



ARTISTIC PERFUMERY

The European scenario

Esxence The Scent of Excellence

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ARTISTIC PERFUMERY

1. Artistic Perfumery is not in competition with “conventional luxury perfumery”
2. Mass market grant everyday new potential customers to Artistic Perfumery
3. Artistic Perfumery needs specific point or sales and/or special areas
4. Selective distribution, granted mark-up and no discount: key of success
5. Shared know-how is the growth' s lymph
6. Artistic contents are as valid as fragrance quality and packaging presentation
7. Brands are not in competition but part of an Allied Army conquering shelves

ARTISTIC PERFUMERY DISTRIBUTION

1. A constant **arithmetical growth**
2. A step by step **brands insertion**
3. A **taylor made marketing** tuned on retailers needs
4. A retailers' **training** and partnership
5. A “**cultural**” **communication** targetted to final customers
6. A **specific press communication** with low adv.budgets
7. A very **complex logistic and customer service**
8. **Minimization of financial immobilisation** in shops stocks

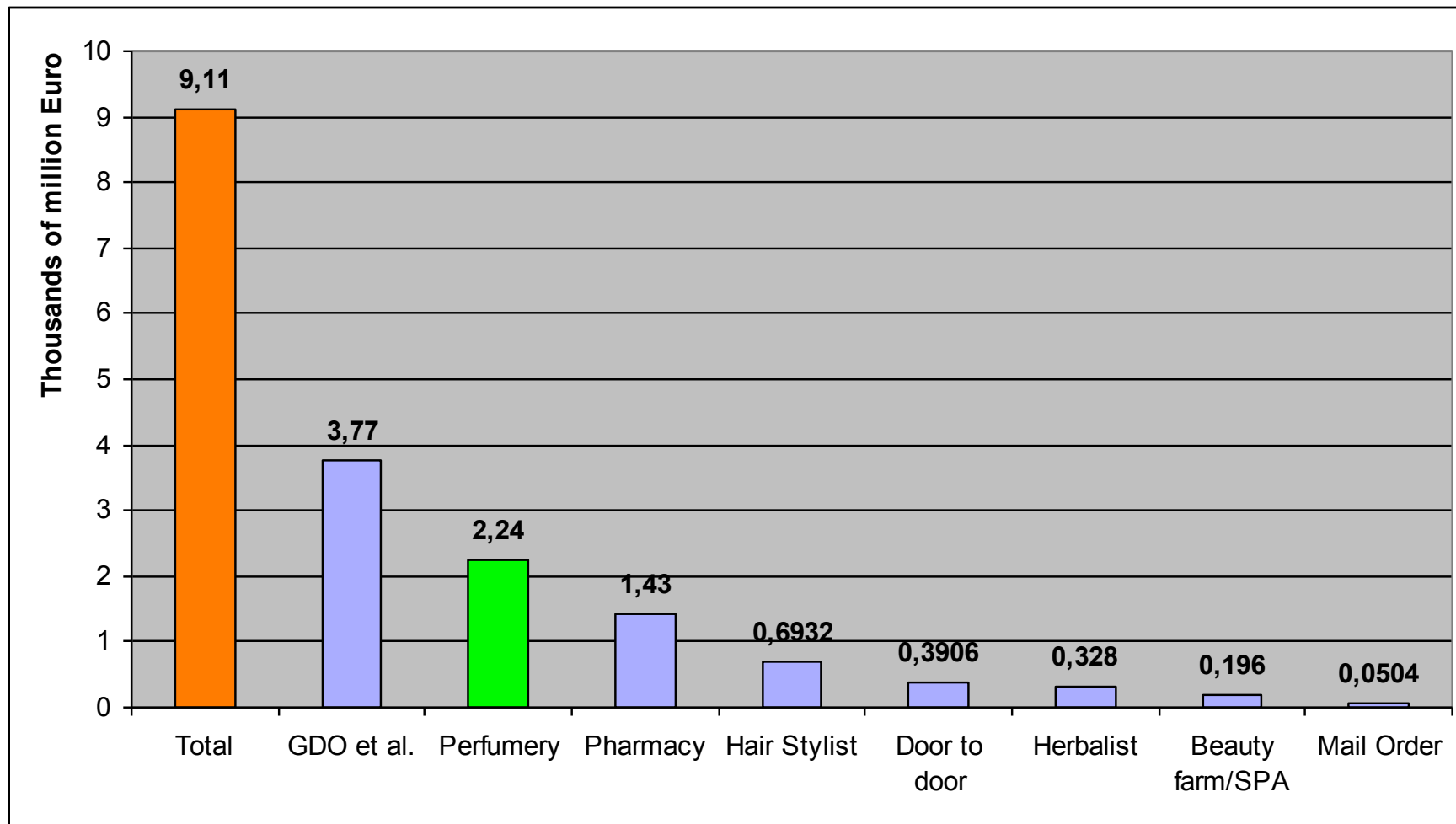


Perfumery Italian Market

2009 Perfumery Italian Market:
(Retail Price VAT incl. Data in Million Euro)

		Incidence %	Var % vs 2008
Total	9.106,60		0,30%
GDO et al.	3.772,70	41,43%	3,20%
Perfumery	2.244,20	24,64%	-3,50%
Pharmacy	1.431,50	15,72%	2,40%
Hair Stylist	693,20	7,61%	4,90%
Door to door	390,60	4,29%	3,70%
Herbalist	328,00	3,60%	-10,00%
Beauty farm/SPA	196,00	2,15%	-4,50%
Mail Order	50,40	0,55%	-5,10%
		100%	

2009 Perfumery Italian Market:
(Retail Price VAT incl. Data in Million Euro)



SOURCE: Annual Report 2009 UNIPRO www.unipro.org

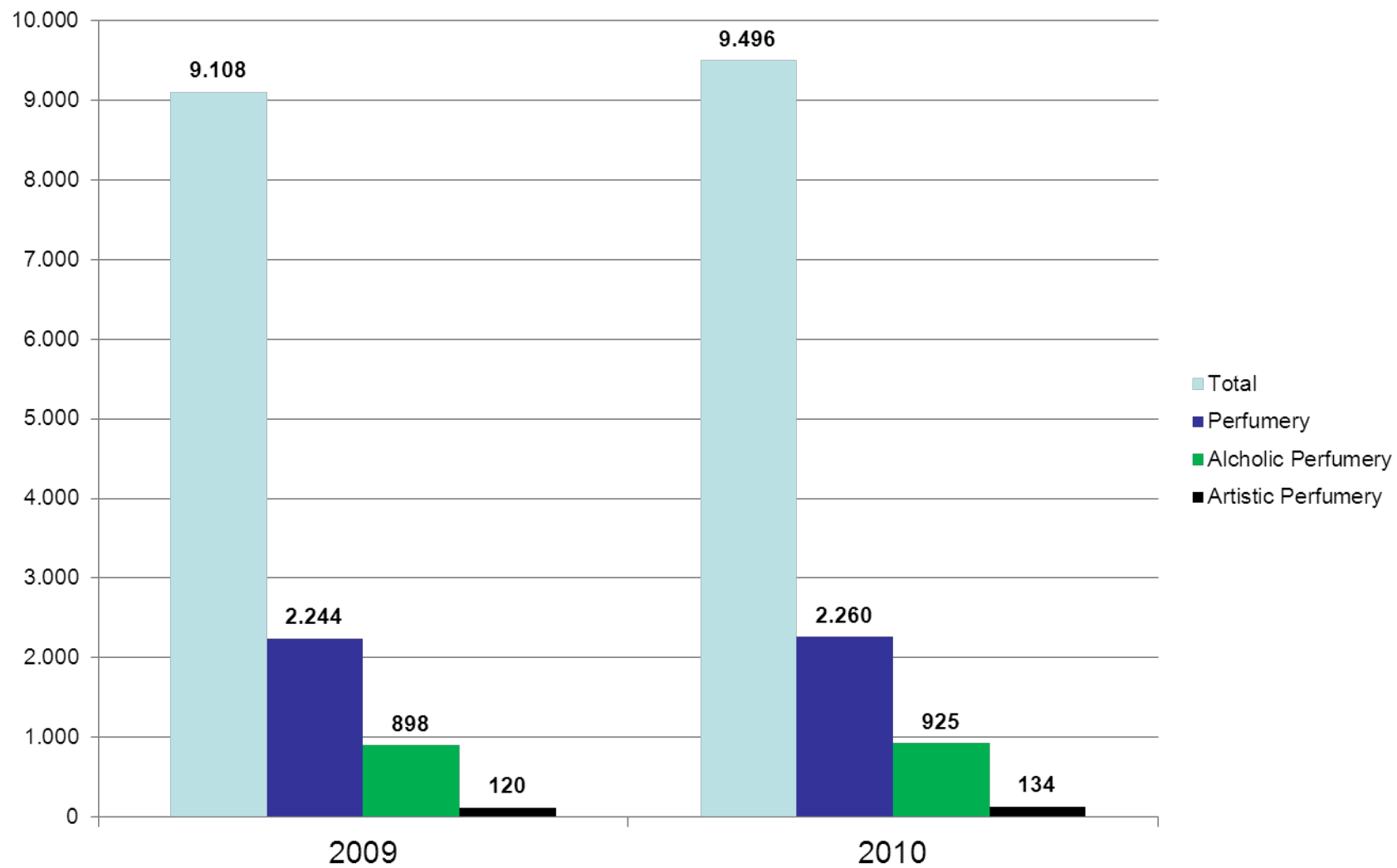
Beauty Business Turnover Distribution 2009-2010

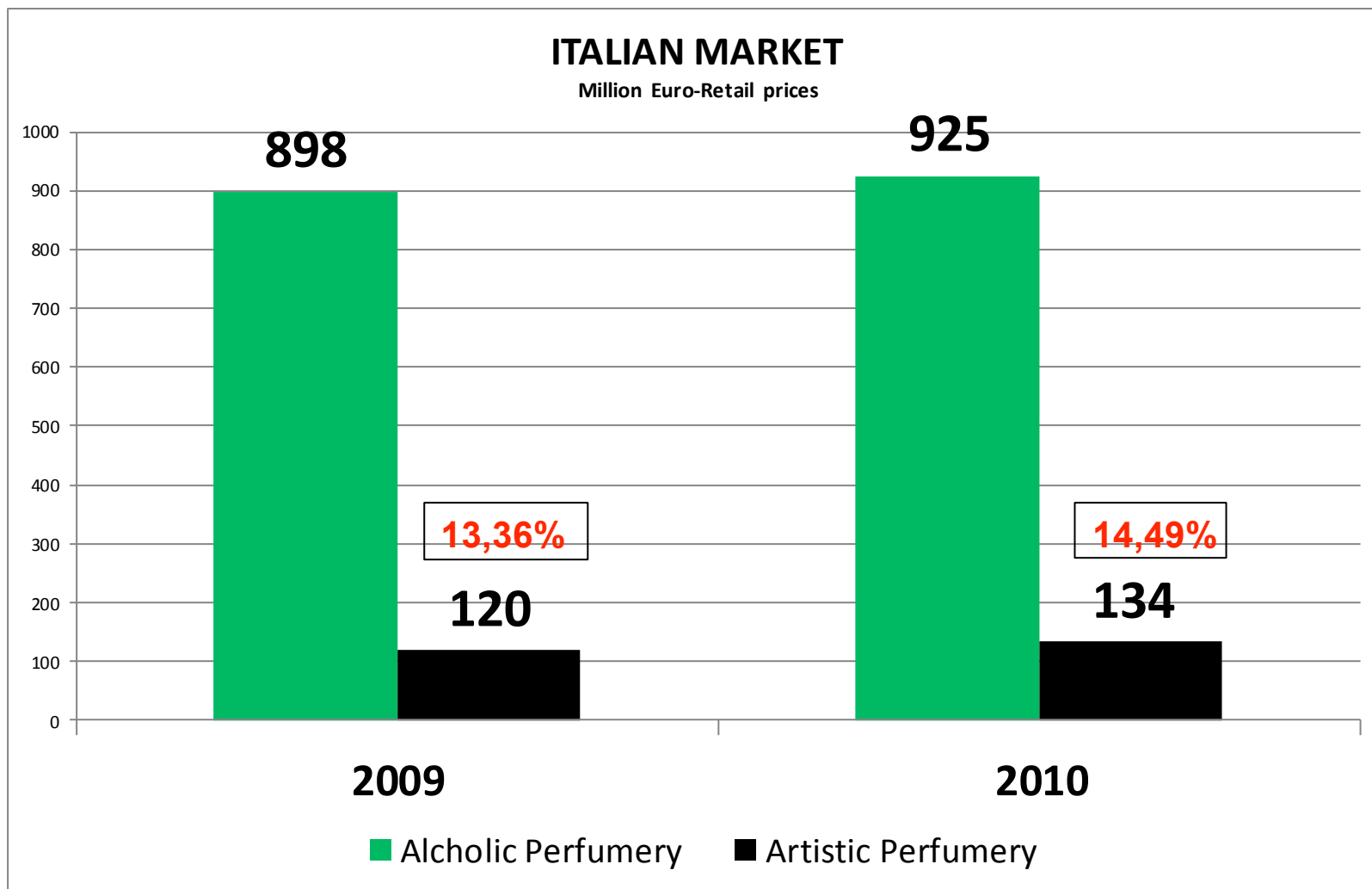
ITALY	2009	Incidence	2010	Incidence	Var %
Beauty General Turnover (Million €)	9.108	100,00%	9.496	100,00%	4,26%
Perfumery Turnover (Million €)	2.244	24,64%	2.260	23,80%	0,71%
Alcoholic Perfumery (Million €)	898	9,86%	925	9,74%	3,01%
Artistic Perfumery (Million €)	120	1,32%	134	1,41%	11,67%
% on Beauty General Turnover	1,32%		1,41%		
% on Perfumery Turnover	5,35%		5,93%		
% on Alcoholic Turnover	13,36%		14,49%		

Points of sale conventional perfumery	6.000
Points of sale Artistic Perfumery	350
	5,83%

ITALIAN MARKET

Million Euro-Retail prices





AVERAGE TURNOVER 2009-2010 ITALY
(Thousands Euro)

Average T.O. per POS	2009		2010		VAR %	
	General	ARTISTIC	General	ARTISTIC	General	ARTISTIC
6.000 POS General – 350 POS ARTISTIC						
Perfumery Turnover	374	343	377	383	0,71%	11,67%
Alcoholic Turnover	150	(343)	154	(383)	3,01%	(11,67%)

2009 Perfumery Italian Market:
(Retail Price VAT incl. Data in Million Euro)

GENERAL BEAUTY DISTRIBUTION

Beauty General Turnover = 9.100 Million Euro**

Perfumery Turnover = 2.244 Million Euro (24,64%)**

6.000 Perfumery **points of sale** (were 15.000 on 1995)***

Average Point of Sale Turnover Perfumery= 374.000,00 Euro

ARTISTIC PERFUMERY DISTRIBUTION

Estimated Turnover = 120 Million Euro ca. 1,32 % general beauty turnover

5,35 % perfumery turnover

300-350 points of sales

5,83 % of perfumery points of sale

Average Point of Sale Turnover= 342.857,00 Euro

**SOURCE: Annual Report 2009 UNIPRO www.unipro.org

***SOURCE: Fenapro (2008/2009)

2010 Perfumery Italian Market:

(Retail Price VAT incl. Data in Million Euro)

2010 GENERAL BEAUTY DISTRIBUTION

-Beauty General Turnover = **9.496** Million Euro**

-**Perfumery Turnover = 2.260 Million Euro (23,80%)****

-**6.000** Perfumery **points of sale*****

Average Point of Sale Turnover as Perfumery

= 377.000,00 Euro

2010 ARTISTIC PERFUMERY DISTRIBUTION

Estimated Turnover= 134 Million Euro

- **300-350** points of sales

1,41 % general beauty turnover

5,92 % perfumery turnover

5,83 % of perfumery points of sale

Average Point of Sale Turnover=

>384.000,00 Euro

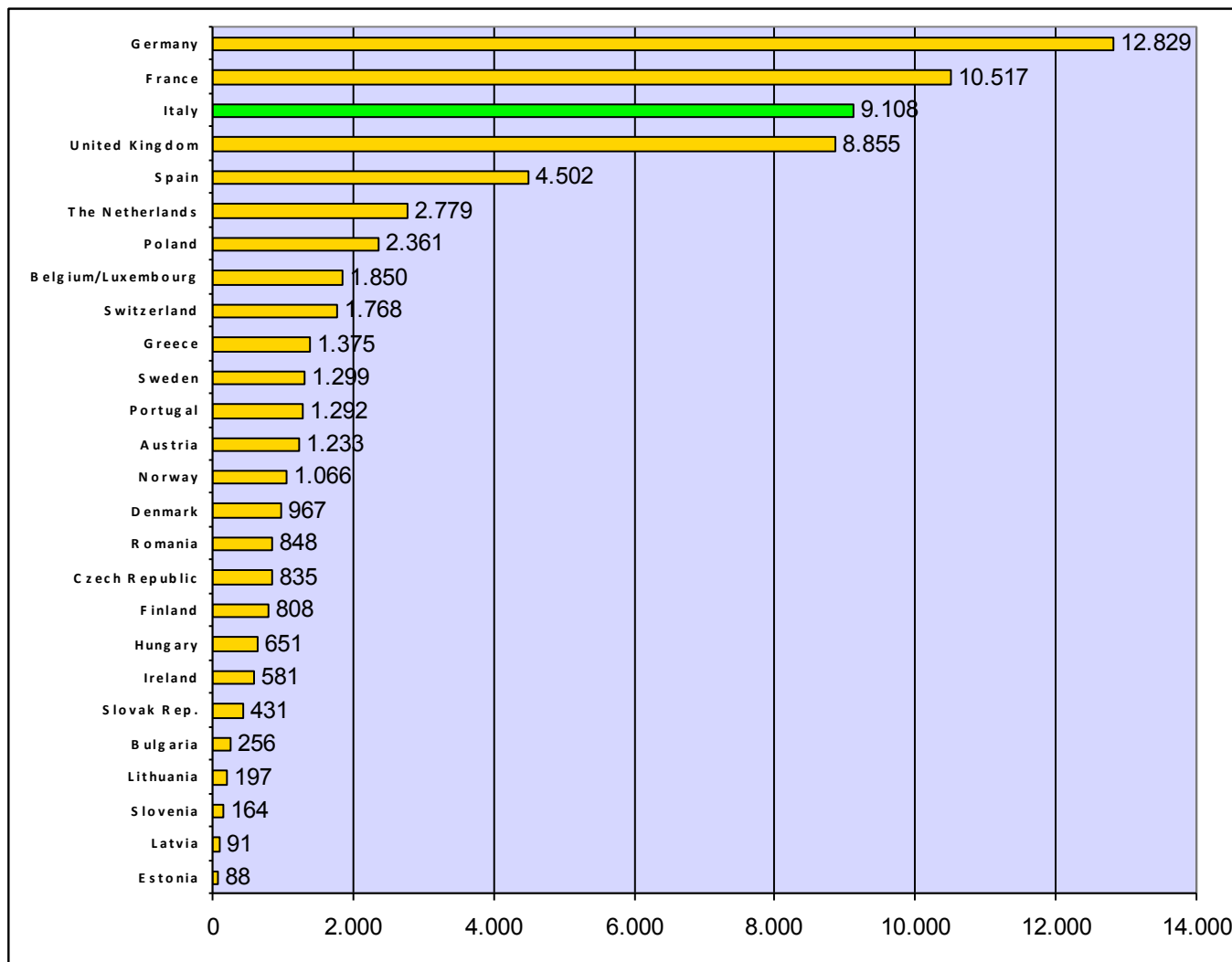
**SOURCE: Annual Report 2009 UNIPRO www.unipro.org

***SOURCE: Fenapro (2008/2009)



Perfumery European Market

2009 Perfumery European Market:
(Retail Price VAT incl. Data in Million Euro)
Total **66.751,00** Million Euro



2009 Perfumery European Market:
(Retail Price VAT incl. Data in Million Euro)

An intriguing hypotesys:

being

Total Beauty Retail Price European Turnover

66.751,00 Million Euro**

If each country should build up an Artistic
Perfumery distribution Network capable to
develop a turnover of **1,41%** of Beauty
European Turnover then:



2009 Perfumery European Market:
(Retail Price VAT incl. Data in Million Euro)

The estimated **POTENTIAL**

Artistic Perfumery Retail Price

European Turnover

should be

941,00 Million Euro

2009 Perfumery European Market:
(Retail Price VAT incl. Data in Million Euro)

Considering an average of about **120 main brands** active in the **Artistic Perfumery**, each of them should potentially reach a

Total European Retail Price Turnover =

7,84 Million Euro

(941,00 Million€/120)

That means in average per brand

Ex-Works European turnover =1,57 Million Euro

(7,84 Million€/5)

2009 Perfumery European Market:

(Retail Price VAT incl. Data in Million Euro)

7 nations made **76,33%** of the total turnover **50.952 Million Euro** on 66.751 Million Euro).

Their estimated Artistic Perfumery Business (1,41%) should be **718,42 Million Euro**

Year 2009 (Million €)		ARTISTIC	
Retail Turnover	Beauty*	Retail	Ex Works
Germany	12.829	180,89	36,18
France	10.517	148,29	29,66
Italy	9.108	128,43	25,69
UK	8.855	124,86	24,97
Spain	4.502	63,48	12,70
The Netherlands	2.779	39,18	7,84
Poland	2.361	33,30	6,66
Total	50.952	718,42	143,68

Perfumery European Market

In average a brand should obtain an

Ex-Works Turnover

close to

170.000,00 Euro

per each main nation

(Nation Average 20,53 Million Euro/120=0,17 Million Euro)

and a Total Ex-Works European Turnover

1,44 Million Euro

A good year for Douglas

DOUGLAS Beauty 2010*	Stores	Turnover (million Euro)	Var% on 2009	Average Turnover (million Euro)
International stores	760	932	-0,2	1,23
German Stores	445	947	2,9	2,13
Total	1.205	1.878	1,4	1,56
If Perfumery turnover represent the 24% of the turnover:				
DOUGLAS Perfumery 2010	Stores	Turnover (million Euro)		Average Turnover (million Euro)
International stores	760	223,68		0,29
German Stores	445	227,28		0,51
Total	1.205	450,96		0,37

***Cosmetic News Weekly N°458 January 24 2011**



*An appointment for
Brand's owners, export managers, international distributors,
buyers and retailers
to **reinforce and create new Distribution Networks**
committed to improve the
Artistic Perfumery Business Worldwide*

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ARTISTIC PERFUMERY

Qualitative-Artistic Analysis

- The image and the philosophy of the brand are based upon a credible and documented history, which translates into products and compositions that express quality and artistic characteristics as well as those of uniqueness coherent with a declared affiliation with Niche Signature Perfumery.*
- The creations should display a aesthetic-stylistic coherence allowing each and every individual product to be recognised as belonging to the brand's total graphic design scheme.*
- The brand offers creations of high added artistic, compositional, qualitative and stylistic value, destined, due precisely to its unique characteristics, for assisted sales and not self-service.*
- The brand's offerings are directed toward consumers seeking creations of great originality, character and artistic value.*

ARTISTIC PERFUMERY

Distribution Analysis Profile

-The brand is offered in European and Extra-European markets through an extremely selective and high quality distribution network in order to maintain its particularity and to avoid its becoming commonplace.

-Its quality and its distribution selectivity is homogeneous in each country in which the brand is offered.

-Its market share is not greater than 0,2% of the overall turnover in the beauty sector in the individual countries in which it is found.

-It is not usually present in the offerings of the organised chain stores, which develop a turnover greater than 3% of the cosmetic sector in the individual countries. Presence in such a channel would indicate negative evaluation values.

-It is virtually absent from the MM GDO (Major Multiples/Large Scale Retail) channels..