of desire: from the objective to the subjective; to the realm of psychology... We are clearly operating with a completely different set of values today than five years ago. Speed has replaced stability; intangible assets have become more valuable than tangible assets.” (Gobé, 2001; p.13)

Organisations are now moving in the direction of focussing on the creation of intangible values for products. A study conducted on three different product categories by Sutton and Riesz (1979) confirms that for product categories in which a consumer's self worth may be elevated through the act of purchasing such as cosmetics, fragrances, and clothes; value for money

maybe less relevant. The shift in organisational strategy over the past years is evident across most industries, even ones which produce and sell products with highly functional qualities:

“Simple ideas, such as computers, have morphed from technology equipment into larger, consumer-focussed concepts such as lifestyle entertainment. Airplanes are less about transportation vehicles today, and more about travel organisations that can enhance our lives in many ways through their elaborate bonus-point programs. Food is no longer about cooking or clothes but about home/lifestyle design and sensory experiences, and the universities of tomorrow will be branded and will function as modular knowledge banks.” (Gobé, 2001; p.13)

This shift is an increasingly important strategy at a time when most products offer the same quality and are in danger of becoming mere commodities in an overcrowded marketplace. (Gobé, 2001; Kroeber-Riel, 1984; Pine and Gilmore 1999). In line with this shift in value creation, certain signalling tools are applied during the product launch stage. Those variables were represented in this study in the form of signalling tactics.

#### 4.7 Conclusion

Organisations which launch consumer products into saturated and crowded markets face a dual problem: the difficulty of differentiating their products and the challenge of communicating with consumers due to extensive information noise. Launching creative products; particularly those which offer non functional qualities poses an additional problem. In the case of the fragrance industry, launch success is dependent on the acceptance and adoption of key industry constituencies- also referred to as gatekeepers.

Those selected few need to be convinced of the merits of the non functional qualities of the product. In other words, managers need to successfully gain the interest and support of two groups: key industry constituencies and end consumers.

The study proposes a conceptual model which aims to overcome such challenges for products in similar contexts. The orchestration of launch activities within the dramaturgical frame helps to overcome such problems in several ways: the nature of dramaturgical communication processes help investors and constituencies to transform their evaluation routines from critical evaluation routines to commitment evaluation routines (Lampel, 2001). Dramaturgical launch activities such as launch events, choice of celebrity type are forms of emotional communication, such communication tactics help overcome the uncertainties which investors face in their decision making, and instead promotes certainty creation. Secondly, such launch activities are tactics which managers in the fragrance industry employ to amplify the fragrance's intangible qualities in a crowded market, by presenting it as possessing rich symbolic qualities which taps into the buyer's psychological realm. These tactics help firms win the support and adoption of both groups: industry gatekeepers and end consumers. In fact the richer the symbolic qualities of the fragrance, the more likely it is that investors support the product, as there is an increased expectation for it to gain wider consumer acceptance. Launch visibility can thus be created in fulfilling these strategies.

The first lesson that can be derived from this study is that it is not sufficient for firms to signal the quality and importance of their products through allocating large financial resources to fund such signalling tools; and although it is widely acknowledged that advertising directly impacts sales momentum and market share creation; this does not necessarily form an effective mean of launch success. As concluded by the results, product strategy must be taken into account before deciding on signalling factors such advertising expenditure: certain fragrance family types hold defined market shares. The choice of signalling properties and their intensity should be decided accordingly if firms are to make an optimal decision on expenditure.

Secondly, the study has unravelled the fact that managers follow consistent patterns in launching fragrances, and that a set of signalling tools is related to firm strategy. Differently put, the motivation behind a product launch; i.e. whether it is to maintain existing market interest or to create market share; dictates tactical decisions such as the decision to employ a celebrity endorser, and the choice of their field. These alignments have been shown to achieve successful product launches through the creation of market momentum.

Consistency between the strategic aim of the launch and the signalling tools employed is shown to be the most crucial factor. If firms are to over amplify tactical product signals, this could in fact lead to a negative impact on the main strategic fragrances in the firm's portfolio which is counter productive.

Therefore it is crucial for firms to find the optimal level of signal intensity in line with the strategic aim of the product launch.

This chapter focussed on the fragrance industry in order to examine how firms launching products with little functional qualities into saturated hypercompetitive markets deal with the challenges posed by such market contexts, particularly the challenges posed by market cacophony and the non functional nature of the product. Dramaturgical launch processes which help amplify product signals must be carefully applied in order to balance between meeting pre-determined goals, avoiding negative impact on other key portfolio products, and aligning over all launch strategy with relevant signalling tools.

Finally, specific combinations of strategic and tactical launch decisions which reinforce each other to jointly drive success were tested. This is an attempt to bridge the gap in the literature which is yet to establish what tactical decisions are appropriate given the organisational strategic aims:

“Research has not established what tactical launch decisions are appropriate, given the strategic agenda which can be shown to lead to increased success.” (Hultink et al, 1998; p.272)



## **5. PRODUCT LAUNCH: A FIELD STUDY**

### **5.1 Introduction**

As discussed in the literature review chapter, product launch activities can play a crucial role in product success (Guiltinan, 1999; Hultink et al 2000; Langerak, 2004; Hultink and Robben, 1999; Hultink et al, 1997; Biggadike, 1979).

This chapter will address the environmental shaping processes which firms deploy to strategically target and influence constituents. These events in which firms introduce their products for the first time to key stake holders by means of staged gatherings aim to attract their attention and influence their evaluation of the product. Similar to the manner in which individuals use various tools and strategies to signal who they are, how they should be treated, and how they should be perceived by an audience, organisations are increasingly adopting the same strategies in launching their products.

There is a growing recognition of the need for organisations to surround their products and services in an experience. This can be explained by the fact that in today's market, relying on conventional differentiating factors such as price, quality and assortment is no longer sufficient to gain consumer attention and interest- particularly in markets where products have a primarily hedonic or aesthetic value.

Therefore organisations are in more need than ever to shape and manage the perception of their products, both in business to business settings and in business to consumer settings. In other words, there is a growing need for impression management. The term impression management is used to signify the strategic construct which includes deliberate attempts to manage and monitor relations between organisations and their various stakeholders (Schultz et al, 2000). The ideal point of time in the product's life cycle to manage its impression is at the early point when the market is becoming aware of the product introduction, i.e. the product launch stage. It is worth pointing out that reputation management on the product level translates into brand reputation and eventually to corporate reputation.

In this chapter the staging of the launch which is applied in many industries- particularly the fragrance industry and other parallel industries- to mark the introduction of a product to the market will be examined. In order to understand the dynamics of these events, it was necessary for the researcher to personally attend such launch events which take place in the fragrance industry.

This chapter will present the results of the study which were obtained through participant observation. The examination will be done within the framework of three complementary theories, namely: the Reputation Management perspective; the Dramaturgical perspective, and the Experiential Capital perspective.

## 5.2 Literary Framework

“There is a clear relationship between the steps involved in launching a brand of shampoo, software, or stereo and the visibility marketing process. Procter & Gamble does not simply put detergent powder in a box, give it an arbitrary name, establish a large advertising budget, and ask retailers to carry it. If companies were that casual about launching new products, the failure rate of new products would be even higher than its current level of above 80 percent.”(Rein et al, 2006; p.139)

The theoretical framework on which this chapter is based builds on several perspectives which address reputational management through means of staged organisational expressiveness. Such events are usually executed within a dramaturgical frame; with the aim of shaping and managing product reputation. As defined by Schultz et al (2000), corporate reputations “*are aggregate perceptions of outsiders about the salient characteristics of firms.*” (Schultz et al, 2000; p.79)

Reputation management however, is the wider repertoire of tools of which staged launch events is only one. Reputation management in the fragrance industry includes employment of external reputational resources such as celebrity spokespersons. In addition other complementary tools are used such as advertising; in store product presentation, the choice of distribution channel, and shaping product perception through the staging of the launch event. The above mentioned tools however function in very different ways: these tools aim to influence the end consumer’s evaluation of the product directly, whereas staged product launch events are designed to influence industry insiders and product critics primarily.

### 5.2.1 Reputation Management Theory

Reputation management describes an evolving set of practices which organisations use to manage and shape the interpretations audience make (Schulz et al, 2000); in doing so they are “*enhancing their ability to exploit a new source of competitive advantage that derives from cognitive assets-their reputational capital*” (Fombrun, 1996). There are two types of reputation management strategies: 1- An assertive strategy to enhance an already well established reputation, and 2- A defensive strategy to mitigate the effect of certain negative situations. The first strategy is of interest to this study. This is derived from what Goffman originally referred to as “*defensive practices*” and “*protective practices*” which individuals use together to manage their impression:

“Together, defensive and protective practices comprise the techniques employed to safeguard the impression fostered by an individual during his presence before others”. (Goffman, 1959; p.25)

Reputations are assessed by stakeholders through both organisational activities and informational signals (Fombrun and Shanely, 1990). The media plays a large part in the dissemination of reputations: newspaper articles, daily radio or television news, as well as other printed media outlets such as magazine may give an idea about how their stakeholders view their organisation’s reputation. Hence why these staged events primarily target these gatekeepers among buyers and others.

Schultz et al (2000) highlight social processes from which reputations crystallise. These are described as: the environmental shaping processes which firms deploy to strategically target and influence constituents; secondly, the collective assessment process that aggregates individual assessments of firms into reputational halos; and thirdly, signal refraction processes through which intermediaries that specialise in assessing firms convey interpretations to constituents. This is consistent with the reputation processes that take place in the fragrance industry as will be outlined later in this chapter. Considerable financial resources and human resources are deployed to facilitate environmental shaping processes where constituents are invited to abandon their conventional cognitive evaluation of the product, and to evaluate the product within a framework based on emotional and psychological appeal.

To take this perspective a step further, dramaturgical theory will be addressed. Dramaturgical theory proposes that individuals and products are actors which apply impression management tools and props on a stage before an audience, using scripts to present themselves to the audience in an effort to signal who they are and how they should be treated.

### *5.2.2 The Dramaturgical Perspective*

Studies on theatre often begin with Aristotle's *Poetics* which is the foundation of western understanding of theatre. Aristotle's notion of plot- what he called "the arrangement of the incidents"- forms the basis of any

staged experience and the sequencing of cues required to create the desired impression. This forms the foundation of relatively modern dramaturgical perspectives.

The dramaturgical metaphor comes from William Shakespeare who proclaimed that “*All the world is a stage and all men and women are players*”. Dramaturgical approaches emphasise impression management by actors as they present themselves to the audience through the use of props, and other staging devices to achieve strategic ends.

The dramaturgical perspective views that focussed encounters (Goffman, 1983) where individuals assemble in space, are embedded in a more inclusive social occasion composed of fixed equipment, distinctive cultural ethos, programs and agenda, rules of proper and improper conduct, and pre-established sequences of activities. Scripts are used to orient actors as they make strategic decisions about how they should behave in the encounter and about how they should present themselves to others (Goffman, 1959). Such presentations happen along several dimensions such as: 1- forms of talk, i.e. how individuals use words, pace, inflection etc; 2- use of rituals, which is a sequence of talk used to open or close or repair an interaction; 3- framing- i.e. what is being included or excluded from the interaction; 4- use of props such as chairs and tables or stage equipment; 5- categorisation of the situation as work, social or ceremonial; 6- role making- which signals to others the rights and obligations that the person can claim; and finally, 7- expressiveness which includes presentation of emotions. These are

strategies which are used to present the self to others in a manner which is targeted to achieve a pre-established desired impression. Such strategies can be translated into the inanimate world where products, organisations and markets are players.

The link between social science perspectives and business market perspectives is not uncommon. Rein et al (2006) draw on high visibility strategies of products to derive a framework for individuals seeking high visibility:

“The fact is that launching a personal quest for high visibility is very much like launching a new product or service.” (Rein et al, 2006; p.139)

The authors draw on examples of high visibility individuals such as Richard Branson, Donald Trump and Jennifer Lopez who use the aid of policy planners, advertising agencies, media advisors, venue agents, press agents, costume designers, all of whom work behind the scenes to orchestrate the production of their images, and to manage their reputational capital. In consistence with business management views on achieving high visibility product launches (Lampel, 2001; Lampel and Shamsie, 2000; Gilmore and Pine 1999; Fombrun, 1996), Rein et al (2006) argue that high visibility revolves around the principle benefit of gaining attention: a requirement in today’s economy where people, places, and products all compete for attention.

This chapter particularly focuses on the product launch staging events which are deployed to draw industry insiders' attention to an upcoming product launch. These launch events are primarily used as a launch preannouncement tool to create awareness in the industry, and to generate favourable press coverage which will in turn influence consumer perception. Such events are widely used in the mobile phone industry, the passenger car industry, the film industry, the airline industry, and the fine fragrance industry among others. Examples of these will be incorporated to demonstrate the relevance of this chapter to a wide variety of industries. Event analysis in this chapter will draw on the literary framework which emphasises the role of the dramaturgical approaches in reputation management.

Although theorists of dramaturgical perspectives such as Goffman, Hochschild, and Thoits among others address sociological issues, this chapter will address the dynamics of focussed events. These are events which aim to preannounce a product launch by means of staged gatherings primarily aimed to attract attention. This can be a particularly valuable tool for organisations launching products in the context of today's economy where successful launches are those which are able to endow products with meanings and symbolic expressiveness:

“Thus increasingly organisations compete based on their ability to express who they are and what they stand for. Emotional and symbolic expressiveness is becoming part of the experience of doing business”. (Schulz et al, 2000; p.1)



This can be explained by the fact that in today's market, relying on conventional differentiating factors such as price, quality and assortment is no longer sufficient to gain consumer attention and interest- particularly in markets where products have a primarily hedonic or aesthetic value such as fragrances. Therefore organisations are in more need than ever to shape and manage the perception in business to business settings, and in business to consumer settings. The term impression management is used to signify the strategic construct which includes deliberate attempts to manage and monitor relations between organisations and their various stakeholders (Schultz et al, 2000). In terms of the product life cycle, the product launch stage is the ideal point of time during which organisations can create and manage product impression.

Attention will now be drawn to the experiential factor in which the product launch is embedded.

### *5.2.3 The experiential Capital perspective*

In addition to the two theories which form the framework of this chapter; namely: impression management and dramaturgical theory; a third perspective which emphasises the importance of endowing a product or service in an experience will form part of the theoretical basis. As discussed previously, in today's economy it is no longer sufficient to base competition on conventional differentiating factors such as price or quality. The experience perspective, reiterates this by adding that in today's economy,

successful organisations differentiate their product or service offerings based on the unique experience they offer. This sits at the core of the fine fragrances industry where the relatively intangible nature of the product dictates product differentiation strategy through the creation of product experience. The whole repertoire of events, strategies and tools deployed by organisations in the fine fragrance industry revolve around the creation of experiential capital. In addition, this is widely applied by a variety of rather tangible product manufacturers such as automotive manufacturers who have excelled at enhancing their in-vehicle experience. Other examples include Nike who was able to turn training shoes to a “cross country experience”; as well as Coca Cola and Pepsi who are continuously depicting the emotions which their consumers would experience upon consumption of their products. As Pine and Gilmore contend (1999):

“Those businesses that relegate themselves to the diminishing world of goods and services will be rendered irrelevant. To avoid this fate, you must learn to stage a rich, and compelling experience.” (Pine and Gilmore, 1999; p.25)

This is not to say that to stage an experience simply means adding entertainment to existing offerings. Staging an experience is not about entertaining constituents, but rather its primary aim is to engage and capture their attention. Pine and Gilmore (1990) contend that there are four dimensions to this engagement. One dimension is the level of guest participation, and there are two ends to this spectrum: passive participation, where the guest does not influence the performance; and active participation, where the guest affects the performance. The second

dimension describes the kind of connection that unites the guest with the event, and this spectrum ranges from absorption; which engages the guest by bringing the experience to the mind; and at the other end of the spectrum is immersion, where the guest physically becomes part of the experience itself.

This model goes further to describe the four realms of experience which these dimensions create, namely: the entertainment realm, the education realm, the escapist realm and the aesthetic realm. The entertainment realm is the result of guests being passive viewers who absorb the event. Secondly, the education realm occurs when guests are active participants who are absorbing the event. The third realm is the escapist, where guests are immersed in an event and are active participants, in fact, these involve much greater interaction than entertainment or education experiences as the guest is completely immersed in the experience. Examples of this are theme parks, casinos and virtual reality environments. The fourth realm is aesthetic, where guests immerse themselves in the event without affecting the event itself; examples of these include visiting art galleries, or being on the rim of the Grand Canyon. Pine and Gilmore (1990) assert that the richest experiences are those which encompass aspects of all four realms.

In line with dramaturgical theory, impression management and experience capital theories both agree on one level or another that these are in fact signalling activities which send messages about the merits of the product or the individual being presented. Whether those activities involve the

presentation of an individual or a product on a stage using particular cues, props or scripts to manage their impression, or whether it is firms surrounding their products in an experience, these activities have the common denominator of sending particular calculated signals about the presented subject.

In conclusion, the three perspectives presented above create a theoretical framework based on which products can be effectively preannounced to industry insiders. This is particularly important as it stems from the need for certainty creation in markets characterised by new product launch proliferation. Subsequent dissemination of information which organisations deliver to convince consumers of the merits of the product can cause a barrage of information. This can stand as a barrier between organisations and consumers. Therefore, shifting the product communication strategies from the literal form to the experiential form can overcome such barriers. This in turn can transform the manner in which consumers and industry gatekeepers evaluate the product:

“History shows that simply communicating the characteristics of new technologies is usually insufficient to overcome the scepticism that confronts major innovations. This has frequently led innovators to stage the introductions of new technologies into the public arena in such a way as to dramatise their performance and application...These occasions are scripted as dramas. (Lampel, 2001; p.303)

The need to change the manner in which products are evaluated stems from the fact that in failing to convince consumers and gatekeepers of the merits of the product, organisations face the risk of product launch failure. This

failure would result in blocking any potential financial resources which would normally be invested in funding further product support activities that can optimise the product's life cycle; thereby resulting in premature market exit.

Dramas are seen as attempts to overcome such problems by shaping the environment surrounding the product introduction. The aim is to manage the manner in which the product is evaluated by shifting it from a detached approach where evidence is weighed against claims, to one where uncritical enthusiasm dominates and where the audience adopt the role of immersed participants. This links back to Pine and Gilmore's model presented earlier; and would fall under the immersion area of the spectrum. In terms of the second axis of the model proposed, i.e. the dimension addressing the level of guest participation; this perspective calls for active participation rather than passive participation of the guests:

“From a dramaturgical point of view, therefore, the innovator's task is as follows: they must lure viewers away from their stance of detached observation and make them into active participants. They must insinuate dramaturgical conventions into the staging so as to encourage viewer/participants into a collusion in which commitment routines predominates over critical routines.” (Lampel, 2001; p.310)

Furthermore, as discussed at the start of this chapter, staged launch events in the fine fragrance industry, function as a tool for preannouncing an upcoming product launch to industry players. The problem that firms face is that they normally rely on critical evaluation by key industry constituents. A second challenge is that the market is extremely saturated with similar

products, thus making it more difficult for those firms to send visible launch signals.

Dramatic communication disables critical evaluation routines (Lampel, 2001) by inviting consumers into the “theatrical frame” (Goffman, 1974). This enables spectators to abandon their role as detached observers, and engage in commitment evaluation routines; i.e. evolve into immersed guests at the event (Pine and Gilmore, 1999). Such events are of considerable importance in the context of this study for reasons relating to the nature of the product’s sensory and psychological qualities. Building hype by preannouncing the launch through what is essentially a spectacular staging of launch events is designed to influence opinions of constituents (such as retail store buying directors, public relations, publishing houses directors, journalists, and investors) whose actions are critical to the success of the product launch.

In gaining the acceptance of key constituents who are seen in the fine fragrance industry as “opinion formulators”, organisations gain wider consumer acceptance of the new product through the influence of these selected few. This is in line with two perspectives outlined in this chapter: the first being Schultz et al’s (2000) environmental shaping processes which firms deploy to strategically target and influence constituents. Secondly, this is in line with signal refraction processes whereby intermediaries convey interpretations to constituents. Furthermore, this is supported by Lampel’s contention (2001) that the adoption of new products begin with influencing

the perception and behaviour of a small number of key actors, which in turn impact wider product perception. This is described as the “threshold contagion” (Marwell and Oliver, 1993).

Examples of such events are drawn from the locomotive and the technology industry as well as the modern film industry which is notorious for its film premiers and festivals designed partially as a spectacle for the public, as well as being a trade fair for industry insiders. An interesting example is drawn from the Pioneer Zephyr which is the first diesel locomotive. It was revealed in 1934 to the public as part of a non-stop journey from Denver to Chicago and it arrived on the dawn of the opening day of the World’s Fair, where the train ran onto an open air stage (Lampel, 2001). Another example is AT&T’s introduction of the picture phone, which was the first video telephone system. The drama started with the system’s inauguration by Lady Bird Johnson who used the video connection to place a call to the White House in front of a press crowd. Steven Jobs rented the San Francisco symphony hall for the unveiling of the NeXT computer. These are a few of the examples which demonstrate that organisations place considerable importance to staging product launches and expend a great deal of effort in organising and staging these dramaturgical launch events. The next section will address the nature and the role of such events in the fragrance industry so as to clarify the background of the data collected in this chapter.

### 5.3 Launch Event dynamics in the Fine Fragrance Industry

The logic of dramaturgical theories is that behaviour is a strategic performance on a stage in front of an audience, and performance is scripted and performed using props and characters. (Goffman, 1959,1961, 1969,1974,1983; Hochschild, 1979, 1983).

Reference to an event in this chapter is strictly limited to the staging of the event within a theatrical frame rather than the whole repertoire of tools used to launch the product. Having said that, it must be noted that in the context of this study, the staging of launch events is a form of preannouncement targeted at industry insiders. These events are used to preannounce an upcoming product launch three to six months prior to market launch. The pre-launch announcement aims to inform journalists, magazines, retailers and the media about the upcoming fine fragrance launch. In other words these events are a form of preannouncing a new product launch to a network of industry insiders, who represent the key to consumer acceptability and positive evaluation of the product.

In the fine fragrance industry, organisations employ a launch event as a signalling tool. The magnitude of investment and effort made to create these events signal the strategic importance of the product to the company. These events are generally organised to launch strategic products rather than tactical products. Strategic products are those which are launched with the objective of market share creation and are usually called “pillar” products.



Tactical products are defined as products launched with the objective of maintaining current levels of market share.

As discussed earlier, fine fragrance launch events are not targeted at consumers; rather, these are events which aim to gain the interest and awareness of industry buyers, public relations, the press, beauty editors and major magazine publishers. Once this awareness and interest in the product has been created, this network of industry players can be the key to the product's success in the market. Major department store buyers such as Harrods, Debenhams and John Lewis need to be personally convinced of the merits of the fine fragrance before accepting to "list" the product in their department stores; similarly, magazine and newspaper editors and public relations managers need to be involved in the launch event not as critical spectators, but as participants who are in a position to relate the story of the product in a positive light to end consumers.

The essence of these fine fragrance launch events is the fact that they are dramaturgical productions, created in a theatrical framework, where there is a stage, audience, players who follow a pre-designed script, props and music; all of which are designed coherently to achieve a pre-determined goal in terms of impression management. These theatrical productions have a number of key strategic purposes: Firstly, these events act as a product signal amplifier in a cacophonous market where consumers are overloaded with information. Secondly, these events bring together a network of industry players whose acceptance of the product is crucial to the product's

success on the market. Thirdly, the size and the magnitude of the event is a powerful signal to the industry about the strategic importance of this product to this organisation, thereby acting as a market product positioning tool. And fourthly, the magnitude of the launch event also acts as an organic reputational resource alongside other external reputational resources such as the employment of celebrity endorsers.

One of the key success factors is for the product to be able to secure shelf space. The success of the “press launch” event, in addition to the impact of the advertising campaign among other factors will determine the negotiation power for the product. If it’s an unknown brand, product image is usually created through exclusive launches within a prestigious department store for an agreed number of weeks, and then the product usually rolls out to the rest of the pre-determined distribution outlets once the image is well established. An example of this is *Narciso Rodriguez Woman* which was sold exclusively at Harrods for a period of four weeks before it was available through other selected UK retailers. A second example is *Flower Bomb* by Victor & Rolfe- a relatively unknown brand in the UK at the time- which was sold exclusively at Harrods for four weeks before it became available through other stores. This acquired visibility provides negotiation power for the brand managers and ultimately optimum shelf space: eye level, exclusive middle shelf, and a whole shelf, front of store and so forth, i.e. a highly visible in-store location.

## 5.4 Methodology

A number of rare opportunities of organisational access presented themselves to the researcher during the course of her research when she was invited to attend product launch events typical to the fragrance industry, thus the researcher decided to attend these events and incorporate them as part of her study guided by the framework of participant observation research method.

The data collection in this chapter is derived through closely studying and being immersed in the events which form the subject of the study. As discussed above, fragrances are presented within a dramaturgical frame to industry insiders who constitute the role of gatekeepers. This is done with the aim of converting the stake holder's evaluation routine from what is normally a critical one to a commitment evaluation routine. In order to best understand the process and the impact that such events have on participants, the researcher decided to conduct a qualitative study. A number of these events are studied through participant observation research method.

Participant observation is a qualitative form of research which derives from the work of social anthropology. Its emphasis is on discovering the meanings that people attach to their actions, unlike structured observations which are quantitative and are more concerned with the frequency of those actions. Participant observation is where *“the researcher attempts to participate fully in the activities of subjects and thus becomes a member of*

*their group, not merely observing what is happening, but also feeling it.”* (Gill and Johnson, 1997; p.113). Delbridge and Kirkpatrick (1994) note that participant observation implies a research strategy of immersion by the researcher in the research setting, with the objective of attempting to learn their symbolic world. In other words in participant observation the purpose is to discover those delicate nuances of meaning which are otherwise impossible to discover through other forms of research methods such as surveys or interviews.

Gill and Johnson (1997) develop a categorisation of the role that a participant observer can adopt; which includes: complete participant, complete observer, participant as observer and observer as participant. The first two involve the researcher hiding her identity with the advantage of not influencing the behaviour of the research subjects being studied. The second two involve the participant revealing her identity as a researcher. In the case of an observer as participant, here the researcher takes on the role of a spectator. Finally, in the case of the a participant as observer the researcher tries to discover other participants' feelings about the experience through speaking to as many of them as possible and by stepping into their role to experience the event from their perspective.

The researcher in fact adopted the last form of participant observation: participant observer. This choice was largely determined by factors such as the purpose of the research and the nature of the data studied. The researcher's aim is to discover guests' perceptions of such launch events,

and how they felt about the product and the event: questions to which they would not normally feel defensive towards. It was therefore decided that there was no need to hide the researcher's identity. Secondly the researcher wanted to experience the event as participants would by stepping into their role; thus the decision to adopt the role of participant as observer.

Delbridge and Kirkpatrick (1994) categorise the types of data generated by participant observation as primary, secondary, and experiential. Primary observations are those where the researcher would note what happened or what was said at the time. Secondary observations are statements by observers of what happened or was said. Experiential data are those data on the researcher's perceptions and feelings as he or she experienced the process being researched. In this context, there are three types of data generated: the researcher's observation generated primary and experiential data which were recorded in a diary. However events documented from various other industries are in fact secondary data.

Data on factors material to the environment shaping activities such as roles played by key participants, the progress and sequence of events, props used, behaviour towards and treatment of guests, the sensory aspects such as lighting and music were also recorded as part of the data collection process. The data collected in this chapter is classed as a narrative account resulting from descriptive observation (Robson, 2002; p. 320). Descriptive observation generally concentrates on observing the physical setting, the key participants and their activities, particular events and their sequence,

and the attendance processes and emotions involved. This is particularly important to data collection in the context of this chapter, and the researcher made a detailed record of all such aspects of the events attended. In order to ensure that all details are captured, the researcher also made a video recording to capture all the sensory aspects of the events, and the overall experience that was created by the firm on that day.

In participant observation research, data collection and analysis activity may be part of the same process (Gill and Johnson, 1997); i.e. analysis and collection of data are carried out simultaneously. The events attended yielded the data that was recorded on the spot. These rough notes were then turned into a narrative form.

As in the case of all research methods, participant observation has its advantages and disadvantages. The advantage of participant observation method is that it is *“very high on ecological validity because it involves studying social phenomena in their natural contexts”* (Saunders et al, 2003: p. 229). Moreover this research method affords the researcher the opportunity to experience such events first hand. The disadvantages which this method poses is that the data recording can be difficult to maintain during the event itself, however in order to avoid any loss of data, the researcher recorded all un-noted data immediately after the event, and secondly, the researcher recorded all events on a video camcorder. Another general disadvantage to this method is that access to organisations may be difficult, making this method rather opportunistic. In that respect, the

researcher was fortunate to have access to several organisations that allowed her to participate in their launch events.

The next section will outline the events in the form of narrative accounts as suggested by Robson (2002; p. 320). Some of these events were attended in person; others were derived from organisational archives. In addition to events from the fragrance industry, there will be narrative accounts describing examples from other industries, whereby staged launch events concentrate their efforts on gaining the attention of external stakeholders who play an important role in the success of the product launch.

These examples of product launch events reflect the importance organisations attach to staging their product launches in the most effective dramaturgical realm, and engaging the senses of the audience. The importance placed on such events is also reflected in the time and financial resources invested in the creation process.

### 5.5 Product Launch Event observations

The researcher participated in two launch events. The first event was for the launch of a fine fragrance by Ted Baker, the fragrance name is *Second Scent*. Ted Baker is a middle high street fashion retailer. The second launch event was the launch of *Donna Karan Gold* fragrance which was licensed to Estée Lauder. The rest of the events described in this chapter constitute secondary data, which was gathered from brand directors and from internet

archives. The following are the details of the launch event which were attended in person. The first is an event which was organised by a fashion firm called Ted Baker, to introduce their new women's fragrance *Second Scent*. This event took place in Covent Garden in London over a breakfast invitation where they met with the perfumer and senior management, and were then given a tour around a flower market and educated on the art of perfumery. The researcher attended this event, and was treated as one of the guests at this event, while her identity was revealed as a researcher to both the organisation and guests.

*Launch of Second Scent Fragrance by Ted Baker Thursday 19<sup>th</sup> May 2005*

The “*objective of the launch event was to create excitement and standout around the launch of Second Scent - the new female fragrance in the Ted Baker fragrance portfolio - in an credible and memorable way*”. These are the words used by Ted Baker briefing the media agency who was in charge of organising the event.

The launch event took place in Covent Garden's Flower Market on Thursday 19<sup>th</sup> May 2005, between 7.30 to 9.30am.

The Communication Store (the event organisers) created an intimate launch event whereby ten “heavyweight” journalists from key target publications were invited to the Covent Garden Flower Market. This location fitted perfectly with the new scent which is a floral-based fragrance containing a



number of flower-based ingredients. The event was organised at a private room within the market's restaurant, which was decorated in Second Scent point of sale material, samples of the fragrance with scent strips in order to encourage testing; and beautiful arrangements of flowers in-fitting with the colour-scheme of the fragrance's packaging.

To fully engage the guests and to lend valuable credibility to the launch, organisers employed the services of the Flowers & Plants Association which is a recognised flower and plant industry authority. The Flowers & Plants Association worked alongside the Flower Council in Holland to promote flowers and develop new flower trends. A representative from IFF (the fragrance manufacturer who produced the fragrance 'juice'), was also on hand to answer any specific questions relating to the olfactory characteristics of the fragrance.

Individual taxis collected each guest from their respective homes at 7.00am on the morning of the 19<sup>th</sup> of May. The Communication Store representatives were at the door to greet us; we were then guided through the market, marking our first introduction to this colourful, aromatic place, then into the private room. Once all guests arrived we were seated around a main centrepiece table and served breakfast. We were then addressed by Andy Hill, Managing Director at KMI (the company which was licensed to launch and market the brand in the UK). Following a brief introduction of the fragrance he proceeded by introducing Kate Kenyon, the communications manager at the Flowers & Plants Association who

presented a flower and fragrance trends presentation to the guests together with a speech on how fragrance affects individuals. Second Scent fragrance was introduced by discussing its creation process, the inspiration behind the fragrance, the notes and by encouraging us to sample the fragrance.

As a parting gift all guests were presented with a 'little something from Ted': £50 to spend at the flower market. We were split into groups of five and guided around the market with Kate and her colleague from the Flowers & Plants Association who was able to offer us advice on flowers, plants and scents.

To conclude the launch The Communication Store placed Ted Baker Second Scent gift bags containing press release, fragrance sample and copy of the book 'Bloom' in each of our returning taxis.

During the event, the researcher spoke to a number of participants about how they felt about the event. The following are comments made by attendees:

Becci Field, Glamour Magazine:

*"I think these guys are the first to do something like this – it's so incredibly unique – I don't think I've been to anything like this before. I've had a great time".*

Joani Walsh, Spirit:

*"I bought so much, the poor taxi went to drop off all the plants and flowers to my home first and I probably won't get in to work till 11! My son's just called to say he found a tree in the living room! Anyway, one giant fuschia, a huge bunch of lilies, a massive tray of lobelia (I think!) and a big old weird lavender thing later (phew), I'm all flowered out. It was great. Should be able to get it in to August".*

Sarah Green, New Woman:

*"I absolutely love my tulips and everyone here is very jealous of them. The best press brekkie ever - bacon sarnies and crumpets"!*

Catherine Turner, Easy Living:

*"I had a lovely start to the day at the flower market! I thought Kate from the Flowers and Plants Association was full of ideas and made really interesting points about the fragrance – I made lots of notes. I am taking my roses home to perfume my flat".*

MaryAnn Ellis, Freelance:

*"The flowers are fab as is the fragrance".*

Janine Phillipson, She:

*"What a great way to launch a new fragrance – I can't believe no-one has thought of it before".*

Upon contacting the Communication Store following the event, I was informed that they have sold the Second Scent story into key publications to drive coverage. Each of these thirty journalists have been sent Second Scent gift bags containing press information, fragrance sample and a bespoke beaded necklace, created by a specially commissioned jewellery designer.

All other secondary consumer media was sent press information and product samples while regional media was targeted with press information only and samples upon request.

Guests at the event unanimously expressed their experience to the researcher as unique. To them it was unique in terms of its chosen location, and the time of the day. The attendees listed above represent what is seen in the fragrance industry as gatekeepers and opinion formulators who are able to influence the consumer through their product reviews. As an attendee to this event the researcher notes that the guests were transported into an environment which played on creating psychological value; the fragrance was seamlessly presented within a theatrical frame using props, scripts, characters and other artefacts. And from interacting and speaking with the guests, as well as experiencing this event first hand, the researcher found that the experiential factor strongly played a role in positively influencing the guests' evaluation of the product.

The second event which the researcher attended in person was a launch event for a fragrance by Donna Karan. Estée Lauder adopted the project and the organisation of the event itself was orchestrated by Purple Communication PR Company. Donna Karan is a couture fashion designer based in New York. Estée Lauder has previously worked on other DKNY fragrance projects such as Be Delicious and Be Delicious Red. The event was attended by the UK Managing Director of Estée Lauder and Ms Donna Karan, the fashion designer, as well as a few celebrities and social elites. Unlike the previous event, this event took place at the New Bond Street

Donna Karan flagship store in an evening which featured live music. Access was restricted and was limited to people on the guest list. The following is a narrative account of the launch event.

*Launch of Donna Karan Gold Fragrance by Donna Karan 16<sup>th</sup> of November 2006*

The event started at 7pm in the New Bond Street Donna Karan store which is composed of three floors. Paparazzi lined both sides of the entrance. Two smartly dressed (black tie/ formal dress) people stood at the door with the guest list which is checked as the guests arrive. Each guest was given a black silk bracelet with a gold piece which was scented with the new fragrance. Guests were ushered inside the store where two ladies took the coats. Two security men were inside the store on either side of the door. The three floors were full with guests, and music was playing loudly. A number of waiters with trays were offering food and drinks. Around 8:00pm a live band started playing for almost 30 minutes, following that the DJ continued to play various types of music.

Four hundred and seventy guests were present; they included beauty editors, publishers of top magazines such as G&Q, celebrities such as Lindsay Lohan and princess Maria of Greece, Donna Karan, Donna Karan, high profile clients and social elites. The party was also sponsoring a children's charity called "Over the Wall".

I asked many people what they thought was different or similar to other perfume launch events they attended and the common answer was that this event included no presentation of the fragrance, secondly it is unusual for the designer i.e. Donna Karan to be closely involved in the launch of the perfume, it is usually Estée Lauder who is at the front end of these events.

The event lasted until 12:00pm. Upon leaving I was presented with an elegant gift bag, the colours of which matched the theme of the fragrance, black and gold. It contained leaflets about the charity, a fragrance bottle and the catalogue of the Donna Karan Gold fashion collection, which was also perfectly aligned with the theme of the fragrance. Outside, the paparazzi were still taking photographs of guests as they left. The outside façade of the store was decorated with the same Donna Karan fragrance theme in black and gold. Lindsey Lohan's appearance triggered visible media coverage in the UK as she was photographed with Donna Karan holding the fragrance; this was later seen in various mainstream newspapers and magazines.

The third event covered for the purpose of the field study was the launch of *Island* by Michael Kors in May 2005, a fragrance which was also licensed to Estée Lauder. Michael Kors is a high end fashion retail brand, which is positioned in the premium fashion category. This is the brand's first fragrance launch. The narrative account of this event is based on secondary data as described in detail during face to face interviews with the brand

directors. This was also verified against the firm's archives which recorded the particulars of this event.

*Launch of Island Michael Kors Fragrance by Michael Kors May 2005*

The launch of Island Michael Kors was based around three main events: a press meeting with Michael Kors, a cocktail party and a personal appearance of Michael Kors at Harrods where the fragrance was sold exclusively.

The press meeting with Michael Kors included key beauty directors who were invited to exclusive group press meetings that took place in Claridges hotel in London. There were several meetings as such at Claridges for breakfasts, lunches and teas; during which Michael Kors discussed the inspiration behind the fragrance, and the fragrance concept. The beauty directors had a chance to truly understand the story which they would then write about in the press. The second event was a cocktail party which took place at Michael Kors' £14 million luxury apartment in Knightsbridge to which the beauty directors, influential socialites and celebrities were invited. The fragrance was displayed on a large table covered in white linen and an image of the model that was the face of the fragrance. During the party, Michael Kors was surrounded by the guests as he informally explained the concept of the fragrance by stating that the bottle was inspired by the sparkling water of the Caribbean. He went on to explain that:

“layers of turquoise glass shimmer like waves beneath the clear bright surface of the bottle: a cascading waterfall of sparkling reflections that dance throughout the bottle. The outer carton is covered with soft turquoise linen. The fragrance is an infusion of rich humid florals with a touch of exotic fruits and sparkling tropical water is transported with subtle notes of driftwood and white bark.”

The third event revolved around Michael Kors’ personal appearance at Harrods where the product was sold exclusively. Prior to his personal appearance, hype was created in the run up for his appearance, the media were notified and an advertisement in the Evening Standard was placed to announce his appearance. In addition, customers from a 7500 strong database were notified via e mail. The store was exceptionally crowded with photographers, press, and mostly customers who were gathered around a glass table where Michael Kors was seated with the product development team, including the Managing Director of Estée Lauder in the UK. Two fragrance bottles were visible on Michael Kors’ table, and a life size image of a Caribbean beach was placed behind him to recreate the mood that the fragrance is trying to evoke. In addition there were glass columns around the store and the counter resembled the turquoise fragrance bottle.

Following this, in a presentation by Estée Lauder on the 26<sup>th</sup> of July 2006, it was reported that the event became a new Harrods record for a personal appearance and achieved in excess of the day’s sales targets. It is noted that throughout June 2005, Island Michael Kors represented over 80% of the Aramis and Designer Fragrance sales at Harrods (According to information CD received from Estée Lauder Managing Director, Estée Lauder, 2005).



This event clearly drew on creating intimacy between the designer and the fragrance. The guests were invited to the designer's home, and were free to hold informal conversations with him in a relaxed and personal space. This launch event attracted considerable attention through the personal appearance of Michael Kors at Harrods. However, unlike the previous two events above, this event also attracted the attention of the end consumer directly through the in store personal appearance of the celebrity designer. This event was preceded by an event which took place at Michael Kors' home, where gate keepers' evaluation of the product has already been influenced and formed in a relaxed and a rather more personal environment.

The fourth event included in this chapter is the launch of L'eau Bleu D'Issey which was a new men's fragrance from fashion label Issey Miyake. This launch took place in July 2004 in New York. The narrative account of this event is based on secondary data collected during an interview with the managing director in charge in the UK. This was also checked against recorded organizational archives of the event. The event which took place in New York, took the form of a large spectacle using artistic lighting and sound effects in a large space.

#### *Launch of L'eau Bleu D'Issey by Issey Miyake July 2004*

Issey Miyake licensed its fragrance marketing and development to cosmetics company, BPI who approached DSA Productions based in New York. The president of DSA Productions was in charge of the event

organisation, design and execution. In the absence of a celebrity spokesperson, DSA Productions was faced with the challenge of capturing and sustaining the interest of a highly critical audience of journalists and magazine editors, who have become accustomed to the frequent luxurious; meticulously planned fragrance launch events. Their strategy was to rely on the element of surprise by staging a grand reveal. The president of DSA Productions is quoted to say that “*impressing the 200 guests required a very theatrical approach*”. (Skovron, 2004, as quoted on DSA Productions’ website [www.dsaproductions.com](http://www.dsaproductions.com)) There was great emphasis on setting the stage prior to the actual performance, and great attention was dedicated to engaging the audience on a psychological level, thus inviting them to the theatrical frame:

Playing off the Beaux-Arts architecture of the event venue, the Celeste Bartos Forum at the New York Public Library, DSA designed a “room within a room,” using white silk to create a three-walled kabuki drop. Custom-built white benches and muted lighting effects, including gobos that flashed fragrance-themed words such as “aromatic” and “intense” onto the walls, created a soothing scene before the big reveal. Skovron brought on New York-based audiovisual company Scharff Weisberg to create the smoke-and-mirrors effects that he envisioned. “I told them, ‘Make it illusionary and make the audience think that they saw something breathtaking.’” (Skovron, 2004, as quoted on DSA’s website [www.dsaproductions.com](http://www.dsaproductions.com); accessed 15<sup>th</sup> March, 2005)

Once the stage setting was prepared, the performance took place: a speech was made to introduce the fragrance, the walls dropped and the room's lighting changed to a deep blue colour in line with the name of the fragrance. On all sides of the audience, lighting illuminated dramatic displays of the fragrance bottles which was noted to have surprised the audience: "*When the kabuki dropped and the light changed, people applauded. All of the reactions I wanted were there.*" (President of DSA Productions, Mr. Skovron, 2004)

This event was truly theatrical in the classical sense. The organisers literally built a stage and played on the spectacle grandeur, and the element of surprise in revealing the fragrance to the audience. The dramaturgical frame in which this fragrance was introduced was designed to impress and sustain the interest of a highly critical audience who have become accustomed to exquisitely planned launch events. The audience was invited to step into the theatrical frame, and this once again demonstrates yet another example of tactics deployed to engage critics on an emotional level during their evaluation routine.

The following is a description of a launch of *Mohora*, a women's fragrance by Guerlain. This event which took place in Sydney-Australia, was not attended by the researcher, and the narrative account is based on secondary data provided during an in depth interview with a senior manager of Guerlain at the London office and a second interview at the Paris office. This event was documented and recorded in the organisation's archive. The

researcher was allowed to view the document and to view images of the event in order to cross reference the events narrated during the interview.

The launch event of *Mahora* took place at a harbour in Sydney in the form of a theatrical setting, but in a rather different sense than the event in New York. The event was based on a mobile stage, and attendees were transported on a boat to a man made Island where the fragrance was revealed.

#### *Launch of Mahora Fragrance by Guerlain June 2000*

This was a major fragrance launch designed to tell the story behind the fragrance: a mythical tale of a traveller who discovers a 'sixth continent'. The theme of the event revolved around the following plot.

“Our objective was to devise a theatrical presentation to tell this story. Thomson Street wrote a script, commissioned a soundtrack, recorded voice-overs and worked with designers, choreographers and dancers to create a truly unforgettable evening.” (Interview with UK & Ireland Managing Directory, Guerlain)

Three hundred guests cruised around Sydney Harbour on a glass-sided boat. At a given moment, the boat stopped and the sixth continent, previously unseen in the dark, the continent became visible.

A beach on Sydney Harbour had been transformed into the sixth continent. Evocative lighting and smoke wafted across the harbour.

Spectacular displays of dance and theatre moved around giant props, including a six-foot revolving *Mahora* fragrance bottle. The soundtrack and voiceover were broadcast through a radio-link to the boat, and a purpose-built five metre wide video screen projected the event from the shore to the boat.

The launch was heralded "the best in the world" by Jean-Paul Guerlain, the creator of the fragrance." (As archived on Thompson Street database [www.thompsonstreet.com](http://www.thompsonstreet.com)). The spectators were then escorted to the Island where they were invited for dinner while live music played. Following that they were escorted back to boat and transported back to the harbour. The majority of these guests were composed of journalists and media gatekeepers who were flown in from overseas at the expense of Guerlain.

It is clear that Guerlain attached importance to this event by dedicating a considerable financial budget and extensive planning. It also became clear to the researcher during the interview that such launch events are of strategic importance to Guerlain as they are used as signals to stakeholders: signalling the importance of the launch to the firm; and secondly, a signal which communicates the psychological and intangible qualities of the fragrance.

The next launch event was based on secondary data, and was not attended by the researcher in person. The details are obtained from the Financial

Times newspaper on the date of the story's publication. The event marks the launch of Armani Mania fragrance sponsored by L'Oreal Luxury Products.

*Launch of Giorgio Armani's Armani Mania by L'Oreal Luxury Products in November 2004*

The event took place in November 2004 by the French Riviera. Forty beauty editors were flown to the launch event. The guests, who arrived in a private jet, were transported in a limousine in a tour around the winding coastal roads of the elegant resort. Welcome drinks on the terrace of the hilltop of Hotel Splendido were followed by a walk down the port and a leisurely lunch overlooking the forest. Subsequently, there was a presentation in a small theatre, and a walk around the town's sixteenth century castle where guests were invited to a workshop on the psychology of scents were part of an expertly choreographed day. Guests were then ushered to Mr Armani's holiday residence for refreshments on a scenic terrace. In the evening the guests were escorted back to the hotel for dinner. The author of the article estimated that this may have cost in the region of £200,000. (Perfume gets personal, FT, 2004)

Again the financial resources and the human resource effort dedicated by the organisation are indications of the strategic importance placed on such launch events. Organisations realise that in order to win the approval of a highly critical audience, techniques which aim to convince them on a cognitive level need to be replaced by those which play on convincing

critics of the merits of the product within and psychological realm. These events create a link to the critic’s emotional field.

5.6      Analysis

Pine and Gilmore’s proposed framework will form the basis of event categorisation. The framework is based on two dimensions: the level of guest participation in the event, either as active participants or as passive participants. The second dimension describes the kind of connection that unites the guest with the event, and this spectrum ranges from absorption-which engages the guest by bringing the experience to the mind; and at the other end of the spectrum is immersion, where the guest physically becomes part of the experience itself. As discussed earlier in the chapter, the model contains four realms: entertainment, education, escapist, and aesthetic. The following table summarises the events along those dimensions.

Event	Entertain	Education	Escapist	Aesthetic
<i>Second Scent- Ted Baker</i>		✓	✓	✓
<i>Gold -Donna Karan</i>	✓			
<i>Island- Michael Kors</i>	✓	✓		✓
<i>l'eau D'Issey- Issey Miyake</i>	✓			✓
<i>Mahora- Guerlain</i>	✓		✓	
<i>Armani Mania- Giorgio Armani</i>	✓	✓	✓	✓

Figure 5-1:      Summary of event analysis using Pine and Gilmore’s (1999) model of staging an experience.

In analysing the events from the perspective of Pine and Gilmore's model as discussed above; during the first event- Ted Baker's Launch of Second Scent, guests were actively participating by engaging in a conversation with each other during breakfast, and touring the flower market. In terms of the model's level of guest participation dimension, the guests in this case were active participants; i.e. the guests were influencing the performance through the dynamics of their interaction with each other, with the organisers and with the environment at the flower market. In terms of the second dimension of the model, which describes the kind of connection that unites the guest with the event, the guests were certainly immersed in the activities throughout the event.

Looking at where this event would fit in the model's four realms, it becomes apparent that this event is a combination of several realms. Firstly, there is certainly an element of education as Flower and Plants Association's communications manager Kate Kenyon educated guests attending the launch about the science of scent, and current fashion trends in cut flowers. Therefore, this constitutes the educational realm. Secondly, this event had an element of the escapist realm, as guests were completely immersed in the experience; in the same way as they would have been in a theme park. Finally, there was an aesthetic element to the event environment; i.e. the flower market. The event was relatively immersed in the aesthetic realm. The three realms in which this event existed are not of equal intensity: the most apparent realm in which this event existed was the educational and the escapist realms. Upon interviewing Ted Baker's director; he informed the



researcher that the aim of the event choreography was for the guests to “*experience something different and refreshing that they will remember.*” (Interview with Ted Baker, Brand director, June 2005).

The second event which marked the launch of Donna Karan Gold, took a very different form. What looked like an entertainment event lacked any form of educational element. The guests were briefly absorbing the performance of the musicians for less than an hour, however throughout the rest of the event, the guests were active participants as they networked and interacted with each other, while food and drink was available and music and lighting created a spectacle in the background. The Donna Karan flagship store on New Bond Street was the stage of the event. The second staged performance was organised in a rather subtle manner, and this is when Donna Karan, Lindsey Lohan, and a few other celebrities intermingled with the crowd, and created an opportunity for the paparazzi to cover the event. This event belongs to the entertainment realm: participants were immersed in the event and although there was some form of interaction; it was relatively low, as guests only interacted with others they had known previously. By the end of the evening, it was clear to see that freelance editors formed a group on one side of the room; magazine publishers had done the same; clients of Donna Karan remained with their companions, and so forth.

The third event described above, which marked the launch of Michael Kors’ *Island fragrance*, was in fact staged in a much more personal manner: the

event was staged in Michael Kors' home in London. The event was executed and staged in a rather personal manner. As described above, the staging of the launch took place over three stages: press meetings with journalists and key editors at Claridges during which there were discussions on the fragrance concept. This was also a learning process for the guests. The second staging took place in Michael Kors' luxury apartment in Knightsbridge which was to a certain extent a learning experience for the guests about the fragrance. And the third event was staged in Harrods where the fragrance was exclusively sold.

The first point to be made about the events is that they mostly fall under the aesthetic realm: Claridges hotel and Michael Kors £14 million luxury apartment. Secondly, the most predominant quality of these events is the interaction with Michael Kors in person to learn about the fragrance concept during all three sub-events; i.e. the staging of this launch also falls into the educational realm.

The fourth event which was in relation to *L'eau Bleu D'Issey* fragrance launch was executed on a relatively grand scale. The organisers performed a spectacle to which the audience had no input; i.e. they were passive viewers who absorbed the event, whilst not having any input into the activities. Secondly, the event was educational as a speech was made to inform guests about various aspects relating to the fragrance creation.

Guerlain launched their fragrance in an event which was dominated by the escapist realm. The audience were transformed on a boat to a hidden Island. Upon arrival the focus was on entertaining the guests. There was no educational element present and the audience were not engaged in the creation of the experience, they were mostly passive viewers.

Giorgio Armani's fragrance launch was executed on a rather grand scale: the organisers flew the guests to a foreign location and the choice of stage was one of spectacular scenic qualities. The launch event was in the aesthetic realm. In addition to the aesthetic dimension, the launch event was educational as there was a presentation in a small theatre, followed by a walk around the town's 16<sup>th</sup> century castle where guests were invited to a workshop on the psychology of scents.

Importance to staging what is essentially the final stage of the product development process- the product launch- is also prevalent across a variety of industries such as the automotive industry, the mobile phone industry, among many others. When high-end jeweller Tiffany & Co. launched their new collection: the Gehry Collection in Los Angeles, more than 300 guests attended including film industry celebrities; where there was live performance by singers John Legend and Parri LaBelle. (Tiffany party glitters in Beverly Hills, march 2006

(<http://specialevents.com/corporate/index6.html>).

It's not only the luxury market which demonstrates such strategies, the electronics goods industry is renowned for its dramatic events which are deployed to stage new product launches. Samsung wanted the audience to experience the brand rather than just hear about it. For the 2005 Samsung Global Road show, Samsung presented their new product to media from throughout the world. Three hundred guests including major international media, major retailers and Samsung business partners gathered for a welcome reception at the Samsung Experience retail store, and the public space outside the store was redesigned to create a private space out of glowing blue panels studded with plasma monitors, which created a dramatic backdrop for Samsung's latest technology: *"Far from a dry presentation, the highly video-driven show was instead a sensory experience, combining video, live action, a dynamic set with sections that opened to reveal products, and multiple screens"*. (EventQuest helps guests 'experience Samsung'; October 2005; <http://specialevents.com/corporate/index6.html>)

The evening was concluded with dinner in a hall overlooking Central Park, and each table showcased an assortment of Samsung products such as MP3 players, cameras and phones. Jazz singer Jane Monheit performed during dinner. This is in line with Samsung's efforts to present products as experiential goods rather than electronic items.

A further example can be drawn from the locomotive industry. London Continental Engine staged the launch of its new Channel Tunnel Rail Link,

which was the first high speed rail line in the UK. A two day ceremonial launch event took place where the guest list comprised 4000 people, including international media, the travel and tourism industry, politicians and railway staff. Exhibition space structures and two party structures were installed in Sandling. Guests were first invited for refreshments at the London Marriot Hotel County Hall where only 110 VIP guests were invited for lunch and a reception. Guests were then moved to Waterloo Station before Prime Minister Tony Blair gave a speech. The guests were finally transferred via a special Eurostar train to a temporary station built in Sandling for a presentation by Alistair Darling, secretary of state for transport, and a reveal of two brand new Eurostar trains on the new track. The event is reported to have cost almost £5 million:

“Eurostar's outlay — considering all event costs plus trains, collateral and PR — hit £4.85 million (roughly \$9 million). But that came back many times over, with double-digit sales growth week after week, plus a flood of publicity. According to figures from Eurostar, the event program reaped £36.3 million (\$68 million) in tangible benefits, not counting such intangibles as bolstered staff morale and loyalty.” (MOVING Venue Management Puts Eurostar Event On The Right Track, February 2005; <http://specialevents.com/corporate/index6.html>).

## 5.7 Conclusion

These events are executed in what Goffman termed “the theatrical frame”: the events were performed according to a pre-planned and rehearsed

sequence of events, on a stage which was immaculately designed several months in advance, before an audience.

The descriptions of various launch event staging by organisations from the fine fragrance industry and outside it, demonstrate one of the practices which organisations use to manage and shape the interpretations audiences make (Schulz et al, 2000). The events described above are assertive strategies which were used to enhance an already well established reputation, as well as being deployed to act as a signalling tool used in order to overcome the market cacophony. These are organisational activities which stakeholders use to assess the product launched and the organisation behind the launch. They were executed with such a concentrated effort; in terms of financial and time resources. The Eurostar train event cost nearly £5 million pounds; and the Armani Mania fragrance was reported to have cost around £200,000.

In all cases, environmental shaping processes were deployed to strategically target and influence constituents. Secondly, these events acted as a signal refraction tool based on which intermediaries that specialise in assessing such products convey interpretations to constituents; this according to Schultz (2000) constitute the social processes from which reputations crystallise.

Finally, these events play an important role in surrounding the product with an experience (Pine and Gilmore, 1999). As organisations are growing

increasingly aware of the fact that in today's economy, successful organisations need to differentiate their product or service offerings based on the promised product experience (Gobé, 2001; Pine and Gilmore, 1999; Rein et al, 2006; Lampel, 2001; Fombrun, 1996). This chapter presented one of the tools which form part of the larger repertoire of dramaturgical launch processes aimed to overcome communication barriers caused by the intangible nature of fragrance qualities.

## 6. PRODUCT NARRATIVES AND ORGANISATIONAL STRATEGY

### 6.1 Introduction

This chapter will focus on the analysis of fragrance narratives which are used to communicate the fragrance concept to industry stakeholders, and to invite key industry constituencies into the fragrance's emotional landscape. In the fragrance industry such narratives are referred to as the "draft". The draft forms a focal and uniform communication node which aims to communicate the same emotional message to all stakeholders inside the fragrance house and within the industry.

The heart of perfumery lies in the creation of fragrance, a technology based art dedicated to communication through the sense of smell. Perfumers receive briefs from the manufacturers of the whole range of fragranced products. The whole foundation of the success of the fragrance houses rests upon the experience, skill and original creativity of the creative perfumers. The perfume drafts act as a crucial communication tool with the creative perfumer, not only does it inform the perfumer of the product requirements, but it does so in a very specific poetic language. The use of such language is not a coincidence; perfumers are artists, it is their creative skills which drive the industry, and thus these drafts aim to evoke their creativity by communicating the emotional message of the desired fragrance. Perfumery trade literature sometimes makes reference to the 'creation' of a fragrance,



an expression which does not mean bringing something forth out of nothing, but rather:

“The word creation, in the artistic sense, refers to the human act of bringing together the elements of an art- the colours of the painter, the shapes, forms and textures of the sculptor, the harmonically related, and sometimes apparently not so related, notes of the composer of music, the symbols of the mathematicians into arrangements, sequences, contours and formulations never before conceived. The primary function of a perfume is to act as a pleasure stimulus through the sense of smell- that is, as a fragrance. In fulfilling this role the perfume can also, if desired communicate to the percipient mental images of flowers, fruit, exotic woods, herbs, impressions of surroundings- a meadow, the seashore, a streaming jungle a florists shop, a pine forest- the possibilities are endless”. (Curtis & Williams, 2001; p.549)

It is difficult to begin a discussion on the fragrance launch process in isolation of the product development process in which it is imbedded, particularly in creative economies. This chapter will begin by shedding some light on the product development process in the fragrance industry. This is particularly important since there is a common artefact which is used during both the product development process and during the product launch stage: the draft. The fragrance draft is particularly crucial during the product launch stage as it closely guides all market communication activities, the fragrance draft is sent to journalists and public relation partners in order to give them a clear impression of the unfinished product. The same draft is also sent to packaging designers who work on the shape and the material of the fragrance bottle. The department store buyers need to buy into the fragrance concept if they are to be convinced of the intangible qualities of the product, and so it is usually shared with the buying managers of department stores. In addition, journalists and public relation parties need to be convinced of the intangible qualities of the fragrance if they are to refract

of the fragrance to consumers through their product reviews in a favourable manner.

These narratives serve two purposes: as a form of internal communication with international members of the organisation; and secondly, as external communication with perfumers, packaging designers, retail buyers, media, and public relations. The primary purpose of these narratives is to communicate the concept of the fragrance to readers within the product development and launch network. These communications are referred to as the “draft”. The main characteristic of drafts is that the concept of the fragrance is relayed in a way which depicts the emotions evoked by the smell of a particular fragrance. This is done in the form of storytelling using poetic language, stories of origin, depiction of characters, and even in the form of a video presentation using animated images, music, colours and so forth.

Figure 6-1 outlines the communication network which takes place during the product development and the product launch stages. As outlined, the product development team is central to the network. Although on rare occasions, the perfumer creates such narratives; as in the case of the houses of Chanel and Guerlain; it is customarily the product development team who performs such a task. The majority of fragrance brand houses outsource their fragrance composition to a specialist perfumer referred to as the nose from outside the organisation. Even houses such as Guerlain; although once renowned for being run by a family of perfumers throughout the 19<sup>th</sup> and

20<sup>th</sup> centuries; today's Guerlain house opts for the employment of outside perfumers. The large majority of perfume houses today operate in the same way, and therefore the role of the product development team stands as a central node in the communication network as they have to liaise with contracted perfumers, package designers, managers, regional managers, public relations and the media, as well as investors. Communication with regional retailers and consumers is indirectly channelled through regional managers who are fully briefed on the finished product, its concept and the story of inspiration. Figure 6-1 below demonstrates the communication network during the fragrance design and launch phases.

**FIGURE 6-1: BRAND COMMUNICATION NETWORK**

All network stakeholders eventually communicate with the consumer; either directly or indirectly. From an organisational point of view the message received by internal and external stakeholders need to be coherent, and emotional. It is therefore the product development (also referred to as the creative team) team's role to ensure this by overseeing the project from start to finish. In order to ensure that a uniform message is received during the development stage, a single script is distributed and used to brief all relevant parties during the product development stage. These scripts, referred to as "the draft", form the focal artefact around which the product is created. Because this draft needs to be translated into olfactive notes by the perfumer and into a bottle design by the packaging designer, the content of these drafts does not describe the mechanical product description or the ingredients; contrary to that, it focuses on describing the mood, the emotions, and the dreams that are sought to be evoked by the smell. In other words, when the product development team circulate the draft, although they have formed a broad idea of the fragrance family of the final product- for example, fresh; flowery or oriental; they do not have a specific depiction of the smell of the finished perfume. During one of the interviews with an in-house perfumer based in Paris, she explained the following when asked about the product development team's olfactive knowledge.

"Yes they know well, they have the knowledge to understand what jasmine is etc, but they are not as precise as me so they can smell sometimes that it smells green like when you cut the grass, but they cant tell which type of green it is like me, because there are ten types of green notes that smell like cut grass but they cant say what type of note it is, I can." (Interview with perfumer, L'Oreal, Paris, November 2006)

Contrary to the way in which many industries communicate during the product development stage, the fragrance draft employs a language that strongly appeals to the emotions; and the rationale behind this is that the fragrance industry is one of the industries which primarily serve psychological and aspirational needs. Readers of the fragrance draft do not look to be engaged on a rational basis; instead, they expect to be engaged on an emotional or aspirational basis.

The previous chapters examined the various tools which brand managers employ in order to achieve this type of engagement, with the aim of creating launch visibility among industry stakeholders. This chapter will examine yet another such tool; i.e. the fragrance narratives.

This chapter will begin with a discussion concerning the relevant literature on organisational narratives and their capacity as an organisational emotional barometer, through which organisations' product launch strategy can be examined. Subsequently, there will be a discussion on the role that narratives play in the fragrance industry.

## 6.2 Literature Review

Under modernist thought, storytelling is redefined primarily through their opposition to facts. Modernity devalued subjective experience in favour of information. Postmodernism however blurs the boundaries between story

and fact: *“If narratives are favoured objects of post modern discourses, stories are favoured objects among narratives.”* (Gabriel, 2000; p.17)

The influence of postmodernism on organisation and management studies can be seen in the adoption of the idea that in creating a meaningful universe, people resort to stories. Postmodernism influence is also evidenced in the increasing visible process of turning information into experience through the medium of stories. Simply put, post modern discourses have privileged stories and storytelling as sense making devices; as the *“primary form by which human experience is made meaningful.”* (Polkinghorne, 1988; p.1)

While it is true that stories are emotionally and symbolically charged narratives, they do not present information or facts about events, but they enrich, enhance, and infuse facts with meaning.

The study of narratives and storytelling has gained an increasing weight in organisational studies. Storytelling is seen to have a crucial role in organisations as they open valuable windows into the emotional lives of organisations. Organisations are composed of a complex mix of desires, wishes, symbols and fantasies that are part of each individual's conscious mental functioning, and a story can at the same time express an individual's deeply private and personal desires (O'Shaughnessy & O'Shaughnessy, 2003).

Organisational management studies have adopted the idea that in creating a meaningful universe people resort to stories as storytelling is the preferred sense making currency of human relationships among internal and external stakeholders (Boje, 1991).

Organisations are no longer viewed as lifeless hierarchies which employees are not expected to relate or identify with. To the contrary, an increasing number of studies are showing that employees build an emotional relationship with the organisation and build stories around it (Gabriel, 2004).

In general stories are created for the purpose of organising experiences, creating order, making sense of unusual events, and gaining different perspectives. Studies have asserted that many people think in story like form (Adaval & Wyer, 1998; Bruner, 1986; Polkinghorne, 1991; Shank, 1990). Meaning is created through narratives as their structure provides temporal and relational organisation and a basis for causal inferencing. Narrative thought organises events in terms of temporal dimension: the events occur over time. Time is configured in narratives as episodes, which structure time into a beginning, a middle and end. Thus stories form a powerful tool for communicating: They are ambiguous about agents and agency, their ambiguity, not clarity successfully draws the audience's attention. They draw interest through interweaving the real with the imaginative. Secondly, the story teller is not concerned with relaying facts as information but with facts as experience. The response invited by a story is not to challenge the

facts but to engage with its meaning (Reason and Hawkins, 1988). Story work then involves the discovery of an underlying meaning to the events. Rationale gains clarity through simplification. Stories single out a small number of characters, actions, causes, and effects for easy understanding.

Characters and imaginative worlds are brought to life through stories. When the leading characters are not human- for example, when they are animals, spirits, organisations, or products, they are transferred from the universe of the inanimate to the universe of animate beings. Organisations and product units come to life through the weaving of narratives, in which they play an important role, thus the effectiveness of storytelling as a communication tool in organisations (Gabriel, 2000):

“Thus it [a story] commands attention, no less firmly than the opening bars of a Beethoven piano sonata or the first sight of a new mountain peak. Thus every story holds a promise.” (Gabriel, 2000; p. 1)

This may be one of the reasons why storytelling is increasingly a popular methodology for both communicating internally in organisations (i.e. creating a link between the employees and the organisation together) and for communicating with consumers. The latter is increasingly used by organisations in the financial field, the political campaigning field, universities, coffee brewing houses, fashion design labels, consulting firms, law firms, among many others. In recent years, it has become a custom for such firms to tell a heroic story about the founder. One example is the use of such narratives by the University of Oxford:



“Oxford is an historic and unique institution. As the oldest university in the English-speaking world, it can lay claim to nine centuries of continuous existence... teaching existed at Oxford in some form in 1096 and developed rapidly from 1167, when Henry II banned English students from attending the University of Paris...In the 13th century, rioting between town and gown (townspeople and students) hastened the establishment of primitive halls of residence. These were succeeded by the first of Oxford's colleges, which began as medieval 'halls of residence'...under the supervision of a Master. University, Balliol and Merton Colleges, established between 1249 and 1264, are the oldest.”  
(<http://www.ox.ac.uk/aboutoxford/history.shtml>)

The following is an example of a second organisation which specialises in personal care products:

“At 9 o'clock on Saturday, 27 March 1976, the first day The Body Shop opened its doors for business at 22 Kensington Gardens, Brighton. I started The Body Shop simply to create a livelihood for myself and my two daughters while my husband, Gordon, was trekking across the Americas. I had no training or experience and my only business acumen was Gordon's advice to take sales of £300 a week. Running that first shop taught me business is not financial science, it's about trading: buying and selling. It's about creating a product or service so good that people will pay for it. Now 28 years on The Body Shop is a multi-local business with over 1,980 stores serving over 77 million customers in 50 different markets in 25 different languages and across 12 time zones. And I haven't a clue how we got here!”  
([www.thebodyshop.com/bodyshop/company](http://www.thebodyshop.com/bodyshop/company))

Finally the following is an example of an internally written narrative about a luxury apparel firm:

“The mission of the LVMH group is to represent the most refined qualities of Western "Art de Vivre" around the world. LVMH must continue to be synonymous with both elegance and creativity. Our products, and the cultural values they embody, blend tradition and innovation, and kindle dream and fantasy.” (<http://www.lvmh.com/>)

Although the above examples come from very diverse backgrounds, they all share a common strategy: creating a link with the reader's emotional field.

In today's economy, the most successful brands are those that tell the most emotionally charged stories which create the brand's symbolic meanings, and somehow engage the reader's imagination, dreams and aspirations (Gobé, 2001; O'Shaughnessy & O'Shaughnessy, 2003).

"Stories make experiences meaningful, stories connect us with one another, stories make the characters come alive; stories provide an opportunity for a renewed sense of organisational community" (Boje and Dennehy 1993; p.156).

In examining such narratives using a postmodernist lens, the juxtaposition of information and subjective experience becomes apparent to the reader. Such narratives draw on a different kind of truth, a truth with a deeper dimension as Gabriel (2000) contends:

"Story work is the psychological counterpart of poetical work that seeks to transcend the literal truth of events by drawing out a different type of truth, one that may claim to be deeper, more powerful, or even transcendental." (Gabriel, 2000:35)

### 6.3 The role of Narratives in the fragrance industry

This chapter focuses on fragrance narratives that firms use during the product development phase, and are also later used during the product launch stage. These narratives use poetic and allegorical language to capture the intangible qualities of the fragrance which are essential for focusing the attention of managers, and for communicating the product concept to related stakeholders.

Fragrances have a primarily hedonic value, and virtually no functional value. They are judged subjectively through direct experience, which makes it difficult to communicate their value through conventional informative means. Poetic language is used to convey the subtleties of the fragrance, and the rationale behind this is best explained by the quote below:

“A fragrance is a familiar item that touches our most intimate, romantic and sensual chords, they are strictly about emotions and sensations, and do not provide any real practical benefits. The benefit is clearly in the psychological realm...” (Gobé, 2001; p.205).

Before turning attention to the fragrance narratives, it is important to describe the product development stage in the fragrance industry, as it is at this stage when these narratives are first developed. The decision making process takes place at the head quarters of the fragrance house where the creative team is based. During the product development stage, communication about the fragrance is done through the draft which is used in all communication with relevant stakeholders. Once the concept has been approved by senior executives, the marketing team- in collaboration with the PR team-start to plan the launch campaign; which includes advertising, advertising channels, press launch events, negotiation with department store buyers, communication with journalists; and celebrity endorsement. This is usually done in parallel with the creative team's development. The nose is first informed about the brief during a presentation where the room environment is transformed using lighting and music, and various images, or any similar means which help communicate the fragrance's emotional message. The perfumer; or 'the nose' is trained to not only distinguish

between hundreds of smells in a short space of time, but to also imagine an olfactive composition. This perfumer will then begin to translate the draft by composing the fragrance notes using various oils. In the meantime, the creative team will also liaise with the bottle designer. The bottle design has a very important role as it signals the emotional message of the fragrance instantly, and so great attention is paid to the detail and perfection of the shape, colours and materials. The team's role is to ensure that it is in line with the product concept. Once the perfumer has fine tuned the smell, the team will order bulk amounts of the concentrated composition which will later be diluted with alcohol depending on the fragrance category (whether it is an eau de parfum or eau de toilette, the latter is less concentrated) and the fragrance manufacturing firm will only be remunerated at this stage of the production. The product development process takes eighteen months on average; however it is interesting to note that this is a major reduction in timescale from recent years, when this process used to take up to five years on average. This speeding up of the process is a natural evolution in the industry due to the considerable increase in product launches per year which has placed an increased pressure on fragrance houses to remain on top of the competition by introducing more fragrances to the market, more frequently.

Products with little tangible benefits mostly rely on communicating the intangible benefits to consumers. However competition and existing volumes of similar products which are all striving to communicate various messages to consumers mean that it is difficult for organisations to differentiate their products and capture consumer attention. Traditionally

organisations focus their efforts on producing burst of information about the product's qualities, benefits and features in the hope of convincing consumers of the superior merits of their product; however this exacerbates the problem by increasing the amount of information that consumers need to analyse in order to form their evaluation of the product.

Non conventional product narratives come in various forms such as story telling, poems, tales, and myths. Such forms depict in the reader's mind certain images, scenery, characters, interactions, emotions, moods; all of which reflect the emotions evoked by the product. The rationale behind the use of such communication is that scientific tools and factual language fails to communicate the psychological nature of the product. This is best summed up by Gabriel (2000):

“Science with its multi casual analysis, its statistical and probabilistic links can at best partially meet our sense making needs. So we turn to narrative forms of explanation, interpretation and sense making.” (Gabriel, 2000; p.239)

It is these types of narratives which are of interest to this study as they can effectively overcome the critical evaluation routines (Lampel, 2001) which are used to evaluate literature on product quality, features and functions. Storytelling can overcome this barrier as it is a form of communication which appeals to the emotions: *“Stories are symbolically and emotionally charged narratives. Storytelling is an art of weaving, of constructing, the product of intimate knowledge.”* (Gabriel, 2000; p.135)

## 6.4 Hypotheses and Research Design

### 6.4.1 Hypotheses

Organisational narratives represent a rich source of symbols, meanings and emotions which can give clues about organisational strategy:

“Narrativity emphasises the simultaneous presence of multiple, interlinked realities, and thus well positioned for capturing the diversity and complexity present in strategic discourse”. (Barry & Elms, 1997)

Fragrance narratives are internally written narratives which can reveal organisational reality. Different types of organisations in the fragrance industry have widely varying motives behind a fragrance launch and different relationships with the fragrance creation. There are two main types of organisations in the fragrance industry: couture fashion design organisations and three axes organisations.

HI: There is consistency between narrative type and firm type.

It can also be inferred that there is a relationship between the product narratives and the organisational strategy; which includes both market strategy (i.e. premium or mass), and launch strategy (i.e. strategic launch or tactical launch).

HII There is consistency between narrative type and organisational strategy.

HII a: There is consistency between fragrance narrative and market strategy.

HII b: There is consistency between fragrance narrative and the launch strategy.

In The following section will outline the data and the framework used for data analysis.

#### 6.4.2 *Data and Methodology*

Two types of qualitative data will be examined in this chapter. The first set constitutes fragrance narratives which form the drafts used during the creation of the fragrance. These narratives are created by creative teams in their respective head quarters, and thus give a rich insight into the relationship between managers and the fragrance under creation. Forty four such narratives were collected from organisational archives. The narrative sample collected was equally distributed among the two categories of firm types: fashion design firms and three axis firms.

The second set of data consists of managerial perspectives on the dynamics of fragrance design and creation generally, and the type and form of communication particularly. This set of data consists of narratives collected during semi structured interviews conducted with thirty different senior managers from various fragrance houses both in the UK and France.

During the interview, managers were asked about the communication language which is used to describe the fragrance requirements to the perfumer and various other parties who play a role in the fragrance creation. The questions used were open ended as literature on industry dynamics in general; and on the creation and launch processes in specific is scarce. Therefore open ended, semi structured in depth interviews allowed the researcher to gain an insight into these processes. Conversations held in later interviews were considerably more advanced than early interviews due to the knowledge gained along the interview process which took place over seven months.

#### *6.4.3 Interview Methodology*

As described above, the second set of data was collected through interviews with senior fragrance house directors. Each interview lasted for an average of one hour and thirty minutes. All interviews were conducted at the interviewees' offices in the UK and in France.

Interviews commenced by introducing the aim of the study and interviewees were subsequently asked to give a synopsis of their professional background and the length of their employment as senior brand directors. Interview questions followed an open but semi structured style; however at times the interviewees made some additions to the planned discussion which resulted in deviations from the prepared questions. Interviewees were at first very cautious in giving particular answers, but as the interview progressed they



became very attentive, and genuinely interested in the discussion. Most interviewees commented that they felt that the interview was quite therapeutic as they usually rarely have a chance to talk about their feelings and opinions in relation to projects they conduct.

Thirty such interviews were conducted and a digital audio recorder was used with the permission of the interviewees. In one case the interviewee denied recording permission and notes were used as an alternative. Immediately after each interview, audio recordings were transcribed.

#### *6.4.4 The Participants*

The first twelve participants were purposefully selected on the basis of their expertise and their role in the company. Senior directors (at times referred to as General managers) oversee the product development project, and more importantly, they have first hand experience in strategic and tactical decision making relating to the product launch. A snowball technique was applied where participants were asked to recommend others who met the criteria in order to gain a wider network of key industry players. Snowball methodology was thus used to establish further contacts in the fragrance industry.

In the taxonomy of qualitative research, such industry interviews are known as elite interviews, defined by Marshall and Rossman (1995) as a

specialised form of interviewing that focuses on interviewees which are “influential, prominent and well-informed”:

“An elite interview is a specialised treatment of interviewing that focuses on a particular type of respondent. Elites are considered to be the influential, the prominent and the well informed people in an organisation or community. Elites are selected for interviews on the basis of their expertise in areas relevant to the research.” (Marshall & Rossman, 1995; p.83)

The problem of accessibility of the elites is often greater because they are usually busy individuals operating under strict and demanding time constraints; they are also often difficult to reach. The interviewer must rely on sponsorship, recommendation and introductions for assistance in making appointments with elites. Another disadvantage in the process of interviewing elites is that the interviewer must modify the conversational role of confining herself to asking questions and recording answers. Elites in general resent such restrictions placed on them by narrow questions. They desire a more active interplay with the interviewer; as a result, considerable variation occurs in the degree of control; with the respondent occasionally assuming the questioner's role. Elites respond well to enquiries related to broad areas of content and to a high proportion of intelligent, proactive, open ended questions that allow them the freedom to use their knowledge. Hence interviews always commenced with a general open ended question after exchanging self introductions.

The questions posed were intended to elicit insights pertaining to three broad areas: The dynamics of the new product development process, the

strategic roles of narratives in the organisation and their origin; and thirdly, the language used during the overall verbal and written communication between internal as well as external stakeholders during this process. The interviews ranged from one to two hours. Participants were reassured that information given will not be shared with other industry players, and that they will be unanimously quoted unless permission was given to use their name.

The interview series involved thirty, one-to-one conversations with a sample of professionals from the fragrance industry. A table of interview activity and participant profiles is available in the index.

## 6.5 Data Analysis

### 6.5.1 *Fragrance narratives analysis*

#### Introduction

The rationale behind analysing fragrance narratives stems from the view that such narratives reflect organisational strategy:

“By collecting stories in different organisations, by listening and comparing different accounts by investigating how narratives are constructed around specific events ... we gain access to deeper organisational realities.”  
(Gabriel, 2000; p.2)

Furthermore, the decision to include organisational stories in the study stems from the view that such narratives are seen as rich repositories of organisational meanings. Their analysis can distill those meanings:

“Storytelling is located within the cultural fabric of different organisations and their cultures. Stories help pass spiritual, moral and cultural heritage, in some respects they resemble symbolically endowed material artefacts. Like material artefacts, stories are repositories of meaning, a meaning that both changes and is timeless. Like artefacts, they sustain a set of values and form part of wide networks through which meaning travels.” (Gabriel, 2000; p.88)

Aristotle’s *Poetics* presented one of the West’s first great analyses of stories. Aristotle classified plot as either simple or complex. The classification of narratives is a topic that since Aristotle has been examined by many including philologists, folklorists, mythologists, as well as organisational theorists: Schein (1985) groups them together as artefacts and creations. Peter and Waterman (1982) place stories at centre stage in analysing organisational life. There are a number of frameworks which have been proposed for this purpose in the literature, each examining narratives from varying dimensions.

From the literature, a number of narrative structures can be inferred: Proto narratives (Gabriel, 2000), terse narratives (Boje, 1991), meta narratives (Lyotard, 1997), ante narratives (Boje, 2001), and frame narratives (Gabriel, 2000)

*Proto stories* (Gabriel, 2000) form a type of narrative which can be distinguished from stories. They are an embryo of a story as their plot is

quite elementary and undeveloped. They have a beginning but they lack a proper end. These are fragments of stories characterised by their lack of closure.

*Terse narratives:* These are short narratives which represent a summary reference to another story. Boje (1991) found that in organisations, a story loses its details overtime, and becomes coded with a slogan-like phrase, for example: “that coffee machine story”. They assume audience prior knowledge of the details. They are short and to some who have no prior knowledge of the full story, they would hold no meaning. These types of narratives evolve into a signifier with the actual story they refer to being the signified.

*Meta narratives-* Sometimes called master- or grand narrative (Lyotard, 1997), are stories which aim to make sense, order and explain other stories and experiences. Meta means about, so the term meta narrative means a story about a story.

*Ante-narratives:* These are speculative and anticipatory narratives which precede a story (Boje, 2001). They generally set the context which shapes the sense making of the story’s plot.

*Frame narratives:* These primarily act as an occasion for narrating other disparate stories. Frame narratives usually create little interest and remain in the background of the story. Frame tales originated in India before the first century AD and gradually spread west through the centuries. Each new culture that came in contact with a collection of stories would usually create

its own culturally relevant frame narrative to contain the stories they heard. Thus, ancient India used a parrot as a narrator in one frame tale; ancient Arabia created *Sheherazade*, and Europeans created the *Decameron* and *The Seven Wise Masters*. 'Mise en abyme' is a literary device which literally translated means "placing into infinity" or "placing into the abyss. In Western art "mise en abyme" is a technique in which an image contains a smaller copy of itself, the sequence appearing to recur infinitely. This technique is not necessarily applied for the purpose of framing or as an occasion to tell another story as is the case with frame narratives. It is primarily concerned with creating a mirror reflection effect of a story inside a story.

Charles Tilly (2006) provides a wider and more general framework for the classification of narratives: he contends that commonly given reasons fall into four overlapping categories:

1. Conventions: conventionally accepted reasons for dereliction, deviation, distinction, or good fortune: "*my train was late*"; "*he's just a lucky guy.*" (Tilly, 2006) They provide no adequate causal account.
2. Stories: explanatory narratives incorporating cause-effect accounts of unfamiliar phenomena or of exceptional events.
3. Codes: governing actions such as legal judgements, religious penance, or awarding of medals or organisational rules of conduct.

4. Technical accounts: such as the engineer's explanation of an air plane's mechanical failure, or an architect's account of the reason behind the collapse of a building.

Each of the four ways of giving reasons has distinctive properties. Each of them varies in content depending on social relations between giver and receiver.

Yannis Gabriel (2000) on the other hand proposes the classification of narratives along their emotional tone:

*Epic stories:* These stories generate pride in the narrator and are meant to generate admiration in the listener. They usually deal with achievement, contests, and trials and almost always have a happy end.

*Comic Stories:* generate laughter, amusement and levity. Their themes are mishaps, and breakdown of communication.

*Tragic Stories:* generate pity and sorrow. The audience is invited to treat them with respect and compassion. Their themes are frequently traumas and insults that left lasting scars on their victims.

*Romantic Stories:* these have a lighter sentimental quality and deal with love, gratitude, appreciation and affection. The emotional tone is a gentle and tender feeling at times bordering on sentimentality, occasional pity or self pity. Some of these stories have a nostalgic quality. Poetically such

stories have some lyrical qualities. The plots revolve around romantic love and tokens of love, gratitude and appreciation. This typology can prove effective in the case of organisational studies which aim to explore the emotional lives of organisations (Gabrielle, 2000).

On another level, literary theory stipulates that the analysis of narratives is done by analysing the theme, plot, characters, tone, and language of the narrative in question. Stern & Gallagher (1990) define those dimensions as follows:

*Theme* refers to the point of the text; it answers the question of what the work is about, and its meaning. *Plot* refers to the temporal and causal sequence of events by which theme is enacted. There are three types: descriptive, narrative and cyclical plots. Descriptive plots are one where little or nothing happens in any conventional sense, relationships are spatial, and linkages are not necessarily progressing in time. Narrative plots tell a story in which events unfold sequentially in time usually in chronological order; cyclical plots disrupt chronological order to tell complex and overlapping stories.

*Character* is the fictional person(s) whose life events are the subject of the story, it raises the question of: to whom are the events happening? What kind of people are they? *Tone* refers to the writer's attitude towards his/her subject. This can be objective or subjective. *Language* is assessed by how the story is said. Literary language is usually imaginative because it is connotative, conveys implied meanings through associations and



comparisons and uses words to convey sensory experiences (Culler, 1981). Factual or informational language is more denotative and literal; the purpose is to convey verifiable facts rather than emotional experiences.

Gabriel (2000) conducted a study where over 400 organisational narratives were collected and analysed. It was found that some stories combined the emotional, symbolic and narrative complexities which are comparable to fairy stories and folk tales, but other stories did not possess these qualities. Stories that exceeded three hundred words and had more than three characters were defined as complex narratives, and others were simple.

There are various forms of narrative analysis, each handling the narrative from a different perspective, i.e. the completeness of the plot, the type of 'reasons' given through the narrative, the emotional tone of the narrative, the theme, plot, language, characters, tone, and the narrative complexity. The following section will outline the framework which is used in this study to analyse the fragrance narratives.

#### 6.5.1.1 Analysis Framework

Fragrance narratives are essentially an expressive tool which the organisation in question uses to express the product in its own language in a business to business context. The sample narratives can be classified on two different levels. On a simple level, analysis of the stories themselves, their characters, theme, plot, language, and so forth could be conducted. On a

second level, the narratives could be examined in order to distil the organisation's self expressions, and more specifically, how these organisations express themselves in relation to their products. The latter is of interest to this study as these internally written narratives constitute one of the key tools in which organisations gain the attention and positive evaluation of key industry stakeholders.

The framework which is applied in this study is in fact derived from various parts of the literature on narratives analysis. The following tools will be applied: analysis of narrative emotional tone (Gabriel 2000), the structure of the narrative, and narrative complexity analysis (Gabriel, 2000). In addition to two further dimension which were later added after initial data analysis. These will be discussed shortly.

In the analysis of the narratives, attention will be drawn to the emotional dimension of the story. This will be analysed in line with Gabriel's (2000) classification as outlined above; which is referred to in this study as "form". Four emotional tones are identified: epic, tragic, comic and romantic. Secondly, the structure of the story which can be classified as proto narratives (Gabriel, 2000), terse narratives (Boje, 1991), meta narratives (Lyotard, 1979), ante narratives (Boje, 2001), and frame narratives (Gabriel, 2000) will be examined. Thirdly, narrative complexity will be taken into consideration in the analysis as applied in a previously published study on organisational narratives (Gabriel, 2000). Differently put, narratives will be

classified as either simple or complex according to plot development, the length and the number of characters involved.

Secondly, in addition to analysis of narrative content, the placement of the fragrance within the narrative will be examined. Upon initial examination of the data, the role of the fragrance in narratives could be grouped under four roles:

- a. In some cases the fragrance is the *dramatis persona*. *Dramatis persona* refers to the characters in the plot of a play, and can be used to refer collectively to the characters represented in a dramatic work whether human or otherwise.
- b. In some narratives, the fragrance is simply referred to as a product which promises pleasures of the senses.
- c. There maybe no reference to the fragrance any where in the narrative.

Therefore an additional dimension: fragrance placement was later added to the analysis framework. In addition to this, initial examination of the narratives resulted in discovering a further dimension to the analysis: the purpose of the narrative. In some cases, the narrative is created in order to recount the story of origin, in other cases; narratives describe the sensory pleasures and so forth. These two further dimensions were then added to the analysis of the narratives.

In this chapter, the author refers to a fragrance house, as the business unit in a given organisation which is responsible for the fragrances arm. In some cases the organisations are fashion houses such as Chanel and Christian Dior, and in other cases they are three axes organisations such as Guerlain. A fragrance house is the business unit in these organisations which is responsible for the design of the fragrance concept, the creation and marketing of the fragrance, and the creation of a product identity.

#### 6.5.1.2 Control Variables

There are three control variables: firm type, launch type, and the product positioning. Firm type refers to the nature of the core business of the firm; this is categorised as fashion design, three axes or other. Launch type is what essentially the organisational strategy behind the launch. This is categorised as either a tactical launch; i.e. one that aims to maintain market attention, rather than build market share; or strategic launch; which is designed to create market share. Finally, the third control variable is the positioning of the product, and this is categorised as either belonging to the premium market or the mass market.

The sample narratives belong to two categories: couture fashion design firms, and three axes firms. The sample includes a total of forty four narratives: twenty two from each category of firms.

## 6.5.2 *Results*

### 6.5.2.1 Fragrance Narratives

The results in this section will be presented to demonstrate narrative consistency by firm type, market type, and launch type.

#### Firm type

Firm types are classified as either couture fashion design firms, which will be referred to as type one firms; and three axis firms, these will be referred to as type two firms. Narratives were examined along the five dimensions, namely the narrative structure, complexity, reason of the narrative, and fragrance placement within the narrative and emotional tone.

Narratives of twenty two fragrances from couture fashion design firms Chanel, Yves Saint Laurent, Givenchy, and Christian Dior were analysed. The results indicate substantial support for Hypothesis I. Out of a total of nine epic narratives in the sample, eight belonged to type one firms. Epic narratives reflect a sense of pride through paying tribute to the brand creator, or the brand history. On the other hand, type two firms express their fragrances through what are essentially romantic narratives (except for one case). Out of the twenty two type two firm narratives, eight were categorised as epics. Twenty one romantic narratives in the sample belonged to type two firms. And thirteen romantic narratives belonged to type one firms: of the

thirty four narratives classified as romantic, twenty one belong to type two firms. In other words, among the twenty two type two firms in the sample, twenty one expressed their fragrance concept using romantic form.

As far as the reasons of the narrative, type one firms concentrate on creating links to the brand, the heritage and the brand founder. On the other hand, narratives belonging to type two firms create imaginative universes in which the product is born. The latter type of narratives focus on creating a link between imaginative worlds and the real world through uses of myths, fictional stories, poems, stories of inspiration, none of make any clear references to the brand or its history. In other words type one firms focus their attention on narrating the journey of the fragrance creation and its story of origin, whereas type two firms mostly build imaginative universes in which the fragrance belongs.

Moreover, narrative complexity varied considerably across the two categories of firms. Fourteen type two firm narratives were classified as complex narratives, and eight were classified as simple. Thirteen type one firm narratives were classified as simple and nine were classified as complex.

Finally, it was found that there is no relationship between the firm type and the fragrance placement in the narrative. Similarly, there is no relationship between narrative structure and firm type.

Overall, the results show some support for hypothesis I in terms of narrative form, reason and complexity. The narrative form is considerably different between the two firm types, so are the reasons of the narrative: one type concentrates on creating an imaginative universe in which the fragrance is born, thus linking the real with the imaginative; the second type concentrates on describing the fragrance and its consistency with the brand heritage. Moreover there was evidence that narrative complexity varied across the two firm types.

### Market type

The sample narratives consisted of twenty mass fragrance narratives and twenty four premium fragrance narratives. The second variable 'market type' is classified as mass or premium. The results support hypothesis IIa. Mass fragrance narratives were consistent in style and most importantly, they were found to be consistently 'anaemic' (Gabrielle, 2000) i.e. they relatively lacked any plot and failed to inspire the imagination. Thirteen out of twenty two narratives were classified as simple narratives, and sixteen out of twenty four premium fragrance narratives were classified as complex.

The majority of mass fragrance narratives provide superficial description of the fragrance and its typical user. Fourteen out of twenty mass fragrances concentrate on giving a superficial account of the fragrance description. And sixteen out of twenty four premium fragrance narratives depict the fragrance as a deeper and more complex artefact which goes beyond the simple

fulfilment of olfactive pleasures. Some reflecting a political movement, others pay or homage to a novel or legendary figure, and some tell the story of origin.

Twenty narratives in the sample belong to mass fragrances and twenty four narratives belong to premium fragrances. Out of the twenty mass fragrance narratives, thirteen narratives position the fragrance in the narrative as a product which promises the pleasure of the senses. Fourteen premium fragrance narratives on the other hand position the fragrance as the dramatis persona in the narrative, and only eight narratives position the fragrance simply as a product which promises the pleasure of the senses.

While examining the structure of narratives across the two types of market positions, it was noted that mass fragrance narratives are characterised as mostly being ante narratives, whereas premium fragrance narratives are mostly proto stories, some with fully developed plots.

Out of the mass fragrance narratives, thirteen narratives are classified as ante narratives, and seven as proto stories. On the other hand, eighteen premium fragrance narratives are classified as proto stories, fully developed stories or a terses, and six narratives are classified as ante narratives.

The results reveal that a wider variety of narrative structures are used in launching premium fragrances. Moreover, it was found that there is no relationship between fragrance placement in the narrative and market type.



Similarly, the results show no relation between narrative form and market type.

Hypothesis II(a) is substantially supported in terms of consistency in narrative complexity, fragrance placement, and to a certain extent, narrative structure across market types.

### Launch Type

Fragrances were classified according to their launch types: tactical launch or strategic launch. As discussed in chapter three, the large majority of fragrance launches consist of new fragrances. This is also reflected in the narrative sample presently used in this chapter where thirty eight narratives belong to strategic fragrances and six belong to tactical launches. It was therefore necessary for the researcher to obtain a different set of narratives which is more equally distributed in order to allow for narrative consistency examination.

In the newly obtained set, eighteen narratives belonged to tactical launch fragrances, and twenty six narratives belonged to strategically launched fragrances.

In this section, strategic launches will be referred to as type one launches and tactical launches will be referred to as type two launches. The structure of the two launch type fragrance narratives varied considerably.

Type one launch fragrances consistently use ante narratives: sixteen out of the eighteen narratives were classified as ante narratives, and two were classified as proto stories. Type one launch narratives on the other hand did not have any distinctive characteristics: ten narratives were classified as ante narratives and sixteen were classified as proto stories, full stories and meta narratives. Type two strategic launch narratives are therefore not associated with a particular narrative structure.

In terms of narrative complexity, type one launch narratives were equally distributed between simple and complex narratives, indicating that there is no association between narrative complexity and launch type. On the other hand, type two launch narratives are consistently simple narratives: sixteen narratives are classified as simple, and two are classified as complex.

Narrative reason is consistent across type two launch narratives, but not consistent with a particular type across type one launch narratives. Type two launch narratives consistently focus on providing a superficial description of the fragrance's olfactive nature: out of the eighteen narratives sixteen were classified as such narratives. However, examination of type one narratives reveals that there are no consistent patterns as they were equally distributed between meaningful stories of origin, and superficial accounts of fragrance description.

The positioning of the fragrance in the narratives was also examined across the two launch types. Type one launch narratives did not reveal any patterns in terms of fragrance placement. Fourteen narratives positioned the

fragrance as a product which promises the pleasure of the senses, and twelve narratives positioned the fragrance as a *dramatis persona*. In contrast, type two launch narratives consistently positioned the fragrance as a product promising the pleasure of the senses. Out of the eighteen narratives, sixteen positioned the fragrance as such.

#### 6.5.2.2 Interview Data

Participants were asked to describe the communication process during the fragrance design stage, they were also asked to describe the nature of the language used in such types of communications. Brand directors unanimously stated that the narratives were used to communicate the fragrance concept during the creation and the launch processes. It was also confirmed that this communication is usually written for industry partners and not primarily intended for consumers. The following quote is representative of the general consensus among directors in relation to the purpose of such product narratives.

“They are written as the product concept. They are written as the brief to the suppliers, but then they are also used to explain the fragrance concept to the world of trade, the PR, the press etc.” (Interview with Managing Director, Puig, London, September 2006)

The second conclusion from these interviews is that brand directors see that clear communication between all relevant parties is paramount to the success of the product launch. Moreover, it was also believed that the nature

of the product dictates that this communication should be expressed in a language which is highly emotional.

During an interview with a perfumer from a fragrance manufacturing organisation which normally provides outsourced fragrance production service, the perfumer expressed that during the seventeen years of her career, she has observed a clear link between the success of the fragrance and the extent to which the brief expressed the emotions evoked by the fragrance:

“You are talking to artists, you are talking to creative persons, and actually the brief you write, you should be able to give the same brief to the packaging people, to your perfumers, it should be just the essence of what you are trying to communicate so one brief almost fits all.” (Interview with perfumer, Lancôme, Paris, November 2006)

A second perfumer in a similar fragrance production organisation expressed the following during the interview:

“The best ones [briefs] are the one that talk in emotions, the emotional ones, because they have to talk to artists, and if you think of perfumers as the composers, what the client has to do is project their brand, that’s what they are asking, please interpret my brand olfactively, so its the same way as you brief, if you come up with a piece of music.” (Interview with perfumer, IFF, Paris, November 2006)

Brand directors reinforced the view that fragrance drafts need to be expressed with an emotional language rather than rational terms. One brand director who spoke very passionately about the fragrances in his portfolio

expresses that both internal and external communication needs to be conveyed on a non rational basis:

“I mean the creative genius may have an idea that he wants to turn into a fragrance but he has to share that. If internally everybody receives the emotional message it is trying to convey it will then come out”. (Interview with Managing Director, Puig, London, September 2006)

During an interview with the Chairman of one of the key fragrance organisations in the UK, the view about the nature of communication in the fragrance industry in general, and the communication during the new product development stage in particular was expressed as follows:

“I think our industry uses a more floral language quite a dramatic language, perfumery is quite a dramatic business, despite the fact that it is quite a pragmatic business we are taking somebody else’s idea and making business out of it by selling the smell so what we are selling serves absolutely no tangible need at all, it simply pleases people, so we are absolutely dramatic, pseudo dramatically but I don’t think it stops them in this business world today of being very focused and very organised about what they do so there will be a purpose.” (Interview with General Manager, Estée Lauder, London, September 2006)

The managing director of one of the companies provided an elaborate account of one of the fragrance development projects. The account is quoted at length as it reflects the nature of the relationship between stakeholders and the product being developed.

“Our company, is very very very personal and very emotional, I will give you a specific example on the Missoni fragrance which we launched in the US, the UK and Italy markets to start with. The connection there was with the family being incredibly involved and passionate, they were passionate about the ingredients, they were passionate about the packaging, about the look and the way it all worked. When they finally were ready to communicate with the market, I am the head of the UK- we actually went to

Milan, and we were wondering if we will meet the Missoni family, and if they were going to get involved in this. The first night when we were presented with the fragrance, we were invited to dinner with the family in their house where they actually cooked and served the drinks for us, the next day we saw the Missoni fashion show in Milan and we went to a tour around the Missoni factory to see the fabric being made, and we used the Missoni fabric on the bottle and we saw that being made in there, the tour of the factory was by the Managing director of Missoni who is the son of the family, Vittorio Missoni, and at lunch time we were taken down to the Missoni country house and we had lunch prepared for us by Rosita Missoni who is the matriarch of the whole family, and they were so involved in the project. The granddaughter became the advertising face of the outside imagery and she is the spokesperson, meeting the press, doing in store appearances, travelling around, so you have got the emotional connection with human beings, its not only about making a fragrance and making money out of it, because they could do that, and they could farm that out, but they choose not to. The people that we work with choose not to work in that way, they want to be very involved, they see a fragrance as the most personal statement that they could make, even more personal than the fashion that they design, and its become their signature, and you cant do that through board meetings, through e mails, you can only do that over very relaxed lunches, through open meetings.” (Interview with General Manager, Estée Lauder, London, September 2006)

The interviews further assert the importance of fragrance narratives particularly during the fragrance design and the fragrance launch stages. They confirm the purpose of the fragrance narratives as a communication vehicle targeted at industry stakeholders with the purpose of communicating the fragrance concept. A summary table of the interview results is available in the appendix.

## 6.6. Discussion

Product narratives varied across different firm types, different launch types and different market types. However some variables created stronger contrast in narrative type than others. Firm type as a variable revealed a

clear contrast of narrative types, most notably in the reason of the narratives. The motive of the narratives of couture fashion design firms consistently worked on creating links to the brand's heritage, spirit, and history; whereas three axes firms used narratives to link the fragrance to imaginative worlds, fantasies and wishful thinking. This maybe explained by the fact that the motivation behind fragrance launches differ between the two firm types. Couture fashion design brands launch fragrances as a mean of capitalising on existing brand equity which has been built over many years of couture fashion line launches, celebrity associations, prestigious boutiques in prominent locations around the world, fashion shows, premium priced luxury goods, and prestigious events around the world. Fragrances give access to a less wealthy consumer segment who 'buy into the brand' through purchasing a fragrance bottle. This is reflected in the narratives which firms use to present the fragrance to the world of trade and key industry stakeholders.

On the other hand, three axes firms may have well established brands, but these brand reputations were built over years of successful fragrance, skincare and cosmetic launches, and therefore they can not strongly rely on capitalising on their brand equity as in the previous case. Moreover it is not possible for these firms to rely on previous successes as each product needs to convince key stakeholders of its merits. The motivation behind fragrance launches stems from organisational survival needs rather than acting as an additional arm to the core business activities. Fragrance launches in this case

are shaped by the need to reassert organisational presence and organisational status in what is essentially its core business line.

On a different level, fragrance narratives proved to be consistent with organisational strategy. This was classified along two dimensions: their market type and launch type. It is interesting to note that the best narratives in the sample belonged to products which were premium and strategic, and the least meaningful ones belonged to mass tactical products, the contrast between the two narratives types was clear. Here are some examples. All narratives are internally written by the launching fragrance house.

#### 1- Examples of premium strategic fragrance narratives:

Fragrance narrative for Chanel No 19:

*Dawn breaks over the blue hills bordering Kerala and Tamil Nadu in southern India. The jasmine harvest begins. The flower is so delicate that it can only be picked by hand. In the shadow of Etna, perched on their ladders, Sicilian peasants pick lemons, keeping only the precious zest. The two olfactory principles of the new Chanel fragrance have yet to be combined in order to fulfil their destiny.*

Fragrance narrative for Cristalle by Chanel:

*“You can guess what the future holds from the transparency, luminosity and purity of Cristalle. But the only answer you receive may be the pure, light harmony of a fragrance floating in the air as a spontaneous and impulsive woman passes by. A fragrance which combines a breath of the earth and the sky, petals from the jasmine shrub and fruit from the citrus tree.”*

Fragrance narrative for Mitsouko by Guerlain:

*“Mitsouko is a homage to the heroine of ‘La bataille’, the novel by Claude Farrère. It is the story of an impossible passion: Mitsouko, a beautiful Japanese woman and the wife of Admiral Togo, is secretly loved by a British officer. In 1905, when war breaks between Russia and Japan, Mitsouko awaits with dignity the outcome of the battle, nobly overcoming her feelings.”*



Fragrance narrative for Alien by Theirry Mugler:

*"All comes together; the atmosphere is flooded in one miraculous moment with warmth and peace. With her hand, she gives us a message of hope, an aura of liberating generosity and benevolence, the promise of a tranquil future:*

*Alien...*

*Alien, her essence, is the secret key to the beauty present in all of us. Once you gaze into her eyes, you will never be the same again..."*

2- Examples of mass tactical fragrance narratives:

Fragrance narrative for Lacoste Touch of Pink by Lacoste/Procter &

Gamble:

*"Lacoste touch of pink celebrates a fresh, fun, feminine attitude to life. No pretensions, just the captivating élan of a woman who is true to herself and full of youthful vitality. Live your life and run after the things that make you happy: This is the spirit of touch of pink."*

Fragrance narrative for Black Code by Armani/ L'Oreal:

*"The seductive new fragrance for men. Code combines a citron cocktail of bergamot and lemon with soft notes of olive tree blossom, warmed with Guaiac wood and Tonka Bean. A sexy fragrance blend for the contemporary man in the know."*

Fragrance narrative for Cool water deep by Davidoff:

*"Davidoff Cool Water Deep explores new depths. Like a diver who dives down to the sea floor in order to investigate a new world below the surface, this man explores his own personality. This fragrance defines masculine freshness in a completely new way: modern and elegant. Woody-aromatic harmonies set the tone in their composition and emphasise the relaxed, calm masculinity of Davidoff Cool Water Deep."*

Three narratives from each of the two extreme product types are included above to reflect the difference in narrative depth, complexity, and the variance in level of communication as discussed earlier in the results section.

## 6.7. Conclusion

Fragrance narratives form the main communication vehicle through which organisations communicate with industry stakeholders. In this study, narratives are used to infuse products with meaning. These are targeted at industry stakeholders whose acceptance of the fragrance is crucial to market success.

Storytelling is seen to have a crucial role in organisations as they open valuable windows into the emotional lives of organisations which are composed of a complex mix of desires, wishes, symbols and fantasies that are part of each individual's conscious mental functioning. A story can at the same time express an individual's deeply private and personal desires (O'Shaughnessy & O'Shaughnessy, 2003). Thus narratives in this study were analysed on a level which goes beyond their literal meaning and semantics qualities. Analysis focussed on examining the narratives as a product of organisational self expression.

Stories form a powerful tool for communicating: They are ambiguous about agents and agency, their ambiguity, not clarity, successfully draws the audience's attention (Gabrielle, 2000). They draw interest through

interweaving the real with the imaginative. This is evident in all types of narratives which interweave the reality of the fragrance as a tangible product with its intangible qualities which are expressed through creating webs of dreams and painted imaginary landscapes. In some cases the reality is reflected in the stories of origin such as in the case of this narrative example:

*“In March 1979, Jacques Polge visited the apartment of Coco Chanel in rue Cambon for the first time. He was both stunned and amazed... How could a woman who loved such simple and restrained lines have liked living in an apartment where such an incredible profusion, such an eclectic mix of styles reigned supreme? In order to understand, he decided to pay tribute to her by creating his first feminine fragrance for Chanel.”*

*“Aime Guerlain, while completing his studies in England, fell in love with an English girl. However, at the age of 27, he was obliged to return to France alone, dejected and heartbroken. The years passed... Aime Guerlain created Jicky, a dazzling composition and a homage to Jicky, the sweetheart of his youth.”*

In both examples the story of origin is relayed through facts with real characters and locations. The response invited by the stories is not to challenge the facts but to engage with its meaning (Reason and Hawkins 1988). Characters and imaginative worlds are brought to life through stories. When the fragrance is presented through a story as a leading character, it is transferred from the universe of the inanimate to the universe of animate beings. This may help explain the increasing interest in narratives in organisational studies. Organisations and product units come to life through the weaving of narratives, in which they play an important role.

Narratives can form a key tool for studying organisations. On one level it infuses products with meaning, and on a second level, they can be studied as repositories of organisational meanings; and as organisational self expressions. In this study fragrance narratives represent a form of symbolically and emotionally charged communication which aims to influence the evaluation routines of industry stake holders in an effort to transform those routines into commitment evaluation routines (Lampel, 2001). Closer examination of these narratives reveals the underlying product strategy, and the motivations behind the launch. This is best summed up in the following quote:

Storytelling is located within the cultural fabric of different organisations and their cultures. Stories help pass spiritual, moral and cultural heritage, in some respects they resemble symbolically endowed material artefacts. Like material artefacts, stories are repositories of meaning, a meaning that both changes and is timeless. Like artefacts, they sustain a set of values and form part of wide networks through which meaning travels (Gabriel, 2000; p.88)

Finally, this chapter presented and analysed one of the dramaturgical tools which aims to overcome communication barriers and create visibility during product launch.

## 7. CONCLUSION

This study attempted to bridge various gaps in the literature concerning the product launch stage. Increasing intensity of competition and the continuous search for new ways of product differentiation has led to the shift in the concept of value from utilitarian based to hedonic based value. The shift in competitive rules and the shift in value creation strategies have an important impact on strategic decision making prior to a product launch. Such changes have created new difficulties which managers face in launching key products. This study examined the impact of launch activities on the creation of market momentum through increasing launch visibility and winning the support and acceptance of key stakeholders. Furthermore, the study contributes to the existing body of literature by specifically focusing on strategies adopted by firms in order to effectively overcome the information barrier in crowded markets, which poses a considerable threat to organisations who are trying to gain the attention, interest and support of investors and key industry constituencies.

Secondly, in addition to the angle of the study, the study also contributes to product launch literature in the area of consumer products which until today remains an under researched area. A meta-analysis on the determinants of new product performance by Montoya-Weiss and Calantone (1994) showed that earlier work was exclusively based on industrial products (Biggadike, 1979; Choffray and Lilien, 1984; Choffray and Lilien, 1986; Cooper, 1979; Link, 1978; Maidique and Zinger, 1984). This study is done with the aim of

contributing towards a better understanding of effective product launches in consumer industries.

Thirdly, research on the effective launch of creative and luxury products is scarce. This study contributes to knowledge in this area of empirical research. Fourthly, the rationale behind an industry specific research stems from the necessity to account for the product launch context, which may include factors that condition the nature of new product launch (Hultink et al, 2000).

Finally, the use of a mixed methodology approach allowed the researcher to examine the impact of launch activities from a number of different angles. Quantitative data was used to examine the impact of launch activities on the creation of sales momentum and subsequently market share. Qualitative data such as fragrance narratives gave a further perspective into the dynamics and means of concept communication, and the relationship between narrative types, launch strategy and firm type. Fragrance narratives form one of the dramaturgical launch tools, which firms use to amplify the intangible qualities of the product. Further data was collected through participant observation methodology. This was incorporated in the study in order to give a further dimension of the decision choices which managers make in order to overcome the communication barriers which they face when launching key products in such markets.

The proliferation in the number of product launches, information overload, and the non utilitarian nature of the product in question, are factors which make it even more difficult for firms to successfully launch a key product into the market. In the context of this study, it was found that decision choices made by managers are governed by launch visibility creation tactics. Such tactics rely on integrating dramaturgical processes in order to create market visibility and to win product support and acceptance of key industry parties. Such strategies are driven by the need to transform the evaluation routines of constituencies from one where attention is drawn to product limitations and flaws to one where attention is drawn to the possibilities of the product as a cultural artefact: a product which embodies social and cultural symbols and profound emotional messages.

The model proposed in this study and the conclusions of this study can be generalised across many industries for the fact that in today's economy, the survival of organisations in most industries is contingent upon communicating and differentiating their products beyond tangible and functional offerings: *"Everyone sells intangibles in the marketplace, no matter what is produced in the factory."* (Levitt, 1981; p.94)

The findings of this study can be used to overcome some of the problems which managers face in launching products in the contexts of saturated consumer markets, creative industries, and hypercompetitive industries. In saturated markets the possibilities for objective differentiation of the products are small, information about the product therefore does not play an

important role, and the consumer's preference for a brand is mainly created by emotional brand expectations (Kroeber-Riel, 1984).

In mature markets organisations face the risk of their products turning into commodities. In such industries product introductions are more frequent causing the differences between products to be smaller (Tholke et al, 2001). Therefore product launch activities which help overcome market noise through creating a visible product launch is crucial for generating sales momentum and creating market share. Visible product launches can only be achieved if 'a selected few' are convinced of the merits of the products and are willing to adopt and support it in the market. Secondly, for launch visibility to take place, the intangible qualities of the product must be communicated in such a way which will appeal to the subjective and psychological realm of the audience, particularly since it is no longer sufficient to convince such constituencies solely on the rational level.

The findings of this study have several implications on managers. Managers must carefully make strategic choices prior to the launch plan, and based on such choices, tactical choices are made in order to create market momentum. Differently put, an effective product launch plan is one where there is consistency between strategic decisions and the signalling tactics employed. For example, with certain launch strategies, the exaggeration of some launch tactics can have an adverse impact on the firm. As concluded by the results in chapter four, product strategy must be taken into account before deciding on signalling factors and their intensity and scope.



Therefore the consistency of product launch strategy and launch tactics is important for the creation of market momentum in such industries.

The second implication which can be concluded from this study relates to the dramaturgical processes designed to overcome uncertainty. Firms employ the product enactment process in presenting their products to key industry constituencies in order to gain their approval and subsequent support. Dramaturgical processes which were investigated in chapters four, five and six prove to be an effective mean of overcoming the challenges created by information barriers, particularly between the firm and key industry constancies that are faced with hundreds of new product launches every year by firms who are also trying to gain their attention and support. Chapter five concludes that such product enactment processes where spectacles are carefully planned and environments are intricately shaped signal the importance of the product to the launching firm, and therefore its confidence in the product's qualities; secondly, such events act as an indirect signal to the cultural and social symbols which the fragrance embodies. Such signals are refracted through media constituencies.

Furthermore, the third implication is deduced from chapter six in which the study examines the product narratives which are used during the fragrance design and launch processes. These narratives used in the launch process aim to overcome uncertainty by avoiding literal communication, and instead creating a link with the stakeholder's emotional field.

Firms which manufacture and sell fragrances do not use literal objective language to communicate the product concept to stakeholders. In communicating the concept of the fragrance to fragrance designers, key distribution channel buyers, and journalists; firms resort to the use of affective language which describes the fragrance subjectively by depicting emotional landscapes with characters, themes and plots. In analysing such narratives the results prove that such narratives create a product story and engage the reader through emotional narratives. Moreover, the results reveal an underlying pattern between the firm type and aspects of narrative type such as emotional tone, and the manner of reference to the fragrance; thus proving that such narratives in fact stand as repositories of organisational meanings which can reflect organisational launch strategy (Gabriel, 2000). More importantly, it proves that managers communicate fragrance concept according to the market type, the fragrance type and the launching firm type.

The three studies involved in this thesis examine strategies for overcoming product uncertainty which can hinder the success of the launch process. The implications on managers summarised above are deduced from each of the three studies.

This thesis has some limitations. In the first study on an effective launch model, quantitative data was not large enough for a more detailed examination across the different types of fragrance categories and was only limited to the high end area of the mass market. It would have been useful to examine the difference across different market types such as the exclusive premium market. Secondly, data analysis was conducted using the ANOVA method. While it was useful in ascertaining the equality in population means it did not explain the cause of this variation.

The second study incorporates six launch events two of which were attended in person, therefore primary data involved was limited. The four remaining events were attained through secondary resources. Future studies could incorporate a measurement of fragrance launch success and examine the impact of event strategy on the independent variable applied as a proxy for success.

Chapter six incorporates a study on the product narratives used in the launch process. An analysis of these narratives was limited to establishing the relationship between narrative type and the overall launch strategy. But this analysis did not go further to establish whether this in fact has a direct impact on launch success.

Furthermore, data used in the study did not take into account worldwide sales and market shares of fragrances. Quantitative data used in this study was obtained through the researcher's industry networking efforts, and this data was based on UK sales and market shares for fragrances sold in the UK market.

The study lays the foundations for future research on launching strategies for product being launched in similar contexts. There is opportunity for further research which could take account of the global context on one dimension, and ranging strategies (niche etc) on a second dimension.

Future research could possibly address the direct relation between the dramaturgical processes involved and launch outcome. An analysis tool was deduced from the literature in order to analyse launch events along four dimensions. This can be used as a basis for further analysing the impact of

different types of events on product launch; possibly market acceptance and adoption.

There is opportunity for research to analyse the impact of the relationship between narrative type and launch strategy on product launch acceptance among industry players.

Finally future research could take account of a multiple number of creative industries as well as other fields where launch success is contingent on the effective communication of unobservable, intangible qualities, such as internal company narratives, political communication and so forth; in order to find a generic launch strategy specific to such contexts.

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### Electronic Resources:

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## 9. APPENDICES

### Appendix 1: Descriptive industry data

**Table 1: Consumer expenditure on fragrances, at current and constant 2000 prices, 2000-05**

	Current prices			Constant 2000 prices		
	£m	Index	%annual change	£m	Index	% annu al chan ge
2000	750	100	-	750	100	-
2001	773	103	+3.1	768	102	+2.4

2002	800	107	+3.5	801	107	+4.3
2003	823	110	+2.9	831	111	+3.7
2004	858	114	+4.3	874	117	+5.2
2005 (est. )	873	116	+1.8	880	117	+0.7

Source: Mintel 2005

**Table 2: Consumer expenditure on fragrances, by type (fine/mass), at current prices, 2004**

	Men's		Women's		Total	
	£m	%	£m	%	£m	%
Fine/premium	227	71	404	75	631	74
Mass	93	29	134	25	227	26

Total	320	100	538	100	858	100
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Source: Mintel 2004

**Table 3: Manufacturers' shares in women's fragrances, 2002-04**

	2002		2004		% change
	£m	%	£m	%	2004-04
L'Oreal	76	15	82	15	+7.9
Chanel	60	12	72	13	+20.0
Estée Lauder	60	12	60	11	-
Procter & Gamble	40	8	49	9	+22.5

Unilever	35	7	38	7	+8.6
Yves St Laurent	35	7	38	7	+8.6
KGA	35	7	38	7	+8.6
Avon	25	5	22	4	-12.0
Christian Dior	25	5	34	6	+36.0
Coty/Lancaster	20	4	22	4	+10.0
Revlon	15	3	16	3	+6.7
Others	78	15	78	14	-
<b>Total</b>	<b>504</b>	<b>100</b>	<b>549</b>	<b>100</b>	<b>+8.9</b>

Source: Mintel 2004

**Table 4: Brand shares within women's fine fragrances, 2002-04**

	2002		2004		% change
	£m	%	£m	%	2002- 04
Chanel No.5	22.4	6	24.7	6	+10.3
Anäis Anäis (P&G)	18.7	5	16.5	4	-11.8
Jean Paul Gaultier (KGA)	11.2	3	16.5	4	+47.3
Eternity	11.2	3	16.5	4	+47.3
Pleasures	7.5	2	8.2	2	+9.3

Angel	3.7	1	12.4	3	+235.1
Coco Mademoiselle	11.2	3	12.4	3	+10.7
J'Adore (Dior)	14.9	4	12.4	3	-16.8
Allure (Chanel)	11.2	3	12.4	3	+10.7
Hugo Deep Red (P&G)	11.2	3	8.2	2	-26.8
Chance	-	-	8.2	2	na
Pleasures (Estée Lauder)	7.5	2	8.2	2	+9.3
Others	242.9	65	255.7	62	+5.3

<b>Total</b>	<b>373.0</b>	<b>100</b>	<b>412.0</b>	<b>100</b>	<b>+10.5</b>
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Mintel 2005

**Table 5: Brand shares within women's mass fragrances, 2002-04**

	<b>2002</b>		<b>2004</b>		<b>% chang e</b>
	<b>£m</b>	<b>%</b>	<b>£m</b>	<b>%</b>	<b>2002- 04</b>
Charlie (Revlon)	13	10	14	10	+7.7
L'Aimant (Coty)	9	7	8	6	-11.1
Exclamation! (Coty)	9	7	8	6	-11.1

The Body Shop	5	4	8	6	+60.0
Yardley Originals	7	5	7	5	-
So? (INCOS Ltd)	4	3	5	4	+25.0
Tweed (Fine Fragrances & Cosmetics)	3	2	3	2	-
Vanderbilt (L'Oréal )	1	1	3	2	+200.0
Others	80	61	81	59	+1.3
<b>Total</b>	<b>131</b>	<b>100</b>	<b>137</b>	<b>100</b>	<b>+4.6</b>

Source: Mintel 2004



**Table 6: Percentage spent on main monitored media advertising expenditure of women's fragrances, by quarter, 2004**

	Mass-market	Fine/premium
	%	%
Jan-March	0.8	11.9
April-June	1.8	15.5
July-Sept	10.3	15.9
Oct-Dec	87.1	56.8
<b>Total</b>	<b>100</b>	<b>100</b>

Mintel 2004

**Table 7: Main monitored media advertising expenditure on women's premium, mass market and unisex fragrances, by media type, 2004**

	Mass	Fine	Unisex
	%	%	%
Cinema	-	3.3	-
Outdoor	-	8.5	6.0
Press	98.7	51.6	18.8
Radio	1.3	0.1	2.3
Television	-	36.6	72.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Mintel 2004

**Table 8: UK retail sales of women's fragrances, 2000-05**

	£m	Index	£m at 2000 prices	Index	€m	Index
2000	478	100	478	100	770	100
2001	489	102	486	102	778	101
2003	519	109	523	110	773	100
2004	549	115	559	117	824	107
2005	573	120	578	121	831	108

Source: Mintel 2005

Appendix 2: ANOVA results for Chapter 4 tests

**Impact of celebrity endorsement on momentum**

Between-Subjects Factors

		N
celebend	.00	21
	1.00	38

Tests of Between-Subjects Effects (Dependent Variable: mktshare )

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1.775(a)	5	.355	3.620	.007
Intercept	.165	1	.165	1.682	.200
priceunco ded	.457	1	.457	4.664	.035
large	.027	1	.027	.277	.601
firmtyp	.178	1	.178	1.820	.183

advertspen d	.798	1	.798	8.143	.006
celebend	.405	1	.405	4.136	.047
Error	5.196	53	.098		
Total	20.719	59			
Corrected Total	6.971	58			

a R Squared = .255 (Adjusted R Squared = .184)

### **Consistency between product strategy and signalling tool: impact on momentum**

Between-Subjects Factors

		Value Label	N
fragfam	1.00		14
	2.00		17
	3.00		10
	4.00		18
celeb	.00	nonceleb	39
	1.00	celeb	20

Tests of Between-Subjects Effects (Dependent Variable: mktshare)

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2.967(a)	12	.247	2.633	.009
Intercept	1.805	1	1.805	19.224	.000
threeaxis	.319	1	.319	3.393	.072
fashion	.135	1	.135	1.439	.236
pricecoded	.033	1	.033	.351	.556
licensize	.004	1	.004	.040	.842
adexcoded	.426	1	.426	4.540	.038
fragfam	.936	3	.312	3.321	.028
celeb	.047	1	.047	.497	.484
fragfam * celeb	.795	3	.265	2.821	.049
Error	4.320	46	.094		
Total	20.596	59			
Corrected Total	7.287	58			

a. R Squared = .407 (Adjusted R Squared = .253)

Between-Subjects Factors

		N
frag	1.00	14
	fam	
	2.00	15
	3.00	9
cele	4.00	17
	1.00	
	bfie	6
	ld	
	2.00	6
	3.00	39
	4.00	4

Tests of Between-Subjects Effects (Dependent Variable: mktshare)

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	5.084(a)	17	.299	1.985	.040
Intercept	.002	1	.002	.014	.907
adexcoded	1.059	1	1.059	7.029	.012
large	.008	1	.008	.052	.821
priceuncoded	.261	1	.261	1.732	.196
threeaxis	.555	1	.555	3.680	.063
fashion	.146	1	.146	.969	.331
fragfam	.098	3	.033	.217	.884
celebfield	.492	3	.164	1.089	.366
fragfam * celebfield	2.376	6	.396	2.628	.032
Error	5.575	37	.151		
Total	26.686	55			
Corrected Total	10.659	54			

a. R Squared = .477 (Adjusted R Squared = .237)



### Consistency between market segment and signalling tools: Impact on momentum

Between-Subjects Factors

		Value Label	N
celeb	.00	nonceleb	39
	1.00	celeb	20
mktseg	.00	mass	39
	1.00	premium	20

Tests of Between-Subjects Effects (Dependent Variable: mktshare)

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	3.575(a)	7	.511	3.411	.005
Intercept	.448	1	.448	2.993	.090
priceuncoded	.650	1	.650	4.343	.042
adexcoded	2.076	1	2.076	13.866	.000
firmttype	.097	1	.097	.646	.425
large	.022	1	.022	.150	.700
celeb	.002	1	.002	.013	.911

mktseg	.590	1	.590	3.941	.053
celeb * mktseg	1.001	1	1.001	6.683	.013
Error	7.636	51	.150		
Total	26.843	59			
Corrected Total	11.212	58			

a R Squared = .319 (Adjusted R Squared = .225)

Between-Subjects Factors

		Value Label	N
celebfield	1.00		6
	2.00		6
	3.00		39
	4.00		4
mktseg	.00	mass	35
	1.00	premium	20

Tests of Between-Subjects Effects (Dependent Variable: mktshare)

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	4.626(a)	13	.356	2.418	.016
Intercept	.013	1	.013	.090	.766
large	.032	1	.032	.220	.641
highadexp	.553	1	.553	3.755	.060
threeaxis	.052	1	.052	.355	.555
fashion	.021	1	.021	.140	.711
lowadexp	.102	1	.102	.690	.411
pricecoded	1.296	1	1.296	8.805	.005
celebfield	.148	3	.049	.336	.799
mktseg	1.730	1	1.730	11.754	.001
<b>celebfield * mktseg</b>	1.490	3	.497	3.376	.027
Error	6.033	41	.147		
Total	26.686	55			
Corrected Total	10.659	54			

a. R Squared = .434 (Adjusted R Squared = .255)

		Value Label	N
strategic	.00	tactic	27
	1.00	strategic	32
celeb	.00	nonceleb	39
	1.00	celeb	20

Tests of Between-Subjects Effects (Dependent Variable: momsales)

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1.061(a)	7	.152	2.916	.012
Intercept	.001	1	.001	.023	.881
licensize	.000	1	.000	.003	.954
firmtyp	.149	1	.149	2.872	.096
adexcoded	.539	1	.539	10.359	.002
pricecoded	.114	1	.114	2.194	.145
lnchstrtgy	.065	1	.065	1.249	.269
celeb	.053	1	.053	1.016	.318
<b>lnchstrtgy * celeb</b>	<b>.216</b>	<b>1</b>	<b>.216</b>	<b>4.156</b>	<b>.047</b>
Error	2.652	51	.052		

Total	6.939	59			
Corrected Total	3.714	58			

		Value Label	N	Between-Subjects Factors
event	.00		22	
	1.00		37	
strategic	.00	tactic	27	Tests of
	1.00	strategic	32	

Between-Subjects Effects (Dependent Variable: mktshare)

Source	Type III Sum of Squares	df	Mean Squa re	F	Sig.
Corrected Model	3.700(a)	8	.462	2.854	.011
Intercept	1.090	1	1.090	6.723	.012
adexcoded	1.754	1	1.754	10.825	.002
large	.034	1	.034	.211	.648
threeaxis	.238	1	.238	1.472	.231

fashion	.118	1	.118	.729	.397
pricecoded	.087	1	.087	.538	.466
event	.271	1	.271	1.670	.202
lnchstrtg	.051	1	.051	.313	.578
event *					
lnchstrtg	.665	1	.665	4.106	.048
Error	8.103	50	.162		
Total	28.644	59			
Corrected					
Total	11.803	58			

a R Squared = .313 (Adjusted R Squared = .204)

**Impact of market strategy on momentum:**

Between-Subjects Factors

		Value Label	N
mktseg	.00	mass	39
	1.00	premium	20

Tests of Between-Subjects Effects (Dependent Variable: mktshare)

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	3.097(a)	6	.516	3.308	.008
Intercept	.031	1	.031	.197	.659
licensize	.050	1	.050	.323	.572
threeaxis	.008	1	.008	.050	.825
fashion	.001	1	.001	.009	.926
highadexp	1.004	1	1.004	6.434	.014

pricecoded	1.583	1	1.583	10.145	.002
mktseg	1.063	1	1.063	6.812	.012
Error	8.115	52	.156		
Total	26.843	59			
Corrected Total	11.212	58			

a R Squared = .276 (Adjusted R Squared = .193)

### **Impact of launch strategy on momentum:**

#### Tests of Between-Subjects Effects

	Value Label	N
strategic .00	tactic	27
1.00	strategic	32

#### Between-Subjects Factors (Dependent Variable: momsales)

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
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Corrected					
Model	.570(a)	5	.114	1.912	.108
Intercept	.042	1	.042	.706	.405
licensize	8.32E-006	1	8.32E-006	.000	.991
firmttype	.099	1	.099	1.660	.203
pricecoded	.093	1	.093	1.561	.217
highadexp	.184	1	.184	3.075	.085
lnchstrtgy	.259	1	.259	4.345	.042
Error	3.162	53	.060		
Total	6.820	59			
Corrected					
Total	3.733	58			

a R Squared = .153 (Adjusted R Squared = .073)

#### Between-Subjects Factors

	Value Label	N
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strategic	.00	tactic	27
	1.00	strategic	32

Tests of Between-Subjects Effects (Dependent Variable: mktshare)

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2.390(a) )	5	.478	2.872	.023
Intercept	.003	1	.003	.015	.901
firmtyp	.032	1	.032	.195	.661
highadexp	.889	1	.889	5.340	.025

priceuncod	.141	1	.141	.848	.361
ed					
licensize	.070	1	.070	.421	.519
lnchstrtgy	.725	1	.725	4.356	.042
Error	8.822	53	.166		
Total	26.843	59			
Corrected					
Total	11.212	58			

a R Squared = .213 (Adjusted R Squared = .139)

Appendix 3: Chapter 5 Ted Baker Fragrance Launch Attendees

The following is the list of attendees:

Media Attendees:

Name	Position	Publication
Becky Howard	Beauty Editor	Daily Mail
Laura Bacharach	Beauty Director	Company
Becci Field	Beauty Director	Glamour
Janine Philipson	Beauty Director	She
Emma Hill	Beauty Director	B /Freelance
Joani Walsh	Editor	Spirit (Superdrug)
Catherine Turner	Beauty Director	Easy Living
Sarah Green	Beauty Director	New Woman
Mary-Ann Ellis	Freelance	NOW/ Independent
Lee Wallick	Grooming Editor	Men's Health

Journalist Attendees

Journalist	Title
Mernie Gilmore	Daily Express
Clare Coulson	The Daily Telegraph
Carolyn Asome	The Times
Eileen Leahy	Daily Express Saturday
Molly Gunn	ES Magazine
Lynne Michelle	Celebs on Sunday
Amy Packer	The Sunday Express
Kelly Gilbert	You Magazine The Mail on Sunday
Alessandra Steinherr	Cosmopolitan

Sarah-Joan Ross	Elle
Inge van Lotringen	Eve
Camilla Kay	In Style
Caroline Brien	Marie Claire
Elizabeth Hambleton	More!
Rachel Fiddes	Now
Rosie Green	Red
Alex Friend	Zest
Georgia Goodall	Reveal
Elizabeth Barnett	Happy
Nicola Moulton	Grazia
Heidi Schumacher	Bliss
Donna Francis	CosmoGIRL!
Sophie Beresiner	Elle Girl
Ruby Shephard	Sneak
Leanne Warrick	Sugar
Emma Gunavardhana	OK!
Juliet Blank	Closer
Ellie Crompton	Heat
Jane Cunningham	Freelance
Nadine Baggott	Hello!

#### Appendix 4: Chapter 6 fragrance narratives analysis and narrative examples

Narrative examples from Guerlain fragrance house:

Fragrance name: Chamade

The narrative as written by the fragrance house:

*“In the past, army drums beat the “chamade” to signal their surrender. A homage to the novel by Francoise Sagan, Chamade by Guerlain symbolises a surrender to love.*

*The bottle, in the form of a heart turned upside down, reinforces this sublime evocation of the agitation of love, while the stopper suggests an arrow aimed at the heart.”*

Fragrance name: Jicky

The narrative as written by the fragrance house:

*“Aime Guerlain, while completing his studies in England, fell in love with an English girl, However, at the age of 27, he was obliged to return to France alone, dejected and heartbroken. The years passed...*

*Aime Guerlain created Jicky, a dazzling composition and a homage to Jicky, the sweetheart of his youth.*

*The bottle is inspired by the 19<sup>th</sup> century medicine jar. Its stopper, shaped like a champagne cork, evokes movement and celebration.*

*The starting point of modern perfumery. Jicky was the first fragrance to combine natural essences and synthetic essences, which give it not only its many facets (fresh, floral, spicy, oriental) but also its strength and staying power.”*

Fragrance name: Mitsouko

The narrative as written by the fragrance house:

*“Mitsouko is a homage to the heroine of ‘La bataille’, the novel by Claude Farrère. It is the story of an impossible passion: Mitsouko, a beautiful Japanese woman and the wife of Admiral Togo, is secretly loved by a British officer. In 1905, when war breaks between Russia and Japan, Mitsouko awaits with dignity the outcome of the battle, nobly overcoming her feelings.*

*The bottle is identical to that of L’Heur Blue. It is said that the two bottles open and close the period between the beginning and the end of the war.”*

Fragrance name: Nahéma

The narrative as written by the fragrance house:

*“The tale of the one and only day of Scheherazade recounts the legend of two twin princesses, of equal beauty but of different nature...The first, Mahané was sweet and warm, full of tenderness and compassion. The second, Nahéma, was a woman of great mysterious intensity, whose profound passions remained unexplored.*

*Inspired by the duality of woman, Jean-Paul Guerlain created Nahéma which means “daughter of fire.”*

Fragrance name: Vol De Nuit

The narrative as written by the fragrance house:

*“Vol de Nuit derives its name from the novel by Antoine de Saint Exupéry, which relates to the drama and excitement of the early years of aviation. In the novel, a pilot, newly wed, loses control of his aircraft, while his wife in the control tower waits feverishly for his sign of life. Vol de Nuit is a vibrant homage to this moving love story and to women who know how to live with danger.*

*The design in relief on the bottle represents the moving propeller of an aircraft, while the name is cut out of a circle of gold metal suggesting the propeller belt.”*

Narrative examples from Theirry Mugler fragrance house:

Fragrance name: Alien

The narrative as written by the fragrance house:

*"All comes together; the atmosphere is flooded in one miraculous moment with warmth and peace.*

*With her hand, she gives us a message of hope, an aura liberating generosity and benevolence, the promise of a tranquil future:*

*ALIEN...*

*ALIEN, her essence, is the secret key to the beauty present in all of us.*

*Once you gaze into her eyes, you will never be the same again..."*

Fragrance name: Garden of Stars

The narrative as written by the fragrance house:

*"In the beginning there was a star...Angel, mysterious and bewitching.*

*Liberated and vibrant, the Angel star is stealing away from its universe*

*And taking flight towards fresh new daring dreams and a meeting with three mysterious nomadic flowers.*

*Such sparkling and passionate moments only occur at a point between heaven and earth, between imagination and reality.*

*Now, from this magical dream, emerge three new fragrances to blossom in a garden of stars, each one blessed on the original Angel fragrance."*



Narrative examples from Dior fragrance house:

Fragrance name: Pure Poison

The narrative as written by the fragrance house:

*“Once upon a time...There was a new incarnation of beauty. A woman with enormous heart, a generous soul. A seductress without illusion, Within her, seduction is a gift. Intuitive. Instinctive. With her candid yet provocative smile, the Pure Poison bottle on her closed fist, she challenges us and invites us to follow the path of a new seduction. A path which is a trail of scent... Pure Poison, by Dior.*

*The film tells a story, An intense encounter between the Beast, an incarnation of evil seduction and Beauty, and incarnation of the new seduction. Beauty triumphs. The Pure Poison bottle in her hand, she feels an irresistible power in her heart, entirely new and invincible: the gift of anew seduction that is pure, deep, dazzling.”*

Fragrance name: Poison

The narrative as written by the fragrance house:

*“Forbidden fruit, Poison is the revolutionary fragrance that originated the legend of seduction by Dior.  
A myth since its creation. An unprecedented alchemy.  
A spicy, fruity, amber fragrance of mysterious depth that asserts daring and fatal seduction.”*

Fragrance name: Dune

*“A radiant yet subtle fragrance at one with nature. A glimpse of infinity. A fragrance landscape where the sky meets the sea. An harmonious bouquet where amber flowers and sweeping freshness melt into enveloping sensuality.”*

Fragrance name: J'adore

*"The promise of intense emotion  
The heady pleasure of dizziness  
The shimmering of gold and light  
J'adore again and forever."*

Narrative examples from Armani fragrance house:

Fragrance name: Night

The narrative as written by the fragrance house:

*"Make use of the dark  
To set yourself free  
Exchange intense looks  
Blend opposed scents  
For her, a daring and provocative elixir. For him, a tempting and marked  
potion. Disconcerting signals which complement each other and blend  
naturally in a spontaneous embrace.  
An extreme climate, charged with mystery, boldness and sensuality. The  
Emporio Armani ultimate attraction."*

Fragrance name: White

The narrative as written by the fragrance house:

*"After the "after-hours" and into the morning. All is awashed in heat and  
light. Two bodies dance upon a canvas of white. It glistens against the sea  
below them. It penetrated the air that surrounds them. For him. For her. It  
is a moment made magic by it. Senses awakened. They have never felt so  
tactile, so sensual..."*

Fragrance name: White (for her)

The narrative as written by the fragrance house:

*“A gentle breeze bathed in light, calm yet incredibly fresh.*

*Her experience*

*A fresh white light fills the room with white. It bathes me in energy that is as pure and primal as my sensations. It holds us in an eternal embrace. A gentle breeze passes over us in a whisper. Its fragrance is as invigorating as a new experience and as comforting as his touch.”*

Fragrance name: White (for him)

The narrative as written by the fragrance house:

*“A fresh fragrance for him. A fresh breeze, simple and direct, vibrant, stimulating and energizing. It epitomises freshness.*

*His experience*

*6am. The morning light is white. The ocean intensely blue. The air around us is energizing, fresh, revitalizing. Her skin is soft and fragrant. We are as vibrant as the light that transcends us. Pure and simple, my senses are refined. Now I know what is essential.”*

Appendix 5: Chapter 6 Narrative Analysis Table

<b>Fragrance House</b>	<b>Fragrance name</b>	<b>Firm type</b>	<b>Mass vs. premium</b>	<b>Launch type</b>	<b>Narrative Structure</b>	<b>narrative complexity</b>	<b>Fragrance placement in narrative</b>	<b>Reason of narrative</b>	<b>Form (emotional tone)</b>
Chanel	Allure Homme	1	0	1	proto story	complex	dramatis persona	description of fragrance character and composition	romantic
Chanel	Coco	1	1	1	full story	complex	dramatis persona	homage	Epic
Chanel	N°19	1	1	1	meta narrative	complex	dramatis persona	explains the choice of the number 19: Chanel's birthdate.	Epic
Chanel	No5	1	1	1	meta narrative	complex	dramatis persona	links to Coco Chanel the sensations evoked, tribute to the	Epic

								fragrance's market leadership as the first of its kind. homage to legendary figures connected with the fragrance	
Chanel	Chance	1	1	1	full story	complex	dramatis persona	tells us the people behind the creation, describes the character of the fragrance wearer.	romantic
Chanel	CRISTALLE	1	1	1	full story	complex	dramatis persona	story of origin	romantic
Dior	Dior Homme	1	0	1	ante narrative	simple	dramatis persona	linking the fragrance to the brand spirit, description of the smell	Epic

Dior	Higher	1	0	1	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	Epic
Dior	Pure Poison	1	1	1	proto story	complex	artefact inside the story	the fictional universe of the fragrance	Epic
Dior	Dune	1	1	1	poem	simple	Pleasure of the senses	superficial description of the fragrance	romantic
Dior	J'adore	1	1	1	poem	simple	Pleasure of the senses	sensory description	romantic
Dior	Miss Dior Cherie	1	1	2	ante narrative	simple	Pleasure of the senses	description of the smell, a reinterpretation of an older version	romantic
Givenchy	Pi	1	0	1	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	Epic
Givenchy	Ysatis	1	0	1	ante narrative	simple	Pleasure of the senses	description of the smell and the	romantic

								wearer	
Givenchy	organza	1	0	1	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic
Givenchy	very irresistible Givenchy	1	1	1	proto story	complex	dramatis persona	story of origin, links to the brand	romantic
Givenchy	Amarige	1	1	1	ante narrative	simple	Pleasure of the senses	description of the smell, the bottle and the wearer	romantic
YSL	Rive Gauche	1	0	1	ante narrative	simple	Pleasure of the senses	political	Epic
YSL	Cinema	1	1	1	meta narrative	complex	dramatis persona	description of the advertisement scene	romantic
YSL	Opium	1	1	1	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic

YSL	Paris	1	1	1	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic
YSL	Yveresse	1	1	1	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic
Cacharel	Amor Amor	2	0	1	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic
Clarins	Par Amour	2	1	1	poem	complex	no reference	a poetic description of the emotions provoked by the fragrance	romantic
Coty	Coolwater Deep	2	0	2	proto story	complex	dramatis persona	analogy describing the fragrance and its wearer	romantic
Coty	Echo Woman	2	1	1	proto story	complex	no reference	political	Epic
Elizabeth Arden	Provocative Woman	2	0	1	ante narrative	simple	Pleasure of the senses	superficial description of the	romantic



								fragrance	
Estée Lauder	Polo Black	2	0	2	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic
Estée Lauder	Polo Blue	2	0	2	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic
Estée Lauder	Beyond Paradise	2	1	1	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic
Guerlain	CHAMADE	2	1	1	meta narrative	complex	dramatis persona	homage to a novel	romantic
Guerlain	NAHÉMA	2	1	1	terse	complex	dramatis persona	homage to a novel	romantic
Guerlain	JICKY	2	1	1	full story	complex	dramatis persona	homage to a love story	romantic
Guerlain	MIITSOUK O	2	1	1	terse	complex	dramatis persona	homage to a novel	romantic

Guerlain	VOL DE NUIT	2	1	1	terse	complex	dramatis persona	homage to a novel	romantic
L'Oreal	White	2	0	1	proto story	complex	No ref	paints a psychological and physical landscape	romantic
L'Oreal	White (for her)	2	0	1	proto story	complex	No ref	paints a psychological and physical landscape	romantic
L'Oreal	White (for him)	2	0	1	proto story	complex	Pleasure of the senses	paints a psychological and physical landscape	romantic
L'Oreal	Night	2	0	1	proto story	complex	No ref	paints a psychological and physical landscape	romantic
L'Oreal	Armani Black Code	2	0	1	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic
L'Oreal	City Glam	2	0	2	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic

L'Oreal	Emporio City Glam He	2	0	2	ante narrative	simple	Pleasure of the senses	superficial description of the fragrance	romantic
Thierry Mugler	Alien	2	0	1	full story	complex	no reference	creates a foreign universe in which the fragrance is born	romantic
Thierry Mugler	garden of stars	2	1	1	proto story	complex	dramatis persona	creates a foreign universe in which the fragrance is born	romantic

Appendix 6: Industry contacts and Interview participant's profiles

	<b>ID</b>	<b>Organisation</b>	<b>City/ Country</b>	<b>Date</b>	<b>time</b>
P1	Sales Director	Ted Baker Fragrances	London/ UK	10/7/ 2005	8:30am
P2	Fragrance and Beauty Buying Manager	Debenham	London/UK	14/7/2005	3:00pm
P3	Packaging Design	Givaudan	London/ UK	2/8/05	12:00pm
P4	Fragrance Sales Director	Harrods	London / UK	31/10/06	11:30am
P5	Fragrance & Beauty Buying manager	Harrods	London / UK	31/10/06	2:00pm
P6	PR director	The Communications Store	London/ UK	6/1/06	10:00am
P7	Marketing Director	Guerlain	London/ UK	5/7/06	10:30am
P8	Managing Director	Estée Lauder	London/ UK	7/7/06	12:00pm

	<b>ID</b>	<b>Organisation</b>	<b>City/ Country</b>	<b>Date</b>	<b>time</b>
P9	Managing Director	Dior	London/ UK	18/7/06	2:00pm
P10	Managing Director	Coty Prestige	London/ UK	19/7/06	09:00am
P11	Managing Director	Givenchy	London/ UK	10/8/06	10:00am
P12	Managing Director	Acqua di Parma	London/ UK	14/8/06	10:00am
P13	Managing Director	L'Oreal	London/ UK	22/8/06	12:00am
P14	Global R&D director	Procter & Gamble	Egham/UK	11/9/06	10:00am
P15	Managing Director	Aspects Beauty	Weybridge/UK	12/9/06	3:00pm
P16	Managing Director	Puig-Prada Fragrances	London/ UK	28/9/06	10:00am
P17	Chairman	Fragrance Foundation UK	London/ UK	3/10/06	12:30pm
P18	Managing Director	LVMH group UK	London/ UK	5/10/06	10:00am
P19	Marketing Director	Thierry Mugler	London/ UK	10/10/06	3:00pm
P20	Perfumer/	IFF	Roehampton/UK	11/10/06	10:30am
P21	Marketing Director	Lancôme	London/ UK	15/11/06	9:30am

	<b>ID</b>	<b>Organisation</b>	<b>City/ Country</b>	<b>Date</b>	<b>time</b>
P22	PR director	Lancôme	London/ UK	18/10/06	3:00pm
P23	Marketing Director	Givenchy	Paris/ France	20/11/06	11:00am
P24	Product development Director	Lancôme	Paris/ France	21/11/06	10:00am
P25	Managing Director	Guerlain	Paris/ France	22/11/06	10:30am
P26	Managing Director	P&BEuro Beauty Agency	Paris/ France	24/11/06	10:00 am
P27	senior manager	IFF	Paris/ France	22/11/06	2:00pm
P28	Perfumer	Lancôme	Paris/ France	23/11/06	11:30am
P29	Managing Director	Elizabeth Arden	London/ UK	4/1/07	11:00am
P30	Managing Director	Jo Malone	London/ UK	23/01/07	11:00am

## Appendix 7: Chapter 6 Senior Management Interview questions:

The following questions were used to guide the interview but were not strictly limited to these questions. The interviews were semi structured, and questions were open ended to allow the interviewer to gain a more in depth view on the source of the narratives and their role as an organisational communication tool. Interviews lasted for an average of ninety minutes each.

- Introduction:

An Explanation of research background.

Participant's length of employment?

1. How do you differentiate your perfumes from competitors?

- New product development process:

2. How long does it take from idea to launch?

3. Who is involved? Who manages the project?

4. What is the nature of the communication circulated during NPD? How is it referred to?

- Perfume launch process:

5. Do you preannounce the launch? How long before?

6. What are the launch activities involved?

7. Launch event: importance? Who is invited? Can I attend one?

8. Does the launch strategy differ across different products? Why?

9. What triggers new launches?

- Narratives:

17. Who writes the perfume stories?

18. For whom are they written? Why?

19. At which point of the development process are they produced?

- Closing and requesting fragrance drafts.