

## Birth of a fragrance for a product

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Once the field of candidates is narrowed down to one or two through the in-house sniff panels, the market research department is summoned to assist the delivery through stage three and the birth of the new fragrance in soap.

Large-scale consumer testing is the third stage of labor. The market research department fields a large-scale consumer sniff panel (using 100 to 400 people) in malls, shopping plazas, etc. to determine reactions to the fragrance candidates and concept matching. The candidates can be tested against each other and also against soap "X."

Based on the results, the winning candidate is selected for further testing. Not only is the initial fragrance important here, but also how the fragrance stands up in the soap under normal usage conditions in the bath, shower, and at the sink.

A serious complication can result when the formulas are submitted for medical clearance prior to the placement of any of the winning candidates from the large sniff panel into a home usage test. Sometimes, supplier information on the perfume components and their safety (which, by the way, is given to the medical services department only) is sufficient to allow medical clearance. If insufficient data is available on the safety of the components, studies must be conducted for sensitization prior to approval. The necessary studies can take up to three months, thus delaying the ultimate birth of the fragrance.

Once safety clearance is obtained for the winning candidates, they then undergo the final stage of testing in large-scale consumer home usage tests. Since soap "X" is the target, it too will undergo the usage testing.

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The test design can be of the single placement type, where each test participant is given either one of the soaps with the new fragrance or soap "X," to use for an extended period of time at home. Another design used is a head-to-head comparison of the new fragrance and soap "X." In this design each participant is given one of the soaps to use for a period of time, then given the other.

In both designs, the participants can be given the concept statement when the test is fielded. At the end of the home usage test period, the participants are requested to answer questionnaires containing various attribute categories for the fragrance, overall bar soap performance, and concept matching. Once the results are tabulated, the winning new fragrance is about to be born.

The marketing group reviews the test results and approves the birth of the fragrance. The perfumer issues the new fragrance formula and full scale production of the new soap is begun. The fragrance is born!!

The progress the infant makes after its long and sometimes stormy delivery depends on marketing, which assumes the task of caring for the new-born product through its positioning and advertising. If marketing fails to guide and help this new and different soap along in the competitive world, even though the product and fragrance are on target with the initial concept, the young life may be doomed.

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# Purchasing fragrances

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I will discuss what is involved in a total fragrance launch from purchasing's viewpoint based on the Avon system.

First of all, we recognize that purchasing is strictly an arm, a tool of the marketing department. We take our direction initially from marketing and design. In the launch of a fragrance we really have two prime areas to develop: the fragrance itself and all of the components that go into the package which will support the fragrance statement.

I would like to outline a few of the decisions

behind both of these aspects.

First, we get a profile, a description of exactly what marketing wants, both for the packaging and for the fragrance. When dealing with fragrance, we try to extract as much information from the total marketing plan as possible. This includes the promotional image, the target group, and any packaging information. This is relayed to the perfumers so that they can create around the packaging and total promotional image that is planned for the item.

The first step in the development process is

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the selection of suppliers. The first consideration involved in this selection is the type of product that is going to be introduced: a shampoo, a hydro-alcoholic product, or a strictly functional product like deodorant soap.

We then look at which suppliers have done the best job in that general area, not only for Avon, but also for other companies. Then we look at what their performance for Avon has been. Have they been winning profiles, or have they been placing high in the profile competition? From this analysis a group of suppliers is chosen.

Now we come to the most critical step on the development network for both the package and the creative statement. That is the communication to the creative people who will be doing the work to make that statement come alive. In the case of the fragrance, we have to convey to the perfumers and marketing group from the perfumery company what we really want.

To do this we assemble all the Avon people involved into a meeting with the fragrance supplier's development staff. Avon is usually represented by marketing, research and development, and purchasing people to clarify the above mentioned information and to give any restrictions to their creativity (i.e., price guidelines, color systems, stability requirements, etc.).

The perfumery group is now free to go out and create. If they have further questions, we will try to answer them. If we can find out more about the packaging and promotional image, this is passed on to them in order to refine their original impressions.

Normally, the fragrance house will have anywhere from three to fourteen weeks to develop a fragrance, depending on whether it is a major line fragrance or a smaller introduction of a soap or shampoo. Normally a major line fragrance will have from eight to fourteen weeks of development time.

While fragrance suppliers are creating fragrances, other suppliers are creating packaging components. The packaging suppliers have had the same kind of meeting as the fragrance suppliers and they have about five weeks of development time.

At that point, we make a value analysis to determine which supplier(s) should be awarded the business. This determination is made using several factors: price, production capabilities, and past performance (service and quality). Also at this time, the marketing, estimating, and inventory control people get involved to determine volume. This input aids in the award-of-business decision as to whether single or multi-sources are required for the component. Once the component supplier(s) are chosen, they begin making unit tools and samples for approval and then production tools to produce the finished concept which has been approved by design and marketing.

All of Avon fragrance selections are determined primarily on the results of exploratory consumer tests and a major consumer test in the field throughout the country testing different age groups, demographics, etc. Once the winner has been selected, purchasing has one more major step to get through—debriefing the non-winning suppliers. This is a necessary task to insure that for the next go-around, we will obtain an improved effort from those suppliers.

Once the fragrance winner is chosen, the supplier has to develop all the side products (i.e., cream sachets, demi-sticks, etc.). These also have to be available at the time of the launch and approved through the whole system.

The next step is to try to simplify the winners' problems of supply. Lead times on the supply of a major fragrance should be between 16 and 26 weeks, in order not to upset the supply market. We have found that the essential oil market can be very sensitive to the kind of orders that come from major fragrance requirements.

Contrary to the usual purchasing experience which is the higher the volume the lower the price, with many natural essential oils, the higher the volume, the higher the price. The fragrance house has to be able to go out and buy in relatively small quantities in order to maintain its cost basis.

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The production date is usually 13 to 16 weeks before introduction, due to the volume and the number of units we have to produce. The component people also have to be producing prior to this to meet initial production schedules at Avon.

Purchasing's responsibility does not end, however, when everything is ordered, but only after everything is delivered. Once production

of components begins, Murphy's Law usually goes into effect. "If anything can go wrong it will, and the worst thing will go wrong first." Our job is to cure Murphy's Law and expedite all the components to the manufacturing location regardless of what happens. There is no excuse for not delivering the finished product. When the customer wants it, utilizing Avon's sales approach, the customer gets it.

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## What future essential oils?

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To bring today's fragrances to market is a monumental feat. Elaborate marketing plans, packaging, fragrance profiles, and distribution arrangements are all accomplished with an air of scientific expertise.

With fragrances in the United States alone reaching two billion dollars and growing, a bit more should be understood about the lowest profile side of this creative effort, the acquisition of essential oils.

The consumer is often made aware in advertising of romantic names such as patchouli, orris, vetiver, verbena, tuberose, and sandalwood, but learns little about what goes into making these precious materials and where they come from.

The essential oil industry is basically an agricultural endeavor, being affected favorably or adversely by socio-economic, political, and demographic trends.

Agricultural economy depends naturally on a balanced use of land and labor. If balances shift, either because land values are put to better use or labor is able to obtain more gainful employment elsewhere, problems develop.

Fortunately for the essential oil crops, new areas of propagation have been found when the above-mentioned balance has shifted in the traditional production areas.

A prime example of this is the almost complete shift of traditionally Spanish and French products to North Africa. Examples are oil of rosemary, oil of geranium, orange flower absolute, other orange floral products, and jasmin to name a few. Today we can find a host of products still exported from Grasse but originating in Morocco, Algeria, Tunisia, and Egypt. Products from these areas are naturally somewhat different from the originals. Perfumers skillfully blend new origins to create a product that re-

places the traditional without drastic differences. New creations, of course, utilize the new source materials.

The essential oil industry understands the plight of perfumers and marketers who create