

The scent of substance

_ STORY BY NIKKI GOLDSTEIN _ PHOTOGRAPH BY FRANCES MOCNIK



IN OCTOBER 2003, at the Missoni 50th anniversary retrospective fashion show, the design house made an announcement that would change the company's fortunes irrevocably. "It was a momentous time for my family," recalls Angela Missoni, the second-generation designer of the venerable Italian knitwear line, of the decision to collaborate with another great dynasty, the Estée Lauder group, on the recent launch of the new Missoni fragrance and beauty line.

"There was common interest, a common family history, that brought the two families together. And, like the Lauders, the Missonis have always been committed to innovation, quality and creativity," Missoni says. It was a marriage that came at the right time for both parties. The Lauder group had successfully launched designer fragrances in the past. Its collaborations with both Donna Karan and Tommy Hilfiger had yielded extraordinary returns, especially in the US, UK and Australia.

But its designer fragrances division was weak in Europe and the company was looking to expand into that lucrative market. The Missoni mystique was a bonus. "There's a wonderful story to tell about the three generations of Missoni women who all work in the family business," says Brett Riddington, brand general manager

of Estée Lauder Australia. "It's a name that's synonymous with family, tradition and the beauty of the Italian lifestyle."

The marketing muscle of the Lauder group, too, had a lot to offer a small, low-profile house such as Missoni, given that perfume revenue accounts for a massive percentage of profits for houses such as Dior, Chanel, Yves Saint Laurent and Armani. But to make the venture work, the executives at Lauder had to come up with a strategy that built upon the strengths of the Missoni brand, rather than simply exploiting the name.

"To preserve the integrity and exclusivity of the Missoni house, we had to think carefully about how we launched this fragrance," says Riddington. "This is not about making a fast buck. We're in for the long haul, so we're taking it slowly and investing in the brand in a way that's in keeping with the values of the family."

It's a strategy for the times, given that there are more than 300 fragrances launched worldwide every year. Even fragrances from the most powerful houses struggle for what's known in marketing parlance as 'cut-through'. "We're doing things very differently with this fragrance," says Riddington. "We're aiming to build an enduring luxury business that offers something different from anything else on the market." To that end, Lauder has invested heavily in creating Missoni destinations on department store floors with staffed counters and huge fixtures. "We'll make a big splash at the place where there's the most competition," says Riddington.

Part of the strategy involves pricing. "The fragrance business was down 7 per cent overall last year," explains Riddington. "Almost every house now discounts and as a result almost every 50ml perfume is priced between

In a marriage made in marketing heaven, the Estée Lauder group and the Missoni fashion house have collaborated on a new luxury fragrance line

\$105 and \$130, which levels the playing field." A 50ml bottle of Missoni eau de parfum will retail for \$140, placing it well above other European designer fragrances (the new Armani Code 50ml eau de parfum spray, for example, retails for \$112).

Aside from limited distribution, which also pumps up the exclusivity of the brand (the Missoni fragrance will be available in only nine Myer stores nationwide), the Lauder group is throwing in a not-so-little something extra. For Christmas 2006 the company will retail a Missoni clutch purse for \$350, accompanied by a 100ml Missoni eau de parfum. "This is no ordinary bag," says Riddington: "It's not a mass-produced gimmick; it's a genuine designer piece that's desirable and collectable in its own right." Only 40 of these covetable bags will be released here.

While Riddington won't be drawn on exact projections, industry sources

estimate that the fragrance could do upward of \$US10 million (\$13.2 million) in its first year (the brand is launching initially only in the US, UK, Italy and Australia). "We're spending a lot in the short term and it's possible we'll have to leverage Missoni against our other more commercial brands," says Riddington.

With an exotic juice concocted from dewy rose, sparkling mandarin, rich chocolate and seductive amber, and an advertising campaign featuring the glamorous and earthy third-generation family member, 23-year-old Margherita Missoni, it's likely to appeal to a much broader market than its limited distribution and prestige price tag may suggest. "Well, that's the formula for success in the world of luxury marketing," says Riddington, with a wry smile. "When something's only available to a few, yet everyone wants it, you create a real sensation." ■

