

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

HOW TO BOOST AND REACH THE FULL POTENTIAL OF MUGLER'S PERFUMES  
BRAND LOYALTY?

WHAT SHOULD BE THE IDEAL BRAND ARCHITECTURE FOR MUGLER?

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## **Abstract**

The main purpose of this work project is to analyze Mugler's capacity to boost and reach the full potential of its perfumes brand loyalty to retain consumers in Portugal. Beyond desk research, 30 in-depth interviews with Mugler consumers, social media listening, and mystery client were conducted and the loyalty drivers and the relationship with the brand were evaluated. Since it is missing a low level of affection and knowledge between consumers and the brand, several recommendations were suggested. The proposed revision in the portfolio and in its communication will link Mugler with its heritage and to leverage the brand's perception.

**Keywords:** Luxury, Fragrances, Loyalty, Mugler, Angel, Brand Architecture

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## **1 Introduction**

The dynamic and competitive perfume industry currently presents a short life expectancy for fragrances. However, the constant launches and the global and brief trends threaten the maintenance and emergence of emblematic and eternal perfumes. The following Master's thesis was developed within the Luxury stream in the Master's in Management at Nova School of Business and Economics in cooperation with L'Oréal Portugal. As a newly acquired brand of L'Oréal, Mugler is currently facing a consumer environment of decreased brand loyalty and increased touchpoints. Therefore, this Master's thesis will answer the challenge of how to boost and reach the full potential of Mugler's perfumes brand loyalty.

In the second section, the contextual background for the analysis of the Portuguese perfume market is established by considering the market, the L'Oréal Group, the competitive landscape of the perfume market, and the distribution channels of the brand Mugler. Then a brand overview to introduce the brand Mugler will be followed by an analysis of Mugler's Business Model. The third section of this master thesis first introduces the brand challenge, then presents the research methodology. Furthermore, the research findings are presented identifying three different consumer segments, their relationship with Mugler, and their loyalty drivers. Finally, section 4 concludes with a summary of the significant findings and presents implications for the three individual reports that will provide further recommendations to Mugler as a brand of L'Oréal Portugal. Finally, this work project concludes with the project limitations.



## **2 Contextual Background**

### **2.1 Fragrance Market in Portugal**

#### **2.1.1 Market Overview**

The worldwide beauty market includes the categories Skincare with the highest market share of 40%, Haircare with 21%, Make-Up with 19%, Fragrance with 11%, and lastly, Hygiene Products with 10% market share (L'Oréal Portugal, 2021). Furthermore, the luxury cosmetics market represents 25% of the beauty market worldwide and 50% of the worldwide cosmetics market growth (L'Oréal Portugal, 2021). The following work focuses on the fragrances market in Portugal, which increased in 2019 with a 4,9% sales growth (L'Oréal Portugal, 2021).

#### **2.1.2 L'Oréal Group**

The L'Oréal Group has 36 brands present across 150 countries and accounts for 31,8% of the worldwide cosmetics market (L'Oréal, 2021). The product portfolio of L'Oréal includes Skincare and Sun Protection (35%), Make-up (26,3%), Haircare (14,9%), Hair Coloring (10,1%), and Fragrances (9,3%) (L'Oréal, 2021). The brands are organized into four divisions: Consumer Products Division (42,7%), L'Oréal Luxe (36,9%), Professional Products Division (11,5%), and Active Cosmetics Division (8,9%) (L'Oréal, 2021). The brand portfolio of the Luxe Division, which accounts for 36,9% of L'Oréal's worldwide sales, includes Mugler, Lancôme, Valentino, Giorgio Armani, Yves Saint Laurent, Biotherm, Kiehl's, Ralph Lauren, Cacharel, Diesel and Viktor&Rolf (L'Oréal, 2021).

L'Oréal Luxe is the first player in Portugal, accounting for 22% of the market share. In 2020, the division reached 6,5% of sales growth, with its fragrances reaching 12% (L'Oréal, 2021). The L'Oréal group acquired Mugler from the Clarins Group in 2020, which was then integrated into its Luxe Division (L'Oréal, 2021).

### 2.1.3 Fragrance Market Competitive Landscape

Taking a closer look at the individual brands of the premium women's fragrances market in Portugal, in which Mugler fragrances can also be included, several competitors can be identified. Table 1 shows Mugler's most relevant competitor brands in order of importance. Chanel is the most pertinent competitor (L'Oréal Portugal, 2021).

Rank	Brand
1.	Chanel
2.	Carolina Herrera
3.	Giorgio Armani
4.	Dolce & Gabbana
5.	Boss
6.	Dior
7.	Paco Rabanne
8.	Yves Saint Laurent
9.	Lancôme
10.	Calvin Klein

**Table 1: Mugler's Most relevant competitor brands (L'Oréal Portugal, 2021)**

### 2.1.4 Distribution Channels

Mugler's offline distribution focuses on department stores, perfumeries and travel retail, all of which combined account for 85% of the brand's revenues. The brand's most relevant perfumeries in terms of revenues are Perfumes & Companhia, Douglas, and Sephora, accounting for 50-60%, 10-15%, and 8-12% of revenues, respectively (L'Oréal Portugal, 2021).

Furthermore, Mugler is present in the department store El Corte Inglés, where it has a particularly generous area of its own. The online distribution represents 15% of Mugler's revenues and is entirely achieved through e-retailers. First, through the previously mentioned retailers, whose share of Mugler's sales online is equal to that offline. Secondly, Mugler is distributed through online players like Sweetcare, Well's and Loja do Shampoo (L'Oréal Portugal, 2021).

## **2.2 Brand Overview**

Mugler was founded as a fashion house in 1973 by the french designer Manfred Thierry Mugler. In 1992, Mugler entered the perfume market with its first fragrance Angel in collaboration with the Clarins Group (Mugler, 2021). Thierry Mugler abandoned Haute Couture in 1997, posteriorly, in 2003, the fashion sector (Vogue, 2021). Even if the brand suffered from the creator's departure, in 2011, the new Creative Director Nicola Formichetti resuscitated the ready-to-wear line (Zeitgeist, 2021).

The house stands for a unique view of the world inspired by spirituality and mystery to escape reality by dreaming. The brand creates a sense of belonging to the extraordinary. Its style breaks codes and defies convention as opposed to current trends. The brand offers the gift of freedom to be someone else, the pleasure of being known and recognized without unveiling yourself. The Mugler woman is dominant, conquering, electric, sophisticated, and has big dreams. (L'Oréal Portugal, 2021).

In 2018, Casey Cadwallader started as Creative Director at Mugler and still follows the brand's unique and extravagant DNA and energy, which is detectable through the exaggerated emphasis on curves and the fantasized spirit. The creations of Cadwallader are futuristic, unexpected, controversial, excessive, and hyper-feminized. Inspired by industrial design, architecture, and technology, the visionary fashion pieces and fragrances are made of high-quality materials, being both bold and sculptural. In recent years, celebrities like Kim Kardashian and Cardi B wore Mugler pieces on the red carpet, helping the brand come back in the fashion industry (Appendix 2) (Zeitgeist, 2021).

## **2.3 Mugler's Business Model**

### **2.3.1 Creator's Light Approach**

Since Mugler was founded as a fashion house, the brand has followed the approach of Luxury as the Creator's Light. The approach focuses on the brand's luxury status being built up and supported by the aura of the brand's creator or artistic director. This charismatic persona developed by the brand's creator or art director results in the differentiation of the luxury brand among its peers due to the association with the persona, conveying a particular character and personality to the brand.

Thierry Mugler brought his supernatural fantasies in a spectacular and highly sensorial way with an overdose of energy, generosity, and audacity to life (L'Oréal Portugal, 2021). The founder created the brand to offer women extraordinary power to become who they want to be. The brand still reflects the creator's unique vision by maintaining the aura. Inspired by the woman's body, Mugler combines fantasy, mystery, extravagance, and consistency and gives a sense of freedom, independence, and boldness. By conveying a feeling of excess, fascination, and expectation, Mugler developed a charismatic persona.

Furthermore, the aura is legitimized by mythologizing the founder Thierry Mugler and emphasizing his connection to art and its hometown Strasbourg (Mugler, 2021). The fashion shows and collections are still inspired by the architecture and Gothic spirit of the French city. In addition, through exhibitions, the brand keeps the creator's aura, myth, and heritage alive (da Silveira, 2021). The Musée des Arts Décoratifs in Paris is presenting from September

30th,2021, until April 24th,2022, an exhibition about the work of Thierry Mugler (Musée des Arts Décoratifs, 2021).

To explain Mugler's business model, the Luxury as the Creator's Light pyramid from Kapferer can be applied. The pyramid includes the four levels Licences/Accessories, Upper-range, Luxury, and Unique Creation. According to Kapferer and Bastien, 2012 the luxury brands that have emerged from haute couture position themselves on the pyramid based on their strategy and financial results (Kapferer & Bastien, 2012, p.141). Most 'haute couture' fashion houses remain at the top of the pyramid, but their business is primarily based on accessible products such as glasses, sunglasses, leather goods, or jewelry (Kapferer & Bastien, 2012, p.141). Even if the fashion house Thierry Mugler abandoned haute couture, it still preserves the memory and myth by reviving a prêt-à-porter business (Kapferer & Bastien, 2012, p.141). Furthermore, the brand uses underground culture and humor elements to subvert the codes of Parisian haute couture (L'Oréal Portugal, 2021). In addition, traditional craftsmanship is translated into new, contemporary creations and more edgy styles. Under the creative direction of Cadwallader, the world of Mugler is a laboratory transformation and represents a forward-thinking and disruptive approach to Luxury (L'Oréal Portugal, 2021).

Besides fashion, Mugler has built up a very strong presence in the fragrance industry in the last thirty years (L'Oréal Portugal, 2021). The brand still capitalizes on the myth of Thierr Mugler and sells fragrances with great success. The perfumes are Mugler's primary source of revenue in Portugal (L'Oréal Portugal, 2021), which can be clearly seen in Appendix 4.

Regarding the fragrances, the portfolio relies on women's and men's products (Appendix 5). Starting with the feminine fragrances, it is composed by Angel, Alien, Aura, Angel Muse, Womanity, and Innocent (Mugler, 2021). The men's fragrances include Alien men and A\*men (Mugler, 2021). Additionally to the perfumes, complementary products like body lotions, shower gels, body exfoliants, hair mists, roll-on deodorants, and candles from the different lines

supplement the portfolio. The best-seller of the brand Angel (Mugler, 2021) covers together with Alien 80% of Mugler's business in Portugal (L'Oréal Portugal, 2021).

### **2.3.2 Mugler Loyalty Model**

#### **2.3.2.1 Classical Fragrance High-End Model vs. Mugler Fragrance Loyalty Model**

Mugler's business model differs in many areas from those of a classical and traditional fragrance high-end model. Compared to a conventional brand-centric model, Mugler focuses on the consumer and creates loyalty between the brand and the consumer. The loyalty model of Mugler is not intended to recruit new consumers but rather to keep existing consumers loyal to the brand and the perfume used. Furthermore, instead of communicating in a distanced way, such as in a classical fragrance high-end model, Mugler attempts to create proximity (L'Oréal Portugal, 2021). A detailed illustration of how Mugler's loyalty model differs from others can be found in Appendix 6. The specific loyalty model enables Mugler to stand out from its competitors. Mugler reaches its loyal clients through the refilling concept, which the Mugler Fountain and Refill Bottles represent, Mugler's complementary products (shower gels, body lotions, deodorants, candles etc.) and its loyalty program, the "Mugler Circle" (L'Oréal Portugal, 2021).

#### **2.3.2.2 Refill Concept**

Mugler's fragrance bottles are made of high-quality materials and require an expensive finishing process, which gives them a high artistic value (L'Oréal Portugal, 2021). Thus, the Mugler Fountain was created in 1992 to enable Mugler's clients to refill the perfumes in-store and make the fragrances last forever. Nowadays, the fragrances Angel, Alien, and Aura can be filled at the Mugler Fountain. Today, 10.500 Fountains are displayed worldwide offline channels, attracting one person to it every 25 seconds (L'Oréal Portugal, 2021). The second pillar of the refill concept is the refill bottles distributed through online and offline channels and are available for additional fragrance lines such as Angel Nova, Womanity, and A-men (Mugler, 2021).

Since its first fragrance creation, Mugler has committed to a sustainable vision, making the brand's business model long-lasting and accessible. Until now, the company has already saved 1.4 million bottles and 383 tons of glass (Mugler, 2021).

#### **2.3.2.3 Mugler Circle**

Mugler founded its loyalty program, the "Mugler Circle," with the objectives of putting the client first and turning consumers into loyal clients by making them passionate about the Mugler universe. A new client gets access to the membership by registering the unique code on its official website Mugler.com, which can be found inside Mugler's products' packaging. Besides, refill receipts can be uploaded to the account. The membership includes a newsletter, the Circle magazine, promotions, free samples, and an occasional surprise gift. Samples and gifts are directly sent to the client's address that is registered on the website. In the Mugler Circle, consumers who share their passion for the world of Mugler can elevate their relation and proximity with the brand (L'Oréal Portugal, 2021). Even if an indication of the Mugler Circle can be found on the packaging of Mugler's products available in Portugal, the registration to the Mugler Circle is not possible as a Portuguese client. Currently, registration is only available in France, Italy, Spain, Germany, Belgium, Switzerland, the Netherlands, England, Canada, and the United States (Mugler, 2021). Appendix 7 shows a cutout of the Mugler Circle section available on the Mugler.com website.

### **3 Addressing the Work Project Topic**

#### **3.1 Brand Challenge**

L'Oréal has recently acquired the brand Mugler, which, as observed, has a different business model compared to other fragrance brands. Moreover, the brand's Portuguese distribution chan-

nels rely on retailers as intermediaries, as L'Oréal doesn't sell directly to the consumer. Therefore, it became necessary to understand better who the Mugler consumer in Portugal is, the brand's competitive landscape, and consequently, how to boost and reach the full potential of the unique value proposition of the brand loyalty touchpoints Mugler customer journey. To better address the challenge, two research questions have been defined.

*RQ1:* How to keep Mugler's loyal customers in an environment of decreased brand loyalty and increased touchpoints?

*RQ2:* How to leverage the differentiated CRM strategy of Mugler in the Portuguese retail landscape?

### **3.2 Methodology**

The research for this project contained both primary and secondary data. Secondary data was mainly collected for gaining first information on the Portuguese fragrance market, the brand Mugler, and its competitors. Primary data was collected with the motivation of gathering a holistic understanding of the Mugler consumer and the competitive market landscape in Portugal. The preliminary data included qualitative data collection in the form of in-depth interviews, social media listening of Mugler and its competitors, and client mystery in Mugler's offline distribution channels.

#### **Qualitative Interviews**

For this project, a total number of 30 in-depth semi-structured interviews have been conducted. Social Media was used to find the target sample. Potential Mugler clients were identified on Mugler's official Facebook and Instagram pages and on retailers' social media channels and were contacted on its social media messengers. Furthermore, potential Mugler users were searched through publications on the researchers' personal Instagram accounts through Instagram stories. The snowball effect was then used to find additional interview participants. After



identifying potential Mugler clients, a pre-recruiting questionnaire was sent to filter them as participants for the interviews (Appendix 8 & 9). Table 2 presents the sample and its criteria of 30 Portuguese Mugler consumers that participated in the interviews.

Interviewees Age Range	Number of Women (30 in Total)	Consumer Segment	Years using Mugler	District	Fragrance Line	Sampling Criteria
< 25 years old	18	Loyal	6	0-2 years	9	<b>1.</b> Portuguese or living in Portugal for the past 5 years. <b>2.</b> Have purchased a fragrance for themselves in the last 3 years in Portugal. <b>3.</b> Know Mugler and at least one other luxury brand. <b>4.</b> Have purchased Mugler and at least one other luxury brand.
		Specialist	10	3-5 years	3	
		Explorer	2	6-10 years	5	
				> 11 years	1	
26-45 years old	5	Loyal	3	0-2 years	3	
		Specialist	1	3-5 years	1	
		Explorer	1	6-10 years	1	
				> 11 years	1	
> 46 years old	7	Loyal	4	0-2 years	1	
		Specialist		3-5 years		
		Explorer	3	6-10 years	1	
				> 11 years	5	

**Table 2: In-depth Interviews Data Collection**

The Interviews were scheduled for one hour and, due to safety regulations in the context of the Covid-19 pandemic, were conducted entirely virtually. An interview guide was developed as preparation and served as the basis for each conversation (Appendix 10). The interview guide was tested in advance on three European Mugler clients. The interviews were all recorded, transcribed and additional interpretation on non-verbal communication was included. For data analysis, a topic analysis grid was used to structure the interview's content by interview guide topics in an excel file. The interviews were thus analyzed through each subject, and the frequency of similar answers was retrieved.

## Social Media Listening

The objective of the Social Media Listening was to discover the general opinion about Mugler's fragrances, its communication style, and the respective competitors in Portugal. Therefore, different Social Media channels as Instagram, Facebook, and Tiktok were analyzed, as well as

Forums and the comments of perfumes on different E-retailer websites as Sephora, Perfumes & Companhia, and Douglas. Appendix 11 shows the grid that was used for that purpose.

Dates of Data collection	Social Media Channel	Brands	Method
13-24.10.21	Instagram	Mugler Chanel Carolina Herrera Georgio Armani Dolce & Gabbana Hugo Boss Dior Paco Rabanne Yves Saint Laurent Lancôme Calvin Klein	1. Discover the general opinion about the brand and its fragrances through the identification of Portuguese comments  2. Discover the communication style of the brand through analysis of pictures, comments and number of likes and followers, what kind of content is published and the focus on fragrances
	Facebook		
	Tiktok		
	Forums		
	E-retailer websites		

**Table 3: Social Media Listening Data Collection**

## Mystery Client

The Mystery Client investigated Mugler's offline channels in two different scenarios. In both scenarios, it was asked for suggestions for a new perfume. In scenario 1 it was pretended to be a Yves Saint Laurent consumer using Black Optium, a perfume that has shared attributes with Mugler's perfumes. In scenario 2 it was pretended to be a Mugler consumer, using Alien or Angel. In both cases, the Beauty advisor's reaction and advice were captured. In the case of being recommended a different perfume than Mugler, the BAs were asked for their opinion on Mugler to test their expertise. In a next step, the functioning of the refill concept and the knowledge of BAs were analyzed. The Myster Client Grid can be found in Appendix 12.

Dates of Data collection	Distribution Channel	Number of visits	Store Selection Criteria	Method
13-24.10.21	Perfumes & Companhia	4	Every store visited sells Mugler fragrances and other luxury fragrance brands	Visit perfumeries and mention a preference for intense fragrances. Posteriorly, request suggestions for a new perfume. BA's reaction and recommendations were captured.
	Sephora	3		
	Douglas	3		
	El Corte Inglés	1		

**Table 4: Mystery Shopper Data Collection**

### 3.3 Research Insights

#### 3.3.1 Mugler Consumer Segments

After analyzing the data collected from the different resources of information, the group concluded that the sample of Portuguese Mugler consumers could be organized into three segments regarding their relationship with perfumes: the loyal, the specialist, and the explorer. Posteriorly, each segment is going to be presented and precisely analyzed.

##### 3.3.1.1 The Loyal Segment

The loyal type of consumer is **characterized** by its high level of loyalty and appreciation intensity. This segment values when others associate the fragrance with them and, for that reason, tend to have a very emotional relationship with it. This is why the favorite perfume is perceived as too personal to share. The aroma needs to be powerful enough to reflect their personality, become part of the routine, and be included in daily hygiene practices. The strong relationship loyal consumers have with the fragrances they use is uncommon in the personal care category. Even if it's recurrent that they have just one favorite perfume, some admit that it's too special to use in every situation. The loyal consumers might collect scents but are devoted to one or a set of preferred perfumes that they choose regarding the occasion, mood, and season. The following quotes, withdrawn from the interviews conducted, express the charisma of the segment.

*"I always use perfume. I don't leave the house without using it. If I forget it, I feel like I didn't brush my teeth, it is part of my routine."*

(Age 52, uses Angel for 15 years, consumer segment: "Loyal")

*"For me, perfumes are really important. I think they reflect also a bit of my personality. It's important for me, that people, by smelling my perfume, remember me and associate it with me."*

(Age 22, uses Alien for 4 years, consumer segment: "Loyal")

*"The one I really feel good and identify myself with is the angel. Even if I have more, I always come back to the same one."*

(Age 53, uses Angel for 15 years, consumer segment: "Loyal")

The **most appreciated attributes** in the fragrance category were the durability, the intensity of the distinctive aroma, the strongness, often referred to as the capacity of "leaving a track," and the sweetness. Analyzing the sample collected, it is also important to mention that the product's price was mentioned only once by the loyal consumer. Furthermore, the sample was questioned about the importance of brands. The majority consider that the scent is the main factor when choosing a perfume instead of the brand. However, a few members of the loyal segment confessed that the brand tends to impact their choices because it makes it easier to recognize the products and raises their expectations.

Focusing now on the **relationship with Mugler**, the brand itself does not have an impact when choosing a fragrance. Actually, the more significant part did not know the brand Mugler when they first started to use one of the fragrances. Even now, being loyal to it, they are not familiarized with Mugler, only interested in the specific perfume they are using. Only 2 out of the 13 interviewees have more than one Mugler perfume (not just the different versions of the same scent). However, these two interviewees do not know the brand that is not perfume-related. They didn't mention the creator or fashion house when asked about Mugler. Herewith, the consumer is **loyal to Mugler's scent** and not to the brand. The interviewees are entirely engaged with Angel or Alien, being both unconventional in terms of fragrance and highly distinct from each other. It was rare that interviewees appreciated Alien and Angel simultaneously, and only two interviewees have both. Aura, the different fragrances displayed in the fountains, is rarely recognized. Thus, there's another piece of evidence that the loyal client is devoted to the scent since they don't tend to consider other fragrances of the brand.

Focusing on the **loyalty model of Mugler**, the majority of the loyal segment mentioned the fountains. However, only an inconsiderable minority knows about the existence of the refill bottles. Nevertheless, the opinion is unanimous: there is a positive attitude towards the refill system. The main reasons mentioned are that it is less expensive and environmentally friendly. Regarding the complementary products presented by the brand, including body cream, shower gel, or candles, they are not successful among the loyal Mugler consumers. Only two of the loyal consumers have purchased the complementary products for themselves. The main reason is that they prefer products from brands that focus on the skin. Some mentioned they are interested or liked the experience but are unwilling to spend a significant amount on it and would only consider using them if offered as a gift.

As expected, the loyal segment is the one with the highest interest in the **Mugler Circle**. All "Loyals" were interested and were expressing enthusiasm for receiving the latest news about the brand and the advantages offered by the loyalty program. However, one person admitted that the only reason for the interest in the circle would be the discounts.

As the "Loyals" represent the segment on which Mugler must be sure to attach them in the future, and as this means the main focus of the research, their **consumer decision journey** will be analyzed in more detail. An illustration of McKinsey's Consumer Decision Journey can be found in Appendix 13.

**Consideration stage:** The enchantment for the fragrances of the brand Mugler, which is not so well-known among them, usually began through samples or when someone smelled and asked the name of the fragrance, which then led to the purchase of the item. Even if it is less usual,

some loyal clients became aware of the perfume through gifting. Ultimately, they became interested in the aroma. The positive personal experience with the scent led the Mugler perfume to become part of the initial consideration set.

**Active evaluation:** The active assessment moment is characterized by judging the different perfumes that the loyal consumer selected in the previous stage. That step is not so crucial for the type of client that already has a set of scents and is willing to spend on that specific category since the client doesn't need to surrender from any product. Instead, the consumer will simply add another one of the perfumes to the "must-have in the house" set.

**Moment of purchase:** The moment of purchasing is when the final decision is made. That step is frequently influenced by current promotion in forces or other factors like convenience or availability. Even if the consumption of the item is not immediate, the purchase experience might affect the consumer opinion about the item.

**Postpurchase experience:** The postpurchase stage reflects the consumer experience and the level of appreciation. This phase is crucial for the image constructed about the perfume, being the trigger for the passionate relationship of the loyal consumer. The loyal consumer is then caught into the loyalty loop once bonded with the fragrance. Therefore, the perfume will be repurchased in the future since the "Loyal" has automatically experienced a need of possessing this aroma permanently, even if it is part of a set of fragrances. Some other perfumes by other brands were mentioned during the interviews, including Good Girl by Carolina Herrera, Black Opium by Yves Saint Laurent, and Light Blue by D&G. These aromas were also the most recommended by Beauty Advisors in the mystery shopper.

**Loyalty loop:** Once the loyal finishes the fragrance, the initial stages of the Consumer Decision Journey are missed, starting directly at the moment of purchase, without considering other scents. The Mugler loyalty model, which is based on the refill concept, is an additional reason for creating and maintaining the loyalty relationship. The usage of the fountains is the main

reason for the loyal to have a preference for the in-store experience. At the moment of purchase, the consumer goes to the store, intending to refill the bottle.

When this segment mentions loyalty, it is essential to note that it's always referred to a specific fragrance, not to the brand used, considering that only one of the loyal interviewees considered and purchased another Mugler perfume. The positive brand image is based mainly on the particular scent used, and, occasionally, it includes different versions of the same fragrance.

### 3.3.1.2 The Specialist Segment

As the second consumer type, the specialist was defined. Its deep knowledge about fragrances is what **characterizes** this type of consumer. This segment chooses the scent depending on the occasion, mood, and season. The specialists know very well what bouquet of aromas they want and are attracted by sweet, oriental, and sometimes fruity notes. However, they might only use a sweet smell with oriental notes during summer and decide on a woodier and herb scent for the colder seasons.

The most **appreciated attributes** in the category, referred to during the interviews, were the durability, the intensity of the distinctive aroma, and the strongness. The specialists are experts in the field of fragrances and can express their preferences very well. The following two quotes, withdrawn from the interviews conducted, express the charisma of the specialist group.

*"In the summertime, I love sweeter and lighter ones, and in the winter, I like stronger, more intense, and more woody ones. I am looking for that when choosing a fragrance."*

(Age 24, used Angel for 4 years, consumer segment: "Specialist")

*"I use fragrances depending on my mood and depending on the occasion. When I go out for dinner with my girls, I will use a stronger and intense one. When I am going to work, I will wear my everyday scent, and when I am having a date with a man, I will use a more romantic one."*

(Age 23, uses Angel for 10 years, consumer segment: "Specialist")

By analyzing the sample collected, it is also important to mention that this group already has a set of favorite fragrances. When buying a new perfume, the specialists have this set in mind and do not try any unknown scents from new brands during the store visit. However, the specialists are still open to a new perfume if recommended by word of mouth or given as a gift. Provided the scent is composed of sweet and oriental elements. If this fragrance convinces the specialists, it will be included in the set of favorite scents.

As already mentioned, the season is one of the **factors on which the choice** of a perfume depends, and therefore not only the intensity, also the brand of the perfume changes with the season. The set of favorite fragrances for the day includes Good Girl by Carolina Herrera, La vie est belle by Lancôme, Candy by Prada, and Chloé by Chloé. For evenings, the specialists choose besides Alien or Angel by Mugler, Opium by YSL, or Coco Chanel Mademoiselle by Chanel. The specialists often prefer a lighter fragrance in summer and reach for Light Blue by Dolce & Gabbana. Whereas in winter, this group is attracted by more intense perfumes, and therefore, in addition to fragrances by Mugler, prefers Gabrielle by Chanel, Crystalline by Bvlgari, or Wood Sage & Sea Salt Cologne by Jo Malone.

However, it is crucial to mention that the specialists are entirely loyal to the scent itself and not to the brand. This type of consumer is loyal to a **kind of fragrance** with similar notes.

Focusing on the **relationship with Mugler**, the specialists became aware of the brand through the scent itself or gifting. The specialists consider the scent as the main factor for choosing a fragrance from Mugler, not the brand. This type of consumer is loyal to the smell of Mugler's fragrances instead of Mugler as a brand. This is also reflected in the fact that the interviewees were not familiarized with Mugler. Only very few of this segment know about the creator, the fashion house, or the brand's vision.



Nevertheless, the specialists clearly perceive Mugler through the fragrances and associate the brand with a strong, powerful, extravagant, and intense personality. Regarding the scents of Mugler, the specialists prefer Angel and Alien. However, the interviewees are only attracted and engaged with either one of those two fragrances and do not use both scents. The respondents in the segment who often use Alien wear it during the day or on summer nights. Whereas people in the segment who use Angel wear it during the winter or in the evening for a special occasion because of its strength. The strength of the perfume has also led to the fact that some people do not use the scent anymore or get tired of the smell.

It can be inferred that Alien and Angel are both included in the set of favorite fragrances of the specialists. But unlike the loyal consumer type, the specialists are slightly less loyal to the scents of Mugler.

### 3.3.1.3 The Explorer Segment

The explorer segment is **characterized** by its nature of permanently changing from one perfume to another. This segment likes to try new fragrances and is always open to change. That makes the explorers being easily attracted to a new scent. Buying a new fragrance is often a spontaneous decision directly made at the sale point.

*"I fall in love with new perfumes and then I buy it."*

(Age 48, used Angel 10 years, consumer segment: "Explorer")

The explorers are not experts in the perfume field and cannot express their preferences in detail. Therefore, it was impossible to identify a scheme of fragrances that explorers generally value. The explorers are looking for perfumes that **attract attention** from others. They highly value when others ask them which fragrance they are using. Moreover, the circle of brands they will discover in-store is pre-defined and has an essential impact on the consideration stage. A positive brand image is significant as the explorers feel they will later be associated with it by others.

When they find one fragrance around the considered brands that are special, unique, and addictive, they decide to buy it in-store.

*"The perfume is a huge mark, makes people stare and notice me when I go to places, for that, it needs to be good."*

(Age 48, used Angel 10 years, consumer segment: "Explorer")

However, they will get used to their new fragrance after some time. That's why the explorers don't use the same scent for a long time. They are apprehensive of not attracting attention anymore. Consequently, they never feel attached or loyal to any brands. They are always on the research for a new and better fragrance. As they permanently switch perfumes, they tend to collect them and have many different scents at home. In the phase where the enthusiasm about the new fragrance fades away, they turn their attention back to their available collection. The explorers then like to try out different perfumes, depending on their mood, before a new smell attracts their attention.

*"I fall in love with perfumes & start to buy it, always changing. Sometimes I'm a little constant use for 1 year or 2. But then, there is something that caught my attention in another one."*

(Age 48, used Angel 10 years, consumer segment: "Explorer")

*"Normally I have some perfumes in my house, use it depending on my mood."*

(Age 55, uses Angel for 24 years, consumer segment: "Explorer")

For 3 out of the 6 identified explorers in the sample, **Mugler** is still part of the set of fragrances they have collected over time and are occasionally using. The other three explorers have eliminated Mugler from this collection because they have entirely lost their attachment to the fragrance. It can also be stated that those explorers that discovered Mugler through gifting were not using it anymore. However, if Mugler had been found through the scent itself, it became part of their collection.

Mugler is among other perfumes that the explorers collect over time. They may use it occasionally but never feel attached to it. The attention of the explorers is high when discovering Angel/Alien, but it will soon fade away. There is no loyalty to the fragrances as the explorers are always looking for a new and better scent that attracts attention from others.

### **3.3.2 Relationship with Mugler**

Having analyzed the identified three consumer segments, the relationship of the original sample of 30 Mugler consumers to Mugler will now be further analyzed.

To start with, the connection of the majority sample to the brand Mugler is entirely limited to the fragrance. The majority of the sample began by affirming, "I know nothing about Mugler, only that it sells perfumes" when asked what they knew about the brand. Additionally, it is essential to refer to the fact that the level of loyalty is not directly connected to the level of knowledge about the brand. Only five out of the thirty consumers are familiarized with the reality that it is a fashion house and that the name Mugler states for a designer. Only 4 people were able to characterize Mugler's pieces or discuss its vision. As we can understand from the following quote stated by an interviewee, the Mugler client is certainly not loyal to the brand Mugler since they do not have a superior level of knowledge about the brand.

*"Don't know anything about it, only that they have more perfumes, but I only like the purple one."*

(Age 25, uses Alien for 7 years, consumer segment: "Specialist")

The majority confirmed that the brands do not tend to impact their choices. Mugler clients not only choose according to the fragrance, but they also keep using Mugler products according to the scent. Therefore, they present an elevated level of intimacy regarding their relationship with the perfume used, and the brand comes afterward, being the brand image a consequence of that judgment. Even if other brands might take advantage of the brand reputation to recruit new clients, being only able to make them loyal through the scent, in Mugler's case, the smell is the

principal factor that leads to the recruitment and, simultaneously, builds the dedicated connection.

The way that Mugler's fragrances clients perceive the brand is entirely impacted by the feeling they have about the perfume. When asked about their opinion about the brand, the interviewees referred to how they feel about the fragrances they use. Consequently, the brand is recognized as the scent is perceived. Therefore, the relationship is instead with the brand, with the fragrance.

The brand was characterized as being special, exuberant, intense, impactful, extravagant, and powerful. Even though Mugler consumers tendentially are not familiar with the brand concept, primary research demonstrated that Mugler clients experience the brand as the identity is expressed. They get to know the brand without actually knowing it. Due to the fact, that the two fragrances are so aligned with the identity of the brand, the brand image matches the brand identity of the fashion house. The ability to transport the brand culture to the perfumes is notorious.

### **3.3.3 Drivers of Loyalty**

Besides the three segments and the relationship to Mugler, further key findings of the interview data collection will be analyzed along with the four drivers of loyalty for the brand Mugler. The drivers of loyalty consist of Mugler's fragrances' scent, the refill concept including the fountain and the refill bottles, the complementary products, and the Mugler Circle.

#### **3.3.3.1 Scent**

Based on the interviews conducted, Mugler's fragrances' scent was identified as the primary driver of loyalty for a consumer of Mugler. From the interviews, it becomes clear that the Mugler consumers are loyal to the scent of the fragrances and not to the brand Mugler itself. By refining and overdosing on exquisite ingredients, Mugler manages to create highly long-

lasting, sensual, and extraordinary fragrances with high intensity. In addition, most interviewees named the distinctive oriental scent combined with a sweet note as one of the main appreciated attributes.

Furthermore, through the interviews, it was also possible to identify the main differences between the two best-selling fragrances Angel and Alien. The interviewed person describes the scent of Angel as very special, extraordinary, and strong. However, for some of the interviewees, the smell of Angel is even too strong. The oriental Angel fragrance is combined with sweet notes of chocolate, honey, caramel, cotton, and sandalwood. As the scent is more substantial, it's ideal for wearing it in the evening and for the winter season.

In addition, for the interviewees, the scent of Angel tends to be preconceived as more familiar than the second fragrance, best-seller Alien. According to the interviews, people associate Alien as more mysterious and distanced. Furthermore, the oriental scent of cashmere wood and jasmine complemented by a spicy note was often named as a fascinating and mysterious femininity. Finally, interviewed people described the scent of Alien as unique, intense, and ideal for summer nights and the winter season.

### **3.3.3.2 Refill Concept**

#### **Interview Insights**

The second driver of loyalty is the refill concept, which consists of the Fountain and the refill bottles. It was asked to what extent the interviewed people were aware of the concept and to what extent the different components were used. Based on the conducted interviews, the refill concept is known by 22 out of 30 interviewees. Only a few of the respondents had not heard about the refilling function yet. However, it can be clearly seen from the interviews that the Mugler Fountain is much more known than the refill bottles. 21 out of 30 of the interviewees

were not aware of the refill bottles Mugler is offering. In addition to the awareness of the concept, it was found that two-thirds of the respondents are using or have used the Fountain. Moreover, only 2 out of 30 are using or have used the refill bottles.

Furthermore, interviewees who are already using or have used the Fountain were asked about their experiences with it. The majority have described their experience of the refill process as not valuable. The interviewed persons have told that at most retailers, the Mugler Fountain is positioned away from the shelves behind the counter and is often not visible to the consumer. From this, it can be concluded that consumers do not see the process as an exciting or luxurious experience.

Finally, the interviews clearly show the positive perceptions and thoughts about the refill concept. During the interviews, the benefits for the environment, the focus on sustainability, the attractive price, and the visionary innovation were frequently mentioned as the main reasons.

*"Also the brand itself and the designer is very visionary, so it doesn't surprise me that he thought so early about sustainability, ahead of the others. It's really inspiring."*

(Age 21, uses Angel for 2 months, consumer segment: "Specialist")

*"I refilled Angel already several times. I like it because its not so expensive and it's sustainable."*

(Age 23, uses Angel for 13 years, consumer segment: "Loyal")

Therefore, consumers clearly distinguish Mugler from competitors. However, it can also be stated that the interviewees are more enthusiastic about the Fountain than the refill bottles. In the interviewees' eyes, the bottles do not reflect the sustainable and pioneering idea of the brand Mugler. In addition, a few people are reluctant to invest in refill bottles because they add packaging and create waste.

### **Myster Shopping Insights**

In addition to the interviews, data was collected from the mystery client through four Perfumes & Companhia stores, three Sephora stores, two Douglas stores, and one El Corte Inglés. The mystery client research confirms what has already been said in the interviews. The fountains have a very discrete presence in stores or are not visible for consumers. The fountains are behind the counter at Perfumes & Companhia and Douglas, and not visible at all at Sephora. The only store where the Fountain is clearly visible and included in the product range is El Corte Inglés (Appendix 14). At El Corte Inglés, the Fountain is presented together with the refill bottles on the shelf. The refill bottles are represented in all eleven stores, but the bottles are unpacked which makes it difficult for the consumer to recognize them at first glance.

Furthermore, the mystery client research has shown that beauty advisors only talk about the brand Mugler and its Fountain when asked. However, the beauty advisors don't mention the refill bottles, even when asked about the refill concept.

### **Social Media Listening**

Another key fact to mention about the refill concept emerges from social media listening. Mugler inspires consumers on its social media channels Instagram, Facebook, TikTok, and Youtube with a very aesthetic visual language. However, the brand focuses more on fashion with bold pictures showing extravagant, feminine, and sensual designs. The communication of Mugler includes mystical and artistic images of the different fragrances, but the brand doesn't show any pictures or videos of the refill concept. Neither the fountain nor the refill bottles are mentioned or seen on the channels.

#### **3.3.3.3 Complementary Products**

From the entire sample of Mugler consumers, nine used complementary products in the past, and only four were using them at the time of the interview. The product mentioned the most

was the body cream, followed by the shower gel. The hair spray and candle were mentioned only once. Consequently, 18 out of 30, the large majority never used the complementary products, making it again visible that Mugler consumers are highly concentrated on the scent itself. During the interviews, complementary products were never mentioned by the interviewees. Instead, they were asked later based on images.

Several positive and negative aspects can be highlighted that underline the opinion of Mugler consumers on complementary products.

Firstly, interviewees appreciate the concept of using additional products that have the same smell as their fragrance, as a mixture of scents is not pleasantly perceived.

*"I like the concept of having the same fragrance for like every product that a woman needs, perfume, showergel and body cream."*

(Age 23, uses Alien for 2 years, consumer segment: "Specialist")

Secondly, the perfumed products were perceived as being less intense. It allows the consumer to select the very appreciated fragrance for a casual event, avoiding the high level of intensity of the perfume. However, this characteristic might be prejudicial for the consumer that is interested in intensity.

*"Yes I am using the body milk as well. If I don't use the perfume, I use the body milk which is not that strong. Sometimes in the evening I like to put the perfume and during the day the body milk. And when I want to make it stronger I add the perfume."*

(Age 56, uses Angel for 8 years, consumer segment: "Loyal")

On the other hand, the main reason for rejecting Mugler's complementary products is the loyalty to body care from pharmaceutical brands as La Roche Posay and Uriage. They are perceived as being effective and good to the skin. Besides, especially the absence of scent and the good ingredients are valued.

*"I have used in the past the cream and shower gel, never tried the deodorant. However I have sensitive skin and now I prefer to choose other products more focused on that."*

(Age 22, uses Alien for 10 years, consumer segment: "Loyal")



Secondly, this attitude is being reinforced because the pricing of Mugler's complementary products is perceived as being very high compared to pharmaceutical brands, which could be confirmed (Appendix 15).

The trend of opting for more scent-free, natural, and organic products is present in skin and body care (da Silveira, 2020) but is not impacting the choice of fragrances (yet). That is why some Mugler consumers are loyal to the fragrances but do not consider buying complementary products. They are already dedicated to pharmaceutical brands.

With a view to the future, it can therefore be stated that only the candles, being a product outside the body-and skin-care category, have the potential for Mugler as the shift in consumer behavior does not impact it. Gifting boxes containing other complementary products present a lower potential since the consumer wouldn't repurchase the products for the before identified reasons. Currently, the complementary products make up a large space on shelves, making them highly visible in stores. Here it could be stated that this space could be used more advantageously.

#### **3.3.3.4 Mugler Circle**

As previously identified, registration for the Mugler Circle as a Portuguese Mugler consumer is currently unavailable, whereby, as suspected, no awareness could be detected among the sample.

After a short presentation of the Mugler Circle, the reaction of the interviewees was observed. As a result, 22 out of 30, the large majority reacted with enthusiasm and would be interested in being part of a restricted and exclusive club of women. It must be noted here that those 22 Mugler consumers were "Loyals" and "Specialists."

*"I think it's very interesting to get to know the new products."*

(Age 52, uses Angel for 15 years, consumer segment: "Loyal")

*"I would give my information and try. Since I use it for so long it would be good to have this little gifts and to keep up with the new and something that may be interesting."*

(Age 22, uses Alien for 10 years, consumer segment: "Loyal")

*"I think it would be a restricted club, very interesting. We understand that the brand wouldn't bomb with uninteresting information. There would be a screening, focusing on the things that matter, because there are a lot of loyal people to that ranges."*

(Age 53, uses Angel for 20 years, consumer segment: "Loyal")

Different aspects of the Mugler circle were positively received in the following order of preference. First the reception of news about new launches, then samples and discounts, as well as small gifts after each purchase or refill. Newsletters were perceived as least engaging and overwhelming.

*"No, my email has a lot of emails. I don't go there 2 days and have 400 mails to delete. Has the opposite effect. In my case it's like that . It stresses me . And I never have an important email, it really bothers me."*

(Age 50, uses Angel for 24 years, consumer segment: "Explorer")

To conclude it can be stated that a loyalty program has definitely potential to engage Portuguese Mugler clients and attach them further to the brand.

#### **4 Implications for Individual Reports**

Out of the four main drivers of loyalty to Mugler, the most critical driver is the fragrance of the perfume and not the brand Mugler itself, since most of the sample presented a low level of knowledge about the brand. As a result, Mugler is perceived solely through the perfumes. One individual part will thus analyze the research question of "What role should be given to the brand in the fragrance market: What should be the ideal brand architecture?"

Another driver is the Mugler Fountain, which generally receives a lot of positive feedback due to its pricing and environmental aspects. However, it can be concluded that the full potential of the refill concept has not yet been realized, as it is not perceived as a valuable experience.

Another individual part will then focus on “How to enhance the refill value proposition of Mugler’s loyalty model in Portugal?”.

Another driver is the complementary products, which are not appreciated or valued by most consumers, thus having no promising potential in the future. The main reason here is the existing loyalty to pharmaceutical brands.

The last driver considered by the brand is the loyalty program “Mugler Circle,” which has great potential but has not been implemented in Portugal so far and therefore has not received any attention. Consequently, another individual part of this thesis will answer the research question of “How to establish a direct relationship through a loyalty program with the Mugler consumer in Portugal, taking into account the retail landscape”.

## **5 Project Limitations**

The validity of the insights collected is threatened by several limitations that should be considered.

Firstly, the limitations associated with the random sample that was accepted to participate in the interviewees and the restricted sample size. It is impossible to guarantee that all the demographic and behavior profiles are equally included. Since most of the interviewees are part of the member's network, some groups are overrepresented in terms of age, geography, and levels of education. Different ages, lifestyles, purchasing power, and geographic locations might impact the loyalty level and client's relationship with the category. Additionally, the sample size of 30 can't represent the population due to the limited diversity. Furthermore, the current pandemic precludes the presential interviewees, complicating the interviewees' absorption of any body language and fluidity due to technical difficulties.

The mystery shopper procedure was only conducted in 11 stores, all of them located in the geographical area of Lisbon. Additionally, observations took place in 2 weeks. The promotions

in force and the Beauty Advisors' sales objectives for each brand in that period influence the recommendations and store disposition. Focusing on social media listening, the absence of Portuguese pages and forums reduced the possibility to gather relevant information for the analyses. Considering different methodologies, a quantitative research method was not used in this project. In the future, it would be valuable to conduct a numerical study. The quantification of responses would be beneficial to obtain new insights and connect them with the previous findings.

Lastly, limited access to data hindered the conclusion of more accurate understandings. For example, information such as perfumes market shares, Mugler's portfolio number of sales, and Mugler Circle data would have been beneficial.

# **INDIVIDUAL PART**

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## **1. Project's Purpose and General Overview**

The different brand architecture adopted by each brand will affect its exposure to the consumers and the associations created by the public. Compared with the importance of the brand when buying a perfume, the significance given to the fragrance was detected as being more significant. By questioning what role should be given to the brand in the fragrance market, the opportunities and disadvantages associated with this outcome will be analyzed.

The main purpose of the individual assignment is to address the research question of what the ideal brand architecture for Mugler should be. Concerning the fact that the aroma is the principal factor that attracts Mugler clients, the duality between the brand element and the fragrance will be examined. In order to reach a set of recommendations on how the correct brand architecture should be, the relationship between luxury brands and their respective business models for fragrances will be analyzed, along with the qualitative insights from the interviews.

## **2. Contextual background on luxury brands and fragrances**

### **2.1 Brand architecture**

Brand architecture can be defined as the organization of all the brands and sub-brands offered by a firm. Since a brand can be present in several categories, or even in the same division with different sub-brands, the lines organization will affect the perception and relationships with the products (Uggla, H. 2006).

It can be divided into Branded Houses and House of Brands, depending on the highlight that is given to the principal brand, as known as corporate brand. The Branded House structure maintains the focus on the single famous name, in order to maximize positive associations. Contrary, the House of Brands strategy aims to hold independent brands from each other with their own audience, reducing the risk of negative contamination (da Silveira, 2020).

## **2.2 The pyramid business model of luxury brands**

Due to their high brand equity, luxury brands tend to operate under a Branded House business model. An example of this is the Pyramid business model of luxury brands (see appendix 1).

It focuses on a pyramid, where each section represents different product categories. From the top, where the inspiration and the creator's survival remain, a stretching into different categories will continue until the base. The pinnacle of the aura cascades onto other categories, being the most accessible products, like fragrances, included on the bottom. The model reflects the relevance of the creator, being the one representing the ideas and vision of the Branded House (Kapferer, 2012).

Luxury brands use perfumes as a very profitable entry product strengthened by the dream value, by enjoying their high margins to reinvest in the aura and nourish the dream cyclically (Kapferer, 2012). The heritage asset increases the brand equity, offering credibility to the consumers, and leading to a competitive advantage used in the communication (Urde, Greyser & Balmer, 2007). The introduction of a memorable fragrance has the power to immortalize brands, as it happens with Chanel Number 5, or L'Air du Temps by Nina Ricci and Angel by Mugler (Kapferer, 2012). Posteriorly, these examples will be analyzed. Additionally, even if recent, Good Girl by Carolina Herrera will also be included in the study, due to the frequency that it was mentioned in the qualitative research conducted.

## **2.3 Luxury Brands Fragrance Case studies**

**Chanel n°5:** In 1915, Gabrielle Chanel opened her first Couture House in Biarritz, France (Chanel, 2021). The identity of the luxury House is based on revolutionizing women's relationships with their bodies, assuming freedom when attacking this gender stereotype (Marcangeli, S, 2015). Simplicity, sophistication, and independence are the main personality



traits of the brand (Hobsbawm, J. 2020). Even if Gabrielle Chanel died in 1971, Coco Chanel is still living through the brand (Kapferer, 2015).

The iconic **Chanel n°5**, created in 1921, is often characterized as the formula for the feminine eternal. Currently, the fragrance is a product that the brand is known for, representing the brand universe (Chanel, 2021).

The global marketing and **advertising strategy** convey, not only the rich history and robust brand heritage, as the French roots and the brand personality. Chanel adopts notes of elegance, and freedom, always focusing its communication on women's enfranchisement (Chevalier & Mazzalovo, 2004). The brand was often a pioneer and creative in advertisements. Giving an example, it was the first feminine fragrance represented by a male celebrity, Brad Pitt (Chanel, 2012).

The geometric shape of the **bottle** transmits simplicity and sophistication. Further, the Chanel logo and name are highly present and visible in the container (see appendix 2). There is a link with the French founder, the long-established history, and the important heritage (Chevalier & Mazzalovo, 2004).

**Nina Ricci L’Air du Temps**: Maria Nielli founded the Haute Couture house Nina Ricci, a combination with her nickname and husband’s last name, in 1932 in Paris (Nina Ricci, 2021). The simple, delicate, and innocent character sublimates women’s life evoking poetry, femininity, and grace (Ardelet, C., Slavich, B., & de Kerviler, G., 2015). In 1998 it was acquired by the Spanish company Puig and the haute couture segment was shuttered. Perfumes’ profits became the principal source of income (Vogue, 2021).

The emblematic **L’Air du Temps**, another classic and iconic fragrance in the perfume industry, was created in 1948 and is described as an essence of absolute femininity. It celebrates

eternal youth and radiates peace, love, and freedom (Nina Ricci, 2021). The fragrance embodies the timelessness of the House for more than 70 years (PUIG, 2021).

The L'Air du Temps **advertisements** transport the audience to a mythical and feminine world, where the romanticism, purity, innocence, and refinement representative of Nina Ricci are revealed through symbolisms like the dove. Additionally, the public is forward to the Parisian atmosphere through the French songs, architecture, and environment (Hinton, P., 2016).

The **aesthetic crystal bottle** of L'Air du Temps is also crucial for the product's eternity. The boudoir of each bottle was done by hand and, even if today, the standard commercialized product, suffers a different manufacturing process, the bottle's replica sold symbolizes the craftsmanship and luxury component of the crystal bottle (Kapferer, 2015). The present address of the House, at 39 Avenue Montaigne, joins fragrances and fashion under the same roof (Nina Ricci, 2021). The address direction is present in some of the perfumes' packaging, as it is displayed in appendix 3.

**Carolina Herrera Good Girl**: In 1981, the Venezuelan-born designer Carolina Herrera founded **Carolina Herrera New York**, a luxurious prêt-à-porter and bridalwear house. The brand is characterized by the dramatic silhouette combined with simplicity and elegance. Posteriorly, the lifestyle line CH Carolina Herrera was posteriorly founded in 2001 (Carolina Herrera, 2021).

In 2016, Carolina Herrera launched **Good Girl**, its most successful fragrance to date. Just like the brand, the perfume is characterized as simultaneously sophisticated and bold (Carolina Herrera, 2021).

The **commercials** count with the participation of Karlie Kloss and express the luxurious and powerful New Yorker roots over the sights, iconic taxis, and cosmopolitan style. The

communication is aligned with the brand atmosphere, being Good Girl part of Carolina Herrera's world (Neto & Ogasawara 2021).

The format of the **container** also expresses the fashion house identity (appendix 4). The stiletto-shaped bottle is inspired by the elegant and imposing Carolina Herrera designs, reflecting the brand's vision of the modern woman (Carolina Herrera, 2021).

**Mugler Angel**: Concluding the analyses with the house of Thierry Mugler, the brand was founded in 1973 by Manfred Thierry Mugler and, in 1995, the first Couture collection was presented (Mugler, 2021). However, since 1997 the brand has departed from the couture world and, in 2003, the fashion component of the brand was shuttered due to a liquidity crisis. Nonetheless, the fragrance line, which was initiated in 1992, was maintained, since it was profitable. Later, in 2011, the fashion division was revitalized when a prêt-à-porter collection was presented (Zeitgeist, 2021). Mugler's identity reflects fantasy once the designs are described as extravagant, futuristic, and disruptive (L'Oréal Portugal, 2021).

The **Angel perfume** was the first fragrance presented by the brand, in 1992, and it is considered the first "gourmand" fragrance in the history of fragrance. The perfume became a huge success by reaching an enormous level of sales. It is an oriental and spicy fragrance with sweet notes in honey, vanilla, caramel, chocolate, sandalwood, and a strong patchouli overtone. It promises to become a goddess of beauty with the irresistible power of seduction. (Mugler, 2021).

**Angel advertisements** always present a woman, as the main character, being transported to another galaxy (Horoszko, Moskowitz, & Moskowitz 2018). For the creator, the real world just isn't enough. Angel adds extra soul and a touch of extraordinary to the woman that dares to use it (Mugler, 2021). The communication introduces then the powerful,

extraordinary, and mysterious DNA of Mugler. The star format bottle is very present and the Mugler's style designs are always exhibited (Horoszkó, Moskowitz, & Moskowitz 2018).

Even if the brand's name is not shown in the peculiar star-shaped **bottle**, (see appendix 5), it approximates the product to the brand identity due to associations with the sky, the universe, the supernatural, and the unreachable (Neto & Ogasawara 2021).

### **3. Research Insights on individual topic**

#### **3.1 The luxury fragrances business model insights**

After analyzing these four emblematic fragrances from the perfume category, a comparative evaluation will be executed. The similarities between the different brands and its main differentiation factor will be posteriorly discussed.

**Brand architecture:** All the brands previously analyzed adopted a Branded House strategy, constantly reflecting the brand identity. The name of the brand is purposefully present and highlighted in several elements, as in advertisements and the packaging. Frequently, the fragrance bottle contains the corporate name, and, occasionally, it can even be part of the perfume's name, as in Chanel n°5. The examples considered always linked the perfume with each brand's individuality. The fragrance association with the brand was visual in the qualitative research analyses, where 22 out of 30 mentioned the brand when referring to the perfume.

*"The last perfume I purchased is one from Bulgari. I think it's called Omnia."*

(In-depth interviews; Age 35)

It was also noticeable that in some cases, the brand's name is more representative of the perfume the interviewee was using, than the name of the fragrance. From the in depth-interviews, 6 out of 30 respondents didn't know the fragrance name.

*"It was a gift from my ex-boyfriend and it's a fragrance from Carolina Herrera, the shoes"*

(In-depth interviews; Age 23)

*“One from Zadig Voltaire. I don’t remember the name but is the one very girl power.”*

(In-depth interviews; Age 25)

**Communication:** As it was mentioned, the name of the luxury brands support the fragrances, being the perfume expressly part of the parent House, and an extension of its charisma. Since it is proved that commercials have a highly effective result on the consume (Zeybek, 2013), the communication actively invokes the brand and conveys its character. The brand identity is spread over the category, while the brand image is reinforced.

*“It’s another wonderful brand that I love, with a strong message. I think I saw a campaign on Instagram and thought I would like to buy it”*

(In-depth interviews; Age 25)

Knowing that all the perfumes analyzed are supported by a prestige brand, in many instances, the communication connects with the brand’s heritage. Brands tend to invoke the creator and the House roots, to expose the aura and ascend the fragrance perception.

*“It’s not really about perfumes, it was also the man who designed it. I think he’s from Paris, he was iconic. “*

(In-depth interviews; Age 24)

**Fragrance bottles:** The visual impact influences the perception and the brand image construction, creating the initial connection and impression (Poturak, M., 2014). In the interviews, 11 out of 30 mentioned the bottle of the perfume, and it was concluded that the aspect of the bottle can influence the buying behavior, even before they smell the aroma.

*“I kind of like the aroma of the Carolina Herrera one, but I bought it because of the packaging, was a pure impulse.”*

(In-depth interviews; Age 53)

Additionally, it was verified that every iconic bottle analyzed in the individual topic meets the brand’s universe and its personality. All the case studies present specific visual attributes and elements representative of the brand. It was further confirmed, from the sample considered, that the package has an impact on building the brand and perfume image.

*“If Alien was a person, it would be someone like the bottle: magical and mystical.”*

(In-depth interviews; Age 25)

The following table summarizes the different elements analyzed in the case studies:

Brand	Iconic Fragrance	Establishment	Fragrance Introduction	Branded House	Haute Couture	Communicate the Heritage	Unconventional Bottle
Chanel	N°5	1915	1921	Yes	Yes	Yes	No
Nina Ricci	L’Air du Temps	1932	1948	Yes	No	Yes	Yes
Carolina Herrera	Good Girl	1981	2016	Yes	No	Yes	Yes
Mugler	Angel	1973	1992	Yes	No	No	Yes

Table 1: Brand elements overview – case studies

### 3.2 Mugler’s Angel research insights

**Mugler’s Pyramid Business Model:** Initially, the Mugler presented a pyramid composed of Haute Couture on the top, followed by ready-to-wear and broadening with fragrances. Despite abandoning fashion for a few years, the brand intended to preserve the memory of Mugler by keeping selling successes like Angel (Kapferer, 2008). However, it was understood in the conducted interviews that, commonly, clients are not familiarized with the brand and are only introduced to Mugler universe when they first start to use the perfume. 20 out of 30 admitted they know nothing about Mugler and didn’t mention that it is a fashion house.

*“I Don’t know if they sell more things other than perfumes, like if they have creams or something else.*

*But I really like it.”*

(In-depth interviews; Age 27)

Accordingly, it was deduced that Angel clients use the perfume exclusivity because of the scent, and not as an entry-level of Mugler.

*" I tried once in a store the Angel, also from Mugler, but I didn't like it at all. The brand is not so important to me. It's just about the sweet smell."*

(In-depth interviews; Age 22)

The interviews proved that Mugler’s consumers don’t associate the fragrance as part of Mugler’s brand, and, consecutively, as part of a fashion-related brand. However, the

associations with the perfume are consistent with the brand identity. During the projective technique, when the respondents were questioned what type of person the Mugler perfume would be, 21 out of 30 use words descriptions as “strong personality”, “mysterious”, or “extravagant”. It’s visible that the brand traits were transported to the perfume category.

*"Angel would be a really different person. I would say extravagant, special. It's a person with a really strong personality and the person is also a bit extraordinary."*

(In-depth interviews; Age 23)

**Mugler’s brand architecture:** It’s notorious that Angell follows a Branded House strategy, being the fragrance compatible with the essence of the brand: the bottle is extravagant, the name Angel is extremely linked with the supernatural and unrealistic Thierry Mugler’s world, and the polarization of the fragrance reflects the exactly the reaction expected by the bold items sold by the brand. However, as it has been proved, Mugler perfume’s are currently recognized as a brand itself by its public.

*"I'm not a Mugler fan. I like Angel because the fragrance is good, not because of the brand itself"*

(In-depth interviews; Age 57)

*"I love all the alien range, like to try all the new version. I'm loyal to the aliens but not to one specific."*

(In-depth interviews; Age 25)

**Communication:** The precise transfer of identity between the brand and the fragrance is part due to the advertisings of the brand. The extravagant and intergalactic messages shared with the audience, perfectly expose the brand soul. The insights collected confirmed that communication has an impact on the consumer attitude.

*"The communication is never repetitive; they always do something different. We never get tired of it! I feel it is exclusive, not vulgar, and very selective! With a bolt image, different from the other brands."*

(In-depth interviews; Age 53)

*"The angel ads had a lot of impact. And the glamour vibe, and it's all about the models."*

(In-depth interviews; Age 50)

However, the heritage and the French roots were rarely mentioned during the qualitative research. Only 5 out of 30 mention the creator or its origins, nevertheless, they didn't present a high level of knowledge.

*"I don't know much of the brand. I know the brand because of the perfume but the brand itself is not that relevant to me"*

(In-depth interviews; Age 24)

*"I know nothing about Mugler. Well, I know it's in the fashion industry but nothing else. I am seeing the face of Thierry Mugler, but that's it."*

(In-depth interviews; Age 56)

**Bottle:** Focusing on the container, the star bottle is very appellative due to its singular and unconventional shape. Beyond being iconic, it also reflects the aura as it has been already mentioned. Additionally, the symbolism linked with stars is important for some consumers.

*"The star format is memorable and very recognizable, and that's important to me because the star symbol has significance."*

(In-depth interviews; Age 48)

## **4. Diagnostic implications and recommendations**

### **4.1 Ideal brand architecture**

The correct brand architecture recommended for Mugler is the currently one implemented: the Branded House strategy. Mugler is a long-established brand that always demonstrated character strengths and sharp values. Its extravagance is the main component for the detachment between the peer brands. The association between the perfumes and the brand is serviceable for both sides. Firstly, the brand shares its strong equity and aura, reinforcing the potential of the fragrances. Secondly, the perfume category introduces the brand to potential buyers and non-buyers, generating brand awareness and increasing the desire. However, the gap of Haute Couture and subsequently the ready-to-wear collection over the years destroyed the possibility to invoke an upper line once the equity has been deteriorated.



## 4.2 Consolidating the Mugler's pyramid

The period when Mugler walked away from fashion affected its pyramid. Over the years, the top of the pyramid was lost. The aura potential and the nourishment of the bottom was reduced. The model was transformed into a rectangle, where the sales started to be entirely concentrated in the beauty line. Recently, the hiring of Casey Cadwallader as Artistic Director of Mugler resuscitated the significance of the House's fashion component. Presently, the brand is used on the red carpet in the most famous events by the greatest celebrities. The actual pyramid is composed of the ready-to-wear collection on the top and the fragrances on the bottom. The different business models, regarding each period of Mugler's history, are represented in three different figures in appendix 6.

Like the phoenix creature, a luxury brand is always capable to rise from the ashes, by making the dream visible again (Kapferer, 2008). Today, Mugler is facing the need to recall the initial product category when the brand was first established. The connection with the fashion division will beneficiate fragrances once the brand equity of the luxury asset will cascaded into the beauty product category.

**Invest in a prestigious category:** A favorable reputation will promote all the different lines. The distance between the number of people who recognize and admire a brand, and the number of people that actually use it, construct the dream (Kapferer, 2008). A high level of recognition and positive associations will then provoke the desire. The ideal luxury perfumes brand architecture benefits from the supported imposing brand, due to its equity. The fact that Angel's aroma is not easily cherished by everybody, supports the considerable distance that generated the dream: not everybody can afford it but, at the same time, not everybody can understand it and appreciate it. However, even if Angel can be perceived as an expensive and luxurious product, it is middling accessible and less extraordinary and exclusive when compared with

Haute Couture or Luxury ready-to-wear products. A long-term and highly expensive recommendation suggests the investment of the entry products sales, in leveraging the House aura. The coming back to Haute Couture collections will enrich the top of the pyramid and cultivate the dream, maintaining the brand enthusiasts, and attracting new clients. Furthermore, the pride of acquiring and possessing a well-known product from a respected brand, even if it's from the entry range, attracts potential buyers.

#### **4.3 Legitimization of heritage**

The creation of extraordinary new pieces will also allow the brand to reinforce the dream by investing in art strategies like exhibitions, and flagship stores. The dynamism in different events and projects leads to buzz and to the legitimization by authorities in the domain, like the media, celebrities, artists, and influencers (da Silveira, 2021). Posteriorly, also the public will have closer contact with the brand, increasing the awareness and, subsequently, the desire.

**Flagship Store:** Since China delivers more than half the global growth in luxury spending (McKinsey, 2019), it would be beneficial for the brand to open a new flagship store in that area. The store will build the sacralization of the myth and will invite the visitors to the Mugler environment, where the brand heritage would be absorbed.

**Exhibitions:** The temporary exhibition presented in the Musée des Arts Décoratifs in Paris should take place in a different location. The story of the brand will be displayed, and the revitalization of the charismatic persona will feed the dream, avoiding the risk of myth evaporation (da Silveira, 2021).

#### **4.4 Connect the fragrance with the brand**

In Mugler's perfumes communication, there is no link to the French roots and the creator Thierry, even if the brand essence is identifiable. Also, the brand name is not highlighted in the perfume bottle, even if the brand personality is identifiable over the container. Mugler needs to be also recognized and linked with its heritage, by communicating the association with the

creator, Paris, and with Casey. The prestige and aura of Mugler should be reinforced, and all the lines and different ranges will benefit.

**Short films:** One of the recommendations states that a series composed of a set of short films should be available on YouTube, due to the low costs of the platform. The history of the brand would be exposed, as well as the iconic items and Manfred and Casey Cadwallader's life. The watcher would increase its brand knowledge level and assimilate the heritage. The topics approached suggested are Manfred life; Emergence of the brand and iconic moments and pieces; Mugler fragrances rising and history, difficulties and departures from fashion and recent changes, Casey life; and brand culture, values, and atmosphere.

**Advertisements:** Secondly, future communication should connect with Mugler roots. The “Terrestre” part present in the videos like Angel ads featured Eva Mendes should include Parisian symbols like the appearance of Eiffel tower and Parisian classic streets. The reference of brand elements and its history transports the audience to the brand environment.

## **5. Conclusion**

Mugler presents the appropriate architecture in order to maximize its potential: the emblematic perfume Angel is one of the images of the brand and it perfectly reflects its identity. Additionally, the corporate brand is noticeably communicated. The problem identified is not related to the line organization and portfolio, but with the absence of the top of the pyramid for several years, affecting its recognition and perception, even today. There is a necessity of leveraging the brand image, where the supreme status of a luxury brand should be conveyed to the public. To take advantage of the luxury brand that supports Angel, and other very successful perfumes like Alien, the brand should be restructured, adding a prestigious high-quality line. Additionally, the heritage should be communicated and exposed, to reinforce the fragrance reputation and to create awareness.

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A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

HOW TO BOOST AND REACH THE FULL POTENTIAL OF MUGLER'S PERFUMES  
BRAND LOYALTY?

WHAT SHOULD BE THE IDEAL BRAND ARCHITECTURE FOR MUGLER?

MADALENA LUZ GOMES E CRUZ BAPTISTA – 44705

## **APPENDIXES**

Work project carried out under the supervision of:

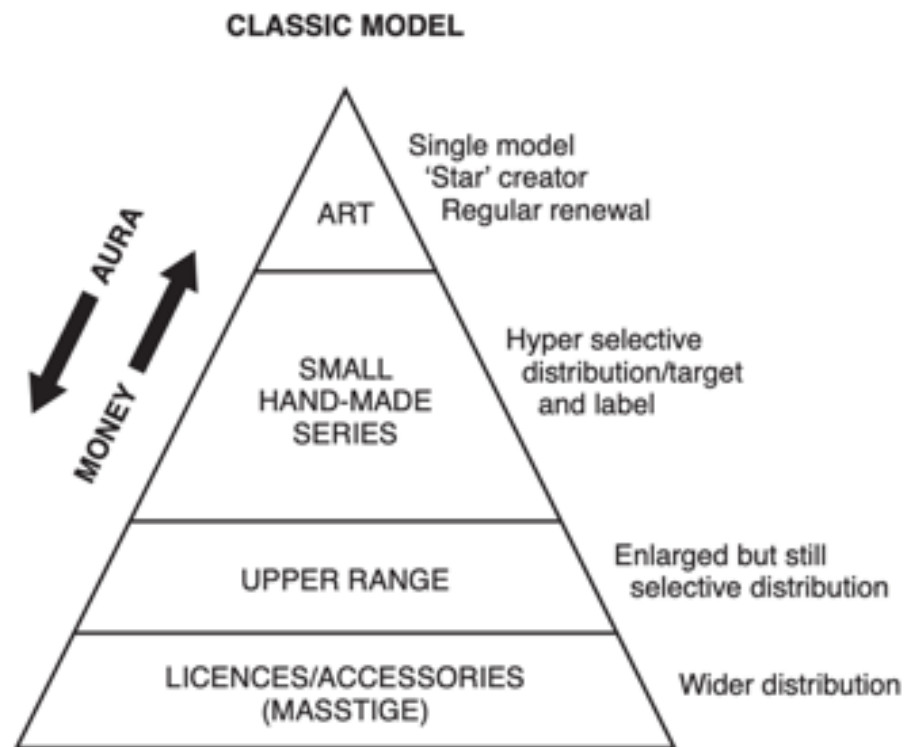
Inês Risques

Catherine da Silveira

17-12-2021

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Appendix 1: The pyramid business model (Kapferer, 2012)



Appendix 2: Chanel N°5 bottle





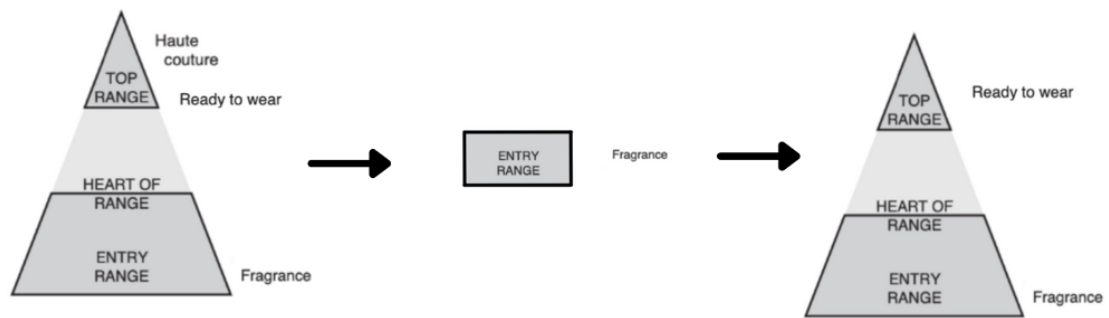
Appendix 3: Nina Ricci L'air du temps: packaging and bottle



Appendix 4: Carolina Herrera's Good Girl bottle



Appendix 5: Mugler's Angel bottle



Appendix 6: Mugler's pyramid business model over the years

# **GROUP PART**

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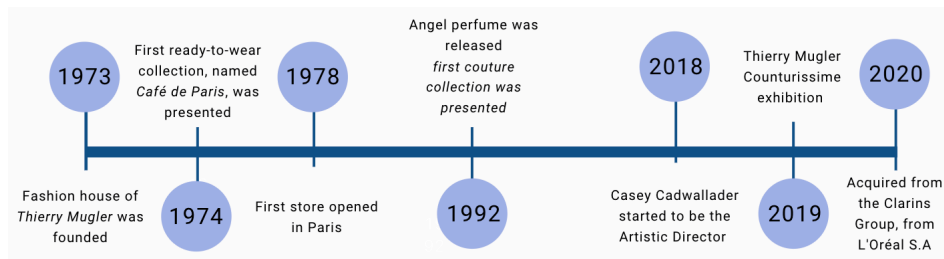
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## Appendices

### Appendix 1: Mugler's history timeline (Mugler, 2021)



### Appendix 2: Demi Moore in *Indecent Proposal*, Cardi B at the Grammy Awards, Kim Kardashian at the Met Gala and Beyoncé's *I AM... World Tour*, respectively.



### Appendix 3: Timeline of Mugler Fragrance Launches (Mugler, 2021)



### Appendix 4: Luxury as the Creator's Light pyramid on the case of Mugler (Kapferer 2012)



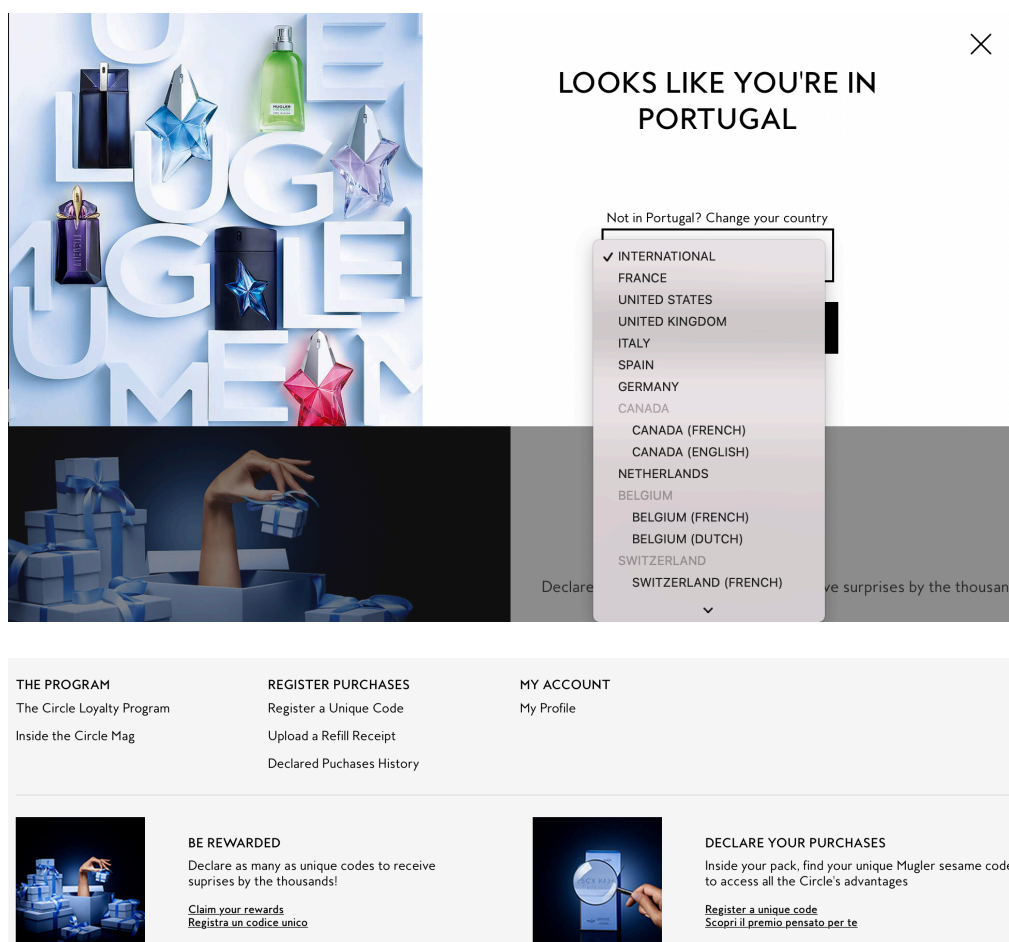




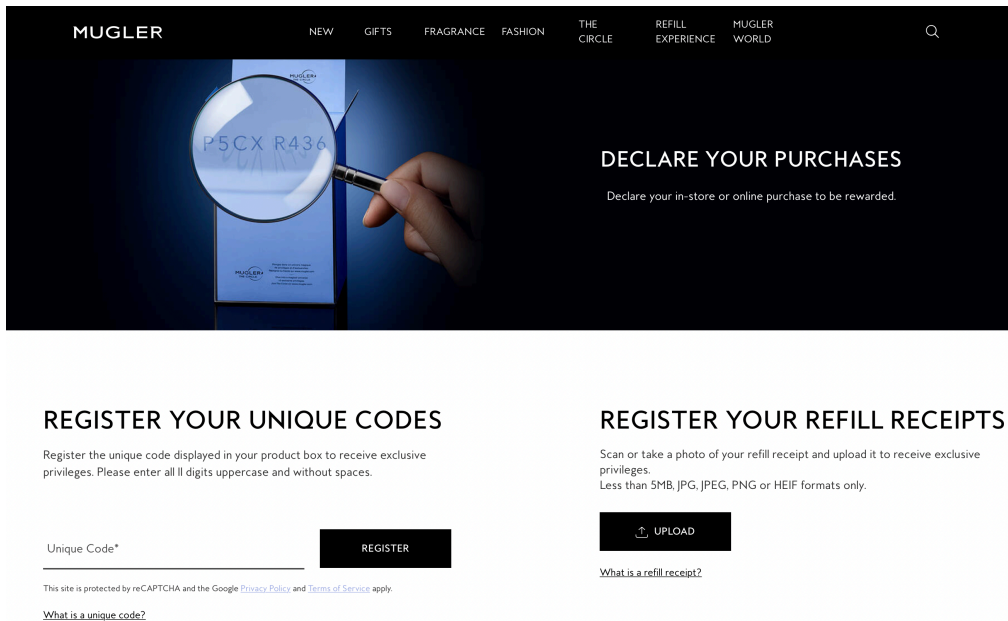
## Appendix 6: Comparison Classical Fragrance High-End Model vs. Mugler Business Model

CLASSICAL FRAGRANCE HIGH-END MODEL	MUGLER FRAGRANCE LOYALTY BUSINESS MODEL
Brand Centric	Consumer Centric
Conventional Luxury = High quality/ savoir faire/ house	Unconventional Luxury = Innovation / Laboratory exploration
Recruit	Make them loyal
Tested fragrances & sublimated ingredients	Cutting edge fragrances & disruptive accords
Consumer Relationship Management	
Push Model Media Centric	
Distanciated Communication	Proximity

## Appendix 7: Mugler Circle



The image displays the Mugler Circle Loyalty Program interface. At the top, there's a banner with the text "LOOKS LIKE YOU'RE IN PORTUGAL" and a close button (X). Below this, a dropdown menu is open, showing a list of countries: INTERNATIONAL (checked), FRANCE, UNITED STATES, UNITED KINGDOM, ITALY, SPAIN, GERMANY, CANADA, CANADA (FRENCH), CANADA (ENGLISH), NETHERLANDS, BELGIUM, BELGIUM (FRENCH), BELGIUM (DUTCH), SWITZERLAND, and SWITZERLAND (FRENCH). To the left of the dropdown, there's a visual of a hand holding a small blue gift box, surrounded by other gift boxes. Below the banner, there's a section titled "THE PROGRAM" with the text "The Circle Loyalty Program" and "Inside the Circle Mag". To the right of this, there's a section titled "REGISTER PURCHASES" with the text "Register a Unique Code", "Upload a Refill Receipt", and "Declared Purchases History". Further right, there's a section titled "MY ACCOUNT" with the text "My Profile". At the bottom, there are two main sections: "BE REWARDED" on the left, which says "Declare as many as unique codes to receive surprises by the thousands!" and includes links "Claim your rewards" and "Registra un codice unico"; and "DECLARE YOUR PURCHASES" on the right, which says "Inside your pack, find your unique Mugler sesame code to access all the Circle's advantages" and includes links "Register a unique code" and "Scopri il premio pensato per te".



The image shows a screenshot of the Mugler website's registration interface. At the top, there is a navigation bar with the Mugler logo and links for NEW, GIFTS, FRAGRANCE, FASHION, THE CIRCLE, REFILL EXPERIENCE, and MUGLER WORLD. A search icon is also present. The main banner features a hand holding a magnifying glass over a product box with the code 'P5CX R436' visible. Below the banner, there are two registration sections: 'REGISTER YOUR UNIQUE CODES' and 'REGISTER YOUR REFILL RECEIPTS'. The first section includes a text input for a unique code, a 'REGISTER' button, and a link to 'What is a unique code?'. The second section includes an 'UPLOAD' button and a link to 'What is a refill receipt?'. Both sections have small text indicating that the site is protected by reCAPTCHA and Google's Privacy Policy and Terms of Service apply.

### *Appendix 8: Pre-recruiting questionnaire*

**Filter 1 :** Have you been living in Portugal for the past five years?

No: Stop Questionnaire; Yes: Filter 2

**Filter 2:** Have you purchased any fragrance for yourself over the last 2 years?

No: Stop Questionnaire; Yes: Filter 3

**Filter 3:** From the following list of fragrance brands, which one(s) do you know at least the name?

Participants that know Mugler and at least one other luxury brand will be directed to Filter 4

**Filter 4:** From the following list of fragrance brands, which one(s) have you ever purchased?

Participants that have purchased Mugler and at least one other luxury brand will be directed to Filter 5 and 6

**Filter 5:** Would you be willing to have the interview in English?

Yes; No

**Filter 6:** Please leave your e-mail address so we can contact you:

### *Appendix 9: List of Fragrance Brands for Filter 3 and 4 of Pre-recruiting-questionnaire*

Bulgari, Burberry, Cacharel, Calvin Klein, Carolina Herrera, Cartier, Chanel, Chloé, Davidoff, Dior, Dolce & Gabbana, Eisenberg, Elie Saab, Estée Lauder, Giorgio Armani, Givenchy, Guerlain, Gucci, Hermès, Hugo Boss, Jean Paul Gaultier, Kayali, Kenzo, Lacoste, Lancôme, Marc Jacobs, Michael Kors, Mugler, Narciso Rodriguez, Nina Ricci, Paco Rabanne, Prada, Ralph Lauren, Shiseido, Tiffany & Co., Tommy Hilfiger, Valentino, Versace, Viktor & Rolf, Yves Saint Laurent, Zadig & Voltaire

## Appendix 10: Interview Guide

### INTERVIEW GUIDE

<b>1. Warm-up</b>	<p>Hello. My name is ... and I am a Master student at Nova School of Business and Economics. As a part of my Thesis in Luxury Management, I am conducting a research about the fragrance approach.</p> <p>I am going to interview you in order to get some relevant information for our project. For this research, I will be using a particular technique: the non-directive method; it means that I will not ask you specific questions about the subject, as in a standard questionnaire, we will rather have a general discussion about the topic. This interview will last approximately 1 hour. If you do not mind, I will record the interview. Of course, everything we talk about remains just between us. After the first question that I will introduce now, you will be free to tell me whatever comes to your mind on the subject.</p> <p>In the end of the interview, I will ask a few questions about your profile. If you have any questions, feel free to ask.</p>
<b>2. Initial Question</b>	<p>Tell me about the last time you bought a fragrance for yourself or received one as a gift? Which fragrance was it and why?</p>
<b>3. Topics to be developed</b>	<ol style="list-style-type: none"><li>1. Understand the relationship with fragrances, discuss purchase behaviour and consumption</li><li>2. Understand the brand/fragrance perception</li><li>3. Mugler</li><li>4. Showing pictures of products, refill concept, complementary products</li></ol> <p><b>1. Understand the relationship with fragrances, discuss purchase behaviour and consumption</b></p> <ul style="list-style-type: none"><li>• Understand to which consumer group the interviewee belongs &amp; identify the perfumes in each case</li></ul> <ol style="list-style-type: none"><li>1. Loyal to one fragrance</li><li>2. Loyal to a group of fragrances (fragrances are used depending on seasonality and occasion); changes the fragrance from time to time</li><li>3. Permanently changing</li></ol> <ul style="list-style-type: none"><li>• Find out the interviewee's personal story about fragrances</li></ul> <p><b>Topics:</b></p> <ul style="list-style-type: none"><li>• Which perfumes or set</li><li>• Appreciated attributes</li><li>• Level of loyalty</li><li>• Willingness of buying additional products (body cream, body spray, candle etc.)</li><li>• Where? Online or in-store</li><li>• COVID-19 impact</li><li>• Search of information (e.g., browsing in-store or online, familiarity, advertising, KOL, word of mouth, recommendation, etc.)</li></ul> <p><b>2. Understand the brand/fragrance perception</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"><li>• Appreciation level and reason of use → Find out the Story behind</li><li>• Territory about the brand: Does the brand itself have an impact on the choice → Find out if is the person is loyal to the brand or the scent</li></ul> <p><b>3. Mugler</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"><li>• Appreciation level</li><li>• Reason to choose</li><li>• Territory of the brand: Loyal to the scent or the brand Mugler</li><li>• Mugler perception/connection to the brand → Story</li><li>• Use of additional fragrance products (candles, body creams etc.)</li><li>• Differentiation factor of Mugler vs. Other brands</li><li>• Awareness of refilling system</li><li>• Awareness of Mugler Circle</li><li>• Interest in the Circle</li></ul> <p><b>4. Showing pictures of products, refill concept, complementary products</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"><li>• If people don't talk before about products, refill concept before → Ask/show pictures about it</li><li>• Find out how much people know about the brand</li></ul> <div data-bbox="662 1579 1316 1736"></div>
<b>4. Projective Technique</b> <b>Mugler and its Competition</b>	<ol style="list-style-type: none"><li>1. If brand XXX (same 2/3 brands mentioned) was a person, how would the person be like?</li><li>2. If Mugler was a person, how would you describe it?</li></ol>

### Appendix 11: Social Media Listening Grid

	Instagram	Facebook	Forums	Tiktok	E-Retailer Websites
Mugler					
Chanel					
Carolina Herrera					
Armani					
Dolce & Gabbana					
Boss					
Dior					
Paco Rabanne					
YSL					
Lancôme					
Calvin Klein					

### Appendix 12: Client Mystery Grid

	Location	Scenario 1/2	Brands considered by BA	BA's reaction	BA's expertise regarding Mugler	BA's expertise regarding Mugler's re-filling process	Refillable Concept
Perfumes & Companhia							
Sephora							
Douglas							
El Corte Inglés							

### Appendix 13: The Consumer Decision Journey from McKinsey (Source: Court, D., Elzinga, D., Mulder, S. and Vetvik, O. J., 2009, p.3)

