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Influencing luxury fragrance brand image with celebrity endorsement: Case Miss Dior

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<p>The purpose of this thesis was to study the impact of celebrity endorsement on a luxury fragrance brand's image. Secondary data was studied to explain the basics of branding and marketing theories with point of view of luxury industry. The research aimed to give an understanding of how luxury brand management differs from non-luxury and the way celebrity endorsement is applied in luxury brand environment. Many luxury perfume brands apply the brand ambassador strategy, where a suitable celebrity embodies the brand.</p> <p>As the study's purpose was to give a clear picture on the subject, a case study was presented. The luxury perfume brand Miss Dior has conducted celebrity endorsement strategy successfully with the same brand face for ten years. The brand has managed to combine the brand's heritage and identity with demands of development by the contemporary world.</p> <p>It was concluded that a well-chosen brand ambassador is beneficial for a luxury perfume brand. Holding on to the identity of the brand is important while keeping the brand relevant to modern market demands. A celebrity can be a good addition to support a luxury brand's prestigious attributes and convey brand values in a relatable manner.</p>	
Keywords	Luxury, Branding, Miss Dior, Celebrity endorsement, Brand ambassador, perfume, fragrance

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1 Introduction

For decades celebrities have been used to promote brands and make them more desirable for consumers. Companies continue to pay a lot of money for famous people, so they will endorse brands and products under a certain category. This thesis studies the motives and benefits, as well as the risks of using celebrity endorsement a way to develop brand image in a luxury perfume setting. The research is conducted with qualitative data collection, and the data is gathered using several academic books, journals, articles and online sources so the overview will be sufficiently comprehensive.

The focus will be on the luxury perfume industry. Perfumes and celebrities, especially actresses have been connected to each other since the Hollywood's golden age, as an example Marilyn Monroe's affiliation with the classic perfume Chanel no 5. A case study about a luxury perfume brand Miss Dior is conducted. Analyzing the brand and the connection it has created with actress Natalie Portman will give insight on how successful celebrity endorsement supports the brand image for a real luxury brand. The case study reviews different methods and ways Miss Dior, together with Natalie Portman, intend to present the brand and what image it is trying to convey.

The literature review will provide an understanding of branding, luxury branding and celebrity endorsement, as well as insight into the luxury perfume market. In addition, it compares the marketing strategies of a non-luxury and luxury brands, as well as covers the positioning of celebrities' own perfumes compared to luxury perfumes.

2 Literature review

2.1 Branding

Branding has been around for centuries, starting as a way to identify which goods belong to which producer. The word brand derives from Old Norse word brandr, meaning to burn. Today still, livestock is branded so the owners can identify them. (Keller, 2013,p.30) So to put it simply, a company's or its product's brand is like an intangible burnmark for them created in people's minds to separate them from others and form an image of them.

The different components that identify and differentiate a brand from others are called brand elements. Brands also have a brand image, which serves as the symbolization and impression that consumers have about them. A buying decision can be based solely on brand image because it saves the consumer mental effort of contemplating between different options. (O'Shaughnessy, 2013, p.326)

Kapferer (2008, p.11)states that since we are living in an attention economy , people can't spend too much time comparing every product available in its category. They simply don't have time and even if they did, it is never certain that they chose the best option for them. This is what brands offer, certitude and trust. They reduce risk and time connected to purchase decision.

Brand does not take away completely the risk associated to the product. "The perceived risk could be economic (linked to price), functional (linked to performance), experimental, psychological (linked to our self-concept) or social (linked to our social image)." (Kapferer, 2008, p.11) This is the reason why it takes time for brands to build a good level of salience and by it the trust which is based on the trusted beliefs that the brand's benefits are unique. (Kapferer, 2008, p.11)

2.1.1 Brand equity

Brand equity can be seen as the overall essence of branding. O'Shaughnessy(2015, p.326) states that according to Aaker's definition brand equity is a combination of different assets such as name awareness, loyal customers, perceived quality and other associations that are linked to a brand that add additional value or also can have a weakening effect.

There are many benefits to a brand to possess a positive brand equity. In a purchase situation the consumer will likely choose the brand they know best if there is not really a way to judge differences between brands. Brands can be easily recognised and radiate a sense of taste and status among people who share the same appreciation to a brand. For example Chanel no 5 has minimal packaging and its simple name derives from that it was the fifth bottle option shown to Coco Chanel in 1921. (O'Shaughnessy, 2015, p.327) To this day the perfume has kept its positive brand equity as a symbol of style and elegance.

A positive brand equity will develop loyalty towards a brand. This loyalty is not only buying the brand continuously and having satisfaction toward it. It is a complete devotion to a brand that is based on an emotional connection with the person and the brand. This kind of strong bond is the best protective measure towards competition. Successful experience with a brand creates trust and more experience creates more trust. Over time this develops to loyalty and devotion. A loyalty towards a brand can be compared to a relationship between the brand and the customer. Even if some unequal behaviour occurs, they are accepted in short term there is trust that the other party will make everything right again in long term (O'Shaughnessy, 2015,p.328)

2.1.2 Customer-based brand equity

Keller(2013,p.68-69) introduces another point-of-view to evaluate brand equity, which is the concept of Customer-based brand equity(CBBE). This point-of-view explains what brand equity is from the consumer's perspective. CBBE bases on the idea that the brand's power sits on the customers' experiences over time of the brand. "The power of a brand lies in what resides in the minds and hearts of customers". CBBE is formally defined as the effect that differentiates the brand when consumer responses to the marketing of that brand. A positive CBBE occurs when customer has a more favourable reaction to a product when it is identified than when it is unidentified. There are three essential points to the concept: "Differential effect", "brand knowledge" and "consumer response to marketing".

Differential effect comes from the different responses from consumers. If there are no differences, the brand product is a commodity or just a generic version of the product. Brand knowledge is based on what people have learned and seen about the product. Consumer response mirror the perceptions, behavior and preferences that relate to aspects of brand marketing. Consumers can state different opinions of identical products

when they are branded and unbranded. This means that their knowledge of the brand has changed their perceptions of the product. Thus opinion on product performance is connected to a person's impression of the brand. (Keller , 2013,p.68-70)

2.1.3 Power of the brand

In addition to brand equity a brand can be measured with brand power. It has two criteria: How familiar the consumer is with the brand (share of mind) and customer's "esteem" for how good they think the brand is. (O'Shaugnessy, 2015,p.327)

If power is looked at as the basis of influence and influence as the exercise of power, these two brand power measures show only some aspects that tell how much brand power truly affects purchase decision. Blind tests indicate more the brand's power. In one blind test Kellogg's Corn Flakes got 47 percent approval rate, but when consumers were let known the brand names, the approval rose to 59 percent. (O'Shaugnessy, 2015,p.327)

"Brand power to influence buyers relies on representations and relationships. A representation is a system of mental associations."(Kapferer, 2008,p.11) The word system needs to be emphasized, because the associations are all interconnected with each other. If one changes, the other change also. These associations are also called brand image and they cover the several aspects. These include the brand's know-how and typical products, level of quality(low, medium luxury), qualities and typical buyer profile. (Kapferer, 2008,p.11)

Creation of brand power and with it power to influence the market takes time . The time needed is usually shorter with online brands, fashion brands and brands for teenagers. It is longer in the case of for example car brands and corporate brands. The acquired power can be lost if the brands have been managed poorly compared to competition. Even though the brand will still have awareness, image and market shares it might not have the same influence on the market. People and distributors might still buy the brand's products, but only because of the price, not with conscious thought for the brand's exclusive benefit. (Kapferer,2008,p.12)

2.2 Luxury branding

Keller(2008,p.114) advocates that luxury brands can be seen as one of the purest examples of branding because the brand and its image are the competitive advantages that give tremendous value for companies.”Luxury objects are objects of luxury brands” (Kapferer,Bastien, 2009,p.117) Diamonds can be seen as only objects that are luxury without a brand. The brand is what makes both the product and user radiate like a star in the social world. (Kapferer, Bastien, 2009, p.117)

Kapferer and Bastien (2009, p.118) describe that a luxury brand is like a living person. It was often founded by a person whose name it has and in a way continues their life after the founder’s death. A luxury brand has a history and cultural and geographical roots that are important parts of its existence. Like a person, a luxury brand relies on its identity.

“Luxury branding typically involves the creation of many intangible brand associations and an aspirational image. Luxury brands carry symbolic value in their status and achievement”(Keller,2009) There is an aspirational component to them that creates a “trickle-down” effect to a bigger audience via word-of mouth. Non-users become prospects as they wish to enjoy the same reward the current luxury users have. Much of this brand affiliation transfers via non-paid media channels and relationships between people. (Keller,2009)

Luxury empires are not made just by selling exquisite products at a very high price. Luxury brands have been created with carefully crafted strategies in marketing and brand building. They have made a mark in the customer’s subconscious and possess these characteristics: ‘brand strength, differentiation, exclusivity, innovation, product craftsmanship and precision, premium pricing and high quality’. (Som, Blanckaert, 2015, p.6)

2.2.1 What makes a product a luxury item?

A luxury product has always a relation to a dream. The base of a product is to fulfil a need, whereas a branded product fulfils a desire. Desire is not necessary to be filled immediately and it can fade away. With advertisement the desire can be maintained systematically so that it continues existing. (Kapferer, Bastien,2009, p.159-161) As an example a person thirsty, which could be taken cared of with drinking water, but they desire a Coca-Cola after seeing a commercial on television.

The dream aspect is essential in luxury because dreams don't always need to be satisfied, instead their existence alone can give people joy. Luxury product does not respond to a person's needs or desires, but their dreams. Therefore, a luxury product has a functional side and a symbolic side, which is the dream for the user and at the same time seems prestigious in the eyes of other people. (Kapferer, Bastien,2009,p.160)

A high price on an item does not mean that the product is luxury: an everyday product can always trade-up and change its price higher. "All luxury products are expensive, but not all expensive products are luxurious. This means that it is difficult to sell premium products as luxury goods— a phenomenon known as 'premiumization' or trading-up'." (Som, Blanckaert, 2015, p.7)

Kapferer and Bastien (2009, p.90) also state that a luxury product should have some part, even a small one, that is hand made. This makes it stand out from dozens of other products that are made in factories. For example, Dior has posted many videos of their dresses being made by hand and the process of it shown to highlight the luxury aspect of handmade couture.

In addition, it is not wise to reposition a luxury brand as a premium product to extend its market. Car companies have tried the repositioning of products both ways and failed. For example Mercedes launched the Smart car and acquired Chrysler. BMW traded-up to the 6 and 7 series while simultaneously traded-down to the BMW 1-series. (Som, Blanckaert, 2015, p.7)

2.2.2 Luxury brands and marketing

Traditional marketing techniques are only not suitable for luxury brands, but they can actually be harmful for them. Traditional marketing is only concerned to sell products derived from luxury brands. It is useful for brands whose business model lies on licensing arrangements and the sale of accessories and perfumes only to remain sustained. (Kapferer, Bastien, 2009, p.61-62)

The concept of positioning used in consumer marketing is not useful for luxury brands. Classic brands need to position themselves specifically and indicate it with their products, services , price, distribution and communication. A classic brand wants to identify itself based on market context and main competition while trying to reach the target consumers. This strategy is foreign for luxury since being unique is what luxury is all about, not

comparing their brand to a competitor. Luxury is the expression of taste, creative identity and innate passion. A brand's identity gives itself the feel of uniqueness, timelessness and authenticity that enable their impression to be permanent. (Kapferer, Bastien, 2009, p.62)

However, the need for positioning may be absent with the already established and well-known luxury brands such as Louis Vuitton and Dior, but it is needed for new luxury companies who are trying to enter the market permanently. (Okonkwo, 2007, p.116)

Som and Blanckaert (2015, p.90) argue that a marketing analysis does not suit luxury because there is no limit to a market. Nobody can say for certain where luxury product market begins and ends. It has no borders and measures. Therefore, the sales revenue in the luxury sector is dependent on creation, innovation and seduction. This leaves room for great success stories as well as great failures. For example, the designer Tom Ford did not have any success at Yves Saint Laurent, but revived Gucci in a moment. The marketing of luxury products is an improbable and uncertain task.

Traditional marketing thrives to increase volume in sales. It wants to gain leadership in market share with mass distributors, department stores and superstores. With enough volume a business can make enough profit with small margins. In luxury, rarity value and inaccessibility sell, provided that the customer understands why the product is rare and worth the wait. It is a deliberate strategy to resist demand, so the brand remains in control of it. (Kapferer, Bastien, 2009, p.66)

Luxury brands have several issues that need to be taken into consideration in their brand marketing. Firstly, while being exclusive, they still need to have a sufficient level of accessibility. The brands need to be aspirational and be special and extraordinary. Simultaneously they need to be considered relevant to an expanded customer base to maintain sufficient growth in sales and profits in the long-run. Secondly, the history and heritage is an important factor that the long-time customers value, but the younger prospective customers might not. They judge brands with a more contemporary view. (Keller, 2009)

Thirdly, there is the compromise between acquisition and retention. Luxury brands need to determine how to distribute marketing resources between the profitable existing customers in the short run and the potentially profitable new customers in the long run. All

of three of these issues are related with each other and reflect the challenge of maintaining a luxury brand successful over time. The strategy of luxury brands is exclusivity and retention, so overcoming these issues poses a problem. (Keller,2009)

2.2.3 Luxury and modern trends

The luxury industry was relatively slow to respond to the digital revolution of the world. Recognised international brands such as Versace and Prada did not have their own web pages until 2005 and 2007. The economic as well as consumer societies have shown amazed reactions for the slow reaction of luxury companies to create an online presence compared to other businesses. The reason for the slow warming to internet was that luxury thrives on progressive development rather than drastic and fast changes. In addition, luxury did not see the Internet attractive for misconceptions. There was a long-held consensus that the Internet was a channel for discounted products and counterfeits. It was also thought that online advertising would overexpose the luxury brand image and result in decrease of equity (Okonkwo,2009)

The “movement into the technology age” (Gutsatz and Heine,2018) has a significant effect on the luxury industry. The digitalization of luxury includes social media, e-commerce and especially mobile commerce. Digital channels have a growing that requires luxury brands to adopt omni-channel strategy that they are not well prepared for. In addition, brands are faced with technology development, such as 3D-printing and high-technology materials. Life science and the new industrial revolution and the Internet of Things will eventually allow producing small series at a low cost.

Gutsatz and Heine (2018) also state that the consumer preferences are shifting from owning to sharing and experiencing. Consumers expect that luxury has good intentions, going along with the sustainability movement. There is an increasing desire for authentic products that are good for the environment, personal health and benefit the people involved. Luxury brands need to develop symbolic and cultural capital, while creating a brand identity and lifestyle that today's luxury consumers value. Self-actualization and personal growth have evolved as interests, replacing hunt for prestige. The growth of the global luxury market and changing preferences of consumers and new technologies open doors for new luxury business models and market entrants, resulting in more competition. Start-ups and high-end creative industries bring in new types of luxury, such as green and sustainable to experience luxury.

Humans have an instinct to wanting to connect, share and be a part of an interactive community. This highlights the basic concept of social networking sites, which work together with technologically-driven styles of living in the present world. Studies have indicated that one out of every five minutes on a mobile device is spent on Facebook or Instagram. This is a proving fact that social networks bear high effectiveness and fast reachability. Social media is an effective way for peers to influence each other with communicating their opinions on products and brands. This offers a great place for luxury brands to be a part of their customers' social media circle. (Shergill,2016) Atwal and Williams(2009) discuss that "Luxury brands need to stay in front of luxury consumers, through the discovery of new and different ways to give expression to their desires".

2.3 Celebrity endorsement

A famous person has a brand just like a company or a product does. Celebrity endorsement revolves around the combination of a company brand and a person's own brand. Kapferer (2008, p.131) states that it is common that brands are talked about in the same way as people are. A brand has a personality of sorts and to express it, it can associate itself with a real person who gives their attractive traits to be connected with the brand's values.

The reasons behind celebrity endorsement is that a person can shape the perceptions of the brand depending on the knowledge people have of him or her. The desire is that a celebrity's fans will become fans of the endorsed product also. The person chosen to be connected to the brand should possess some kind of relevant associations with the product (Keller,2013, p.279). In other words, be a compatible 'match' with it. The image people have about a celebrity will be connected to the brand also.

2.3.1 Benefits

The reason behind the desirability of celebrity usage in marketing communications is that they have an ability to create a 'para-social' relationship. This means that although consumers don't really know the celebrity personally, they can have a feeling that they do. (Choi and Rifon, 2007) "A famous person can draw attention to a brand and shape perceptions of the brand, by virtue of the inferences that consumers make based on the knowledge they have about the famous person."(Keller, 2013,p.279)

In the research conducted by Tantiseneepong, Gorton and White(2012), there was a notable difference between respondents' answers when they were shown advertisements with and without celebrity endorsers. It was shown that a celebrity endorser can have the ability to change the perceived target market of a product. The survey was conducted in 2007 and they made imaginary advertisements on perfume brands. They used Dior's J'adore perfume as one of the examples.

When the respondents were asked what age group they thought J'adore was targeted to, the answers varied a lot when there was no celebrity endorser. The respondents guessed ages between 20-60 years old. When actress Emma Watson was placed as the endorser, the answers to the perceived target age changed into teenagers and women in their early twenties. (Tantiseneepong, Gorton, White, 2012) This is an example how there can be a significant difference on consumers' perceived brand equity whether company uses celebrity endorsement or not.

2.3.2 Risks

Although it has many positive effects, celebrity endorsement still has challenges to be conducted successfully. It is important that there is a logical link between the celebrity and the product they endorse. For example, an American race car driver does not seem a logical candidate to advertise a foreign airline company. (Keller, 2013, p.280)

In addition, celebrity endorsers can lose their popularity value or get in trouble in their personal lives. This would result in the diminishment of their marketing value to a brand or just not meet the expectations. A back round-check is a normal guarding procedure for companies, but this does not protect from unwanted behaviour in the future. (Keller, 2013, p.280)

To make the risks smaller, some companies have begun to employ many different celebrities or even deceased ones as their endorsers. Dead celebrities were estimated to be worth of \$2.25 billion in North America in 2009. (Keller,2013:280) With modern technology, even resurrection of celebrities is possible, for example The 2013 Galaxy chocolate video commercial 'starring' Audrey Hepburn created with computer graphics to seem like she was truly there. (Independent, 2013) This also bears risks since the people's opinions can differ on the ethical appropriateness of the usage of deceased celebrities.

Sometimes a celebrity can be such a big star that they distract attention from the brand, so that consumers only remember the celebrity, not the brand they were supposed to endorse. As an example, Pepsi dropped Beyoncé and Britney Spears from their advertisement campaign when the stars drew promotion more to themselves. (Keller, 2013, p.281)

2.3.3 Celebrity endorsement in a luxury brand setting

Celebrity endorsement with luxury brands differs from non-luxury brands. They do not use stars to appear in advertisement in the traditional way. Luxury brand is based on the relationship with the customer and it does not need a star to interfere with this connection. If a star's status is needed in a brand's advertisement, it implies that the brand can't survive without them and thus does not have a status of their own. A luxury brand needs to be dominant and stand above anything else. (Kapferer, Bastien, 2009, p.216)

As a seemingly contradicting point many luxury companies have celebrities as their brand faces regardless. This is explained by the fact that instead prominent advertisement with a celebrity, the brands use carefully selected brand ambassadors. Brand ambassadorship occurs when a single person is paid to be an emblem of the brand exclusively and for a certain period of time. In addition, the brand ambassador might take an active role in the brand's cultural or artistic projects. As an example of a luxury brand adopting the brand ambassador strategy, in 1968 the perfume Chanel no 5 started to associate the actress Catherine Deneuve in their advertisement. (Kapferer, Bastien, 2009, p.216) The faces for the brand have changed over time, the current brand ambassador being the actress in her early twenties Lily-Rose Depp. (cosmeticsbusiness.com, 2019) By using a 'muse', Chanel no 5 can keep its image up to date while keeping the perfume the same. (Kapferer, Bastien, 2009, p.216)

A testimonial from a celebrity is also typical in a luxury setting. A testimonial occurs when exceptional people show they use common products in their day-to-day lives. They don't just exhibit the item but make it clear that they use the product and this way they recognize the power of the brand. As an example of a testimonial, Marilyn Monroe said that she wore only a few drops of Chanel no 5 to bed. (Kapferer, Bastien, 2009, p.217)

2.4 The Luxury Perfume Market

2.4.1 Overview and key players

Perfume is the type of product of which a big share of the existing market is luxury. About half of the market is of the premium level, such as L'Oréal's Lancôme, whereas the other half is held by the famous luxury brands like Chanel. A specific characteristic for a long lasting and successful luxury perfume brand is that it has a link to haute couture, such as Chanel no 5 and Opium from Yves-Saint-Laurent. (Kapferer, Bastien, 2009, p.258)

Several luxury fashion brands have entered the perfume market as a way for customers from middle- and lower-income backgrounds to get access to their products. Fragrances are generally more affordable than other goods from luxury brands like for example shoes and bags. (Weinswig, 2017)

The marketing supply has concentrated from 25 independent companies making the top 50 best sold perfumes in 1985 to a few big groups today. These are Chanel, Coty, LVMH, L'Oréal and Puig. (Horosko, Moskowitz D., Moskowitz H., 2018) The leading companies concentrate on product innovation, specifically targeted to women and unisex consumer groups. For example, in June 2018 Chanel introduced three unisex perfumes. Demand for unisex perfumes is rising around the world because people want to express their individual personalities through their fragrances. The genderless fragrances targeting both men and women is becoming very popular in for example United States, France, Italy and Mexico. (mordorintelligence.com, 2019)

2.4.2 The Perfume business model

Perfume is such a singular and important product in the luxury world, that it has created its own business model. Perfume is the first luxury product that has become widely accessible in the consumption good market. According to Kapferer and Bastien(2009, p.256-257), the perfume market has three specific features, which include:

1. Not communicating about the scent, but concentrating on the bottle and image. The scent is not mentioned in the perfume's name or its communication. When talking precisely about a certain smell, there is an association with deodorants and air fresheners, that officially smell like lavender, for example. The bottle is the base of the image since it offers the visual and "embodies the perfume in advertising". Smell alone does not indicate luxury.
2. It has a long lifespan, but it is purchased regularly. This is a special feature in luxury. For example, No 5 by Chanel was created in 1921 and Shalimar by Guerlain in 1925. The bottle is emptied fast but it itself lasts long. Perfume is a unique product in the luxury world and it has the biggest market with fast development.
3. High gross margin with average profitability. Launching a product is very expensive and the brand-maintaining costs are high because it requires investment to maintain the dream aspect of luxury and to increase sales.

Specific to luxury perfume is that the dream part of it locates outside of its natural market, which is the scent. Surely luxury perfumes have complex and compelling scents, but this is not where the dream aspect is based on. The dream comes from the fact that a new perfume from a couture fashion house is a new and permanent addition to the couturier's universe. A luxury perfume's true business model is the introduction of a single fragrance that is made to last forever and make the couturier's universe immortal. In other words, a luxury perfume is not launched, but 'introduced' to the luxury label's world. (Kapferer, Bastien, 2009, p.258-259)

2.4.3 Growth

In 2018, the luxury perfume market was estimated to be worth \$11,7 billion. The projected growth rate of the global luxury perfume market is 6.2% from 2020 to 2025. Luxury perfumes have become more easily available because of the increase of online platforms. Online platforms are more convenient compared to physical retail stores and give more options to consumers. Getting celebrities involved to endorse the brands help in the attraction of consumers who have different financial situations. (mordorintelligence.com,2019)

Both brand consciousness and millennial expenditure for luxury goods are the supporting factors of the market growth during last few years. Younger generation has created a demand so the most significant players in the industry have reacted by offering customized packaging of luxury perfumes. This way the products are more affordable which also supports market growth. The trend of giving luxury perfumes as gifts is also increasing the sales globally. The innovative ingredients and packaging together with celebrity endorsement of luxury perfumes by the key players will likely increase the sales across globe. In addition, social media is increasingly influencing people's shopping habits. It is likely that celebrity endorsement will support the luxury perfume market growth in the coming years. (mordorintelligence,2019)

The traditional mass-market perfume business is struggling because consumers want brands that are more upmarket. In North America mass market fragrance sales are in decline and Euromonitor International expects them to decline 2,5 % between the timeline of 2016 and 2021. The same forecast goes for the Western Europe market. In the UK, the premium fragrance sales increased by 8% in 2016, to £1.6 billion, whereas the overall fragrance category declined in sales by 2.5% according to Euromonitor International. American fragrance brand Coty's mass market perfume sales have declined drastically, which reflects to the celebrity and lifestyle brand's diminishing popularity. Coty is planning to get rid of its mass-market and celebrity fragrances and concentrate on its high-end market. (Weinswig, 2017) There is a big impact on the market by lifestyle consciousness and growth of buying power. This leads to increased disposable income, which in turn leads to growing usage of products. (Reportlinker.com, 2020)

2.4.4 Luxury perfumes vs. celebrities' own perfume brands

Elisabeth Taylor started the celebrity fragrance phenomenon in 1991 with the launch of her perfume, White Diamonds. Millions of women wanted a piece of her glamour. This was followed by the trend of fragrance manufacturers launching perfumes with celebrities. (stellarising.com,2016) Lady Gaga, Justin Bieber and Britney Spears for example each have their signature perfume brands. For several years there was a boom in celebrity fragrances, but now it is declining because consumers want better quality fragrances. In the UK, sales of prestige celebrity fragrances, such as Britney Spears, declined by 22 percent in 2016, to £56,5 million. (Weinswig,2017)

Horoszko, Moskowitz D. and Moskowitz H. (2018) explain that whereas luxury perfumes convey their image and brand value, mass-market perfumes rely on a marketing promise. They introduce different marketing promises that each resonate well with different kind of consumers. Unlike a luxury perfume, a mass-market perfume does not have a strong brand. In the mass-market fragrance industry, the marketing promise positions the user how she wishes to display herself: "I am romantic" or "I am irresistible" as an example. Star perfumes support this with the celebrity's own brand.

What explains the difference in success with luxury and star perfumes, is that people want a scent that is their own and they are willing to pay more for it. Despite occasional successes with star perfume launches, many people don't want to buy into someone else's brand anymore. (stellarising.com, 2016)

3 Methodology

3.1 The research design

There are three research types which each serve a different wanted outcome or several outcomes, depending whether several research types are used to answer the research question. The types are descriptive, exploratory and explanatory. (Saunders, Lewis, Thornhill, 2009, p. 139) This thesis was written with a combination of descriptive and exploratory research.

Explanatory research explains the causal relationships between variables and is well supported with quantitative data collection (Saunders, Lewis, Thornhill, 2009, p. 140) which in this study was not used. This type of research would better be suited for example when studying a research question of how implementing celebrity endorsement affects consumers' impression of a certain brand.

Descriptive research aims to only describe a phenomenon and is not concerned with explaining why something is the way it is. It is often used as a starting point for exploratory research. (Adams, Khan, Raeside, 2014). It is necessary to have a clear understanding of something before collecting data and studying the subject deeper. (Saunders, Philips, Thornhill, 2009, p. 140) In this study the descriptive research tries to give a clear understanding of branding, luxury branding, celebrity endorsement and the luxury perfume market.

The descriptive research serves as the base for the deeper exploratory research. This research type helps to answer questions and defines the precise nature of the problem. It gives new insight to the issue. (Saunders, Philips, Thornhill, 2009, p. 140) Exploratory research applied in this thesis aims to explain how the phenomena of celebrity endorsement works in a luxury environment and if it influences the brand image. To get a more comprehensive picture, a real-life luxury brand Miss Dior is analyzed in the case study.

3.2 Qualitative data collection of secondary data

This thesis uses the qualitative data collection technique. Qualitative is a synonym for any data collection or analysis that generates or uses non-numerical data. In addition to words, it can refer to for example pictures and videos. The other data collection and

analysis method is quantitative, which was not used in this study. This method generates numerical data, for example from questionnaires or from analyzing graphs or statistics. (Saunders, Philips, Thornhill, 2009, p. 151) Qualitative data collection is essential for this thesis which is based on studying different literary publications, websites, videos and social media content for a better understanding of the subject. The findings are then applied to the case study which helps to shape conclusions on the research topic.

Secondary data is data that someone else collected for some other purpose. (Saunders, Philips, Thornhill, 2009, p. 256) In this case, different secondary data sources were used to gather theory and information on subjects relevant to the thesis research question. Primary data, which means collecting new data for the study (Saunders, Philips, Thornhill, 2009, p. 256), was not used.

3.3 Case Study and limitations

Case study is a research strategy that has an empirical investigation of a particular contemporary phenomenon in real life. It uses multiple sources of evidence. The case study is used in this thesis in order to gain a comprehensive understanding of the research topic (Saunders, Philips, Thornhill, 2009, p. 145-146) Case studies have a unique and understanding nature (Adams, Khan, Raeside, 2014) as a case study conducted about a subject will be studied differently depending on the researcher. Case studies ask the questions how and why. They create hypotheses and these hypotheses can then be tested by someone else. (Adams, Khan, Raeside, 2014)

In addition, a single case strategy where only one example is studied (Saunders, Philips, Thornhill, 2009, p. 146) is used in this thesis due to typicality of several luxury perfume brands using celebrities as their brand faces. Studying Miss Dior can provide enough insight on why many other luxury perfume brands have adopted the brand ambassador strategy. There was a limitation of time in this study, as more time would result in a more in-depth and comprehensive research result.

The elimination of quantitative and primary data collection methods made the study narrower. A questionnaire on people's opinions on Miss Dior's campaigns and brand image would have brought primary data to analyze which would give a picture how consumers resonate and identify with the brand.

4 Case study: Miss Dior

4.1 Miss Dior history and overview

Miss Dior is a women's perfume brand under the luxury fashion house Christian Dior SE, commonly known as Dior. Dior was founded in 1946 by Mr. Christian Dior in Paris, France. (dior-finance.com) The company is known for its haute couture fashion and luxury ready-to-wear clothing, accessories and cosmetics. Starting from 1988 accumulation of a 32 percent stake in Moët Hennessy-Louis Vuitton (LVMH), Christian Dior has gradually increased its ownership of the luxury conglomerate. As of December 31,2019, it now owns 41 percent of the share capital and 57 percent of the voting rights of LVMH. (dior-finance.com)

Miss Dior was the first fragrance launched by Christian Dior in 1947. It was launched at the same time as their first runway show, indicating its importance to the couturier. (dior.com,2017) For him, perfume was "the indispensable compliment of the female personality'. Miss Dior was developed with the perfumer Paul Vacher and it was sprayed throughout the salons where Dior's first collection was shown. The name for the perfume was inspired by Christian Dior's sister Catherine. Dior described Miss Dior as " a perfume that smells like love". (dior.com,2017) Nowadays, the classic perfume has been reinvented by perfume-creator François Demachy, for example with the Miss Dior eau de parfum in 2017. The brand has also expanded its selection to eau de toilettes, roller-pearls, body mists and skin-care products. (dior.com) Miss Dior has a pink colour theme in its products, as presented in figure 1. It underlines its feminine and sensual nature in its branding and promotion. Miss Dior has a youthful image, so it can be assumed that it is trying to attract a younger audience.



Figure 1 Miss Dior has a pink colour theme in its products (dior.com)

4.2 Miss Dior brand analysis using brand resonance model

Keller (2013, p.107) introduces the brand resonance pyramid model that describes the creation of “intense, active loyalty relationships with customers”. It has six levels: salience, performance, imagery, feelings, judgements and resonance. These levels are steps to achieve a point where the customers connect and resonate with the brand.

Salience is the base of the pyramid that tells the basic perception people have of a brand and what the brand awareness is. (Keller, 2013, p.108) What it is and what needs does it satisfy. Because Miss Dior is a fragrance, the function is to make a person have a scent that pleases them.

Performance answers the question what kind of functional characteristics the brand has and how it meets customer expectations. It presents the primary characteristics and secondary features of the brand’s products. (Keller, 2013, p.113) Primary characteristics are for example the ingredients used in a perfume, the odor and feel on the skin. Miss Dior has concentrated on the use of roses in its perfumes recently, with the 2020 launch of Rose N’ Roses fragrance. Secondary features are for example the design of the bottle and the color of the perfume. Miss Dior being a luxury perfume, the secondary features are also an important factor, as the design of the bottle has remained similar throughout the years, with minor modernizations made. It still reflects the heritage of the first Miss Dior perfume.

Imagery explains the user profiles, what is the target group, in addition the personality and values the brand seems to have through the marketing activities and consumer experience. (Keller, 2013, p.113) Miss Dior’s brand personality is modern, youthful, fresh and feminine so it targets young adults but at the same time it does not limit the target group significantly.

Brand feelings are customer’s emotional responses and reactions to the brand. What feelings are marketing programs evoking and are they positive or negative. (Keller, 2013, p.118) With no questionnaire used in the data collection, proof of emotional responses on Miss Dior can be seen for example in the comment sections of Miss Dior videos, which have been positive.

Judgements level deals with the perceived quality of the brand, the credibility. It has three dimensions, which are perceived expertise, trustworthiness and likability. (Keller, 2013, p. 117) Miss Dior is an old and recognized perfume brand, with perceived quality being high.

Brand resonance is the ultimate relationship with the customer and whether the customer identifies with the brand. The resonance model is broken down into four categories, which are behavior loyalty, attitudinal attachment, sense of community and active engagement. (Keller, 2013, p. 121) The resonance of Miss Dior is not possible to review extensively in this study since a reliable picture is not possible to make without a comprehensive questionnaire to distribute and analyze the answers. However, based on the luxury image and the amount of time Miss Dior has been on the markets, the resonance indicates to be relatively high.

4.3 Natalie Portman as brand ambassador

Actress Natalie Portman started her collaboration with Miss Dior in 2010 and has been the face of all following launches. In addition, she has modeled for several Dior makeup advertisements. She has even been called with a nickname of "House of Dior's darling" in a Dior parfums' Instagram post. Portman has gained notable publicity from her acting career. She has appeared in many acclaimed films, such as *Black Swan*, her character seen in figure 2, from which she was awarded an Academy Award for Best Actress. She was born in Israel but moved to the United States with her family when she was three years old. Portman graduated with a degree in psychology from Harvard University in 2003 and is a mother for two children. She is a supporter for gender-equality and animal rights, in addition to having worked as an ambassador of hope for FINCA, an anti-poverty organization that provides microfinancing to people in developing countries. (Insider, 2018) With these personal attributes, Portman is a trustworthy brand ambassador.



Figure 2 Natalie Portman has a recognised and versatile acting career which made her an excellent candidate to be the face for Miss Dior (Independent, 2011)

Her public personality is strongly connected to Miss Dior, since many magazine interviews she has given, the brand is addressed. As an example, in an article on women's magazine Marie Claire (Sarah Grant, 2019), Portman is introduced as an actress and the face of Miss Dior. Portman declares in the interview that to her, "Dior symbolizes strength of character as much as a bold style of femininity." This gives the impression that she truly respects the brand she represents.

4.4 Brand visibility featuring Natalie Portman

In addition to Dior and LVMH internet pages, Miss Dior and Natalie Portman are presented together in the printed media, digital media platforms and social media. A notable part of brand visibility are Portman's interviews in magazines, where she discusses her professional and personal history, values and contemporary issues while making a favorable connection to Miss Dior. It is probable that Dior has paid a fee to gain visibility, but whether or not this is the case, it is done with style and a discreet manner that the promotional nature is not obvious to the reader. For example, in the fashion and lifestyle magazine Harper's Bazaar cover story (Justine Picardie, 2019), cover seen in figure 2, Miss Dior gains flattering publicity. Being part of the luxury house Dior, Miss Dior is strongly connected to the fashion category of Dior. Throughout the Harper's Bazaar article photos, Portman wears only Dior clothes and accessories. This shows that while she is the face of Miss Dior, she also represents the overall brand of Dior. For the 2020 launch of Miss Dior Rose N' Roses Dior designed a signature dress for Natalie Portman to wear in the commercial film. This has been a tradition with each new perfume launch.



Figure 3 Natalie Portman has featured in several cover articles of fashion and lifestyle magazines with discussion of Miss Dior. (Harpersbazaar.com,2019)

4.5 Miss Dior online presence

As a result of digitalization, Miss Dior is present in several online platforms. For example, the advertisement films have an important role in the online brand building of Miss Dior. They are present online in the LVMH and Dior webpages and the video-sharing platform YouTube. The film of the 2017 launched Miss Dior eau de parfum has 102 million views on YouTube, which speaks for the allure of Natalie Portman as brand ambassador. In the video, Portman portrays intense emotions, love and freedom, by jumping to the sea and running in the beach, as seen in figure 2. There is a notion of wildness in the video, with the slogan "And you, what would you do for love?".



Figure 4 Freedom and empowerment are recurring themes in Miss Dior promotional videos. (Vogue.com,2017)

In the comment section of the video, people have left adoring comments about Portman, with one of the comments with 4,5 thousand likes stating "Natalie Portman is so perfect for Miss Dior". People's reactions with Natalie Portman as Miss Dior ambassador are highly positive. Each published commercial film has an energetic image with colors, feminine empowerment and freedom aspects. In the 2015 video Portman portrays a woman having second thoughts on marriage and fleeing from the altar and flying to the sunset with a helicopter. The films are directed by notable names, such as Sofia Coppola and Emanuel Cossu.

Nowadays, social media is a factor that luxury brands cannot ignore. Dior has online presence for example in social media platforms Facebook and Instagram. Miss Dior and Natalie Portman are presented both in the Dior's official Instagram account as well as Dior Parfums official account. Dior has 30,8 million followers where as Dior parfums has 1,2 million followers. Natalie Portman is in several posts, where for example her dresses worn in red carpet and Dior films are presented, her being the face of Miss Dior always addressed. In addition, there are mentions of her engagement in feminism.

Miss Dior can show transparency through the social media platforms and engage the consumers by underlining the beautiful and enchanting ways their perfumes are made. They show the current perfume designer François Demachy talking about the creation of fragrances and how the flowers used in the perfumes for Miss Dior are carefully hand-picked. This strategy serves for showing the artisanship and exclusive nature of Miss Dior.

5 Analysis and Conclusion

Luxury leans to its heritage and history, but it is important for luxury brands to keep up with modern times and show contemporary development. To engage younger consumers, a brand needs to be up-to-date with current trends while still embracing their brand essence shaped carefully with time. An online presence is a necessity for a luxury brand to stay alive, as the digitalization has changed the world permanently.

With choosing the right celebrity endorser, a brand can highlight their certain qualities to create a complimentary image. With Natalie Portman, Miss Dior highlights empowerment and freedom of women, supported with emphasized femininity. It wants to convey a message that strength and femininity are not exclusive with each other.

When a luxury brand uses brand ambassadorship, it is a very integrated situation. The person represents not only the specific brand, but also the main brand. With a luxury image, the connection between a luxury house's brand labels is strong.

A carefully selected celebrity endorser and successful implementation of the brand ambassador strategy will give additional value on brand image and have a positive effect on customer-based brand equity. Therefore, visibility in different magazines, online platforms and social-media can enhance the association the brand ambassador gives to the brand.

It is shown that in many interviews and articles about Natalie Portman, she addresses Miss Dior in a personal way, indicating her experiences and feelings about the brand. This proves how the brand ambassadorship is not only advertising but showing personal connection and respect with the brand and brand ambassador.

With the perceived risks taken into consideration, luxury perfume brands benefit for the adaptation of brand ambassador strategy. Consumers today set importance on values and transparency. If a celebrity who shares their values is connected to a brand, this brings additional value to the brand in the consumer's eyes.

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