Research Article
Volume 15:1, 2026

International Journal of Economics & Management Sciences

ISSN: 2162-6359 Open Access

A Data Abstract of Strategic Sector Analysis for Dior J'Adore Perfumes

Sim PI and Kim JS*

Department of Economics, East Asia Institute of Management, Perennial Business City, Singapore

Abstract

This abstract paper forms the backdrop of a mock literature review and possible thesis which discusses about the review of the name-brand luxury product company known LVMH Moet Hennessy Louis Vuitton (LVMH). It highlights about the situational analysis of customers, markets and products owned by the company, the role and understanding of marketing systems that underpin the organizational structure, the institutional changes and specializations embedded in the company.

Keywords: LVMH • Name-brands • Premium focused • Marketing systems • Longitudinal stratified random • Independent sample • t-Test • Situational analysis • Specialization • Institutional • Distribution channels • Layton's model

Introduction

According to Layton, marketing systems exist at all levels of aggregation and might serve to build the essential bridge between the micro and the macro-perspectives in marketing. In fact, a fresh definition of marketing was proposed by the AMA that a wider consideration of marketing as a social discipline. AMA defined as "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large" [1]. This new definition emphasized on the role and importance of macro-marketing and its influence on the contemporary marketing practices.

The marketers and marketing organizations are embedded within a wider environmental context. A marketing system embedded in a social and environmental matrix forces the related activities of the marketing system to take place within an accompanying flow of environmental events. In some cases, the product and activity dimensions can be viewed as coupled or directly interrelated with the environment and social matrix. The power and ability of marketing system is to initiate and control environmental processes in the pursuit of marketing goals. The components of the marketing system involve information flows to and from the environment [2,3]. The marketing environment is a fundamental force which will potentially affect the marketing performance of a particular product [4]. For example, distribution is part of the functional environment of the marketing system, and achieving distribution prior to a product launch or major campaign is a pragmatic illustration of the directive correlated elements of the marketing system.

Marketing systems are essential in today's business environment as the general market scope and marketplaces are becoming more complex and dynamic with extremely pummeling and fiery competition in almost every industry and given the uncertainty of the external environmental forces. Due to the rapid changing society and implosion of artificial intelligent technologies and information imposing on the factors like politics, economics, socio-culture, legal and natural environment with much uncertainties and unpredictability. The economic and social matrices are significant structures and components of the marketing system as the participating entities and their marketing activities have to depend on the situation, change and trend of the external market environment. The strategic planning, product launch and subsequent marketing activities are fostered in tandem to relate to current external socio-cultural trends and fads and adjust strategies according to the whole economic and industrial situation.

The economic situation and developing trends are quite strategically aligned to the entire industry as well as other relevant particular organizations, for example, the global recession and economic downturn especially in 2009 strongly impacted on the developments and prospects of many industries and particular organizations. On hindsight, the social trend had a positive overarching correlation for marketers and their marketing systems.

***Address for Correspondence:** Kim JS, Department of Economics, East Asia Institute of Management, Perennial Business City, Singapore; E-mail: jdnrjzjdhxudbjd@gmail.com*

Received: 26 December, 2024, Manuscript No. IJEMS-24-156727; **Editor assigned:** 30 December, 2024, PreQC No. IJEMS-24-156727 (PQ); **Reviewed:** 14 January, 2025, QC No. IJEMS-24-156727; **Revised:** 17 February, 2026, Manuscript No. IJEMS-24-156727 (R); **Published:** 24 February, 2026, DOI: 10.37421/2162-6359.2026.15.827

Materials and Methods

Based on preliminary findings and empirical evidences collected through a sample of n=20 interviewees each for two groups, (40 in total) conducted over a long period of time via a longitudinal stratified random research including all of these variables being tested by the independent samples t-Test to determine if there is statistical evidence that the associated population means are significantly different between two variables. For example, you could use an independent t-Test to understand whether LVMH this year's revenues differed based on age (*i.e.*, the dependent variable would be "this year's revenue" and your independent variable would be "age", which has two groups: "young goers between 19-28" and "working veterans between 29-38").

Table 1 Provides useful descriptive statistics for the two groups compared, including the mean and standard deviation. It would be considered normal to present this data on the mean and standard deviation. As highlighted earlier, the number of participants that in each of the two groups were n=20. There are no extreme outliers that could cause deviation of the results.

Group	N	Mean	Std. deviation	Std. error mean
Youth goers	20	6.1450	51959	11618
Working veterans	20	5.7950	38179	08537

Table 1. Results based on Independent t-Test between two groups using revenue.

This t-Test study found that youth goer’s participants had statistically lower revenue generating power (5.80 ± 0.38) compared to working veterans who had higher revenue generating power (6.15 ± 0.52), t (38)=2.428, p=0.020.

In Table 2 we see the two groups' means are statistically significantly different because the value in the "Sig. (2-tailed)" row is less than 0.05. Under the 95% confidence interval of the difference, we can see that the bracket under youth goers between 19-28 had lower revenue generating levels than those who were under the bracket of working veterans between 29-38.

		Revenue	Generation propensity
		Equal variances assumed	Equal variances not assumed
Levene's test for equality of variances	F	.314	
	Sig.	.579	
t-Test for equality of means	t	2.428	2.428
	df	38	34.886
	Sig. (2-tailed)	.020	.021
	Mean difference	.35000	.35000
	Std. error difference	.14418	.14418
	95% confidence interval of the difference lower	.05813	.05727
	Upper	.64187	.64273

Table 2. Actual results shown on group statistique of independent samples t-Test concentration as the main variable.

The organizations have had to consider all of these potential impacts of environment on business development and also investment options. In addition, today technology is vital for competitive advantage, and is a major driver of globalization. This is because any new technology may allow the products and services to be made more cheaply and to a better standard of quality. Besides, many current technologies offer consumers more innovative products and services such as digital banking, and as well electronic distribution supported by new technologies such as e-bookings on flight tickets, ordering of e-books *via* the internet [5].

Company external environment company background

Christian Dior is a subsidiary and belongs to LVMH Moet Hennessy Louis Vuitton. LVMH is a premium focused company, with name-brands and interests in fashion and leather goods, wines and spirits, perfumes and cosmetics, watches and jeweler, and selective retailing. As a premium focused company, LVMH saw both net sales and profit fall in 2009 due to the serious global economic downturn. Net sales fell by 1%, and net profit was down 13%. The only one of its divisions that saw growth in net sales and profit was its largest division, *i.e.*, the fashion and leather goods division. Although its perfumes and cosmetics division had also witnessed slight operating profit growth. All other divisions had seen net sales and operating profits fall. Prime divisions like beauty and personal care is the flagship brand operated by LVMH and it achieved world beauty and personal care value share of 1.4%and 2.51% in Western Europe in 2009. Among the beauty and personal care categories, fragrances were the most predominant product line (Figure 1) and LVMH had a wide range of global leading fragrances name-brands such as Christian Dior, Givenchy, Kenzo, Guerlain and many others [6].

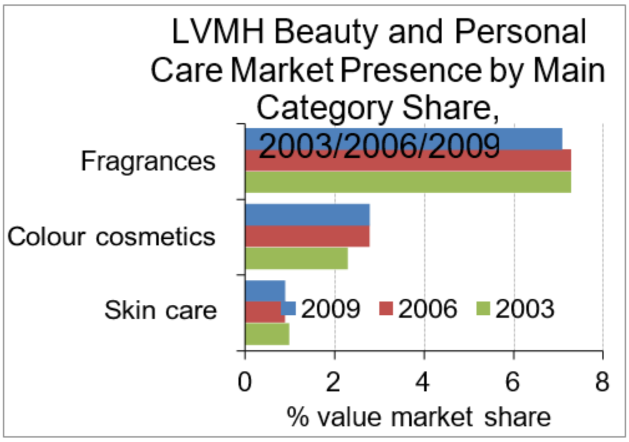

Figure 1. LVMH in beauty and personal care-world, key company facts at euro monitor international.

Role of marketing system

As the marketing system creates the division of labour, the productive power of labour increases and turns into specialization. This specialization increases productivity, decreases the cost of production and creates tradable products for the growth and well-being of a society. This economic growth of society creates the layering of networks. According to Layton, each of these networks itself is a marketing system. Polanyi identified the reciprocity of society where the exchange of goods and services takes place. Since a marketing system is a multilayered network, assortment emerges from each of the levels of the marketing system. In a marketing system, discrepancy occurs when the assortment is unavailable to meet customers' demands.

Each level of a marketing system is connected with another. If any of these levels fail, discrepancy takes place. The growth of the economy stimulates new innovation. Layton highlighted that the division of labor and specialization are the vital parts of economic growth which emanate from marketing systems (Figure 2).

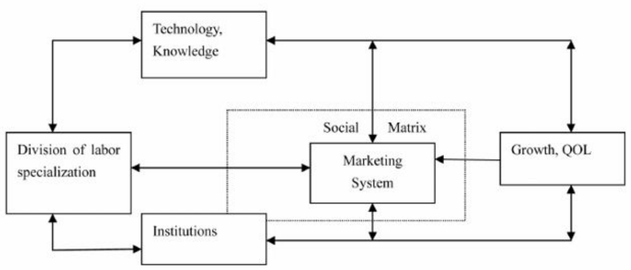

Figure 2. Layton's marketing system model.

The institutional framework plays a central role in determining the overall outcome. North (1990: 3) suggested that "institutions are the rules of the game in a society or, more formally spoken, are the humanly devised constraints that shape human interaction." He further notes that "institutions structure incentives in human exchange, whether political, social, or economic." For premium fragrances industry, the deregulation in fragrances will strongly impact the premium fragrances players as the conventional distribution may be changed. In fact, currently there is no real shift in distribution channels, most of premium fragrances continued to be sold via selective channel like beauty specialist outlets and department stores. However, of notable interests in 2009 was the emergence of sales via Internet retailing, there was a strong debate between selective channel and pure Internet players such as Amazon.com. The former expected to establish some basic rules in order to avoid unfair competition, while most of e-traders aimed to strongly benefit from deregulation in fragrances. According to internet operators, the deregulation could come soon as current French legislation relating to sales of fragrances could be amended in 2010 by the European Commission.

Assortments increase with specialization

As assortment or variety increase, so do the opportunities for specialization open to innovative organizations. Factors affecting the division of labor in a society, such as high transaction costs or low level of development, will clearly play a role. Today, the high level of division of labor and specialization lead to a fast widening and deepening product assortment, diffusing swiftly with effective and efficient distribution channels to reach a much wider sections of the communities. The ultimate outcomes are economic growth, quality of life, and externalities. The success or failure of marketing systems is concerned with the delivery of a standard of living or quality of life to the communities' participants.

For each of the individual or consumers, individuals, groups or organizations, and also intermediaries, specific surplus, profit will govern their involvement with the marketing system. If these goals are not satisfied, the marketing system will fail. The overall health of the system depends on performance both in a narrow economic sense and in a wider social sense. Marketing systems are identified as specialized roles and market structures, together with institutions and technology constitute the three essential factors needed for growth.

Economic growth originates in the division of labor and the benefits of specialization, and as well the accumulation of knowledge and particularly the incentives for knowledge creation to some extent. Besides, institutions play an equally important role in shaping patterns of business and hence the incentives to accumulate and innovate. And institutional change tends to be long terms compared to the discontinuous and medium term of technological term. In addition to this, there is another significant factor should be taking into consideration to analyze the economic growth, and this factor is marketing systems.

The changes of marketing systems lead to improvements in either or both of effectiveness and efficiency in business and importantly impact on the well-being of the organizations immediately. The marketing systems which play a vital role should be well adapted to the environments in which they operate, as the structural or functional performance of marketing systems will directly affect the growth and ultimately the quality of life. Therefore, understanding of marketing systems and their role in influencing economic growth is an essential step toward the eventual objectives and goals of the organizations.

The factors like technological change, the accumulation and growth of knowledge, and institutional change should well interact with the marketing system in shaping overall growth and eventually quality of life.

Situational analysis company analysis

Although the sales of premium women's fragrances were declined by 3% in 2009, Christian Dior still achieved competitive advantage and market share as shown on the following Table 3.

% retail value RSP	2005	2006	2007	2008	2009
Christian Dior SA, Parfums	8.8	8.7	8.5	8.6	8.6
Chanel SA	8.3	8.1	7.9	8.1	7.8
Guerlain SA	6.2	6.4	6.4	6.6	7.2
Yves Saint Laurent Parfums	5.4	5.8	6.0	5.8	6.8

Table 3. Fragrances company shares 2005-2009.

Competitor analysis

Fragrance is a brand-orientated product category with fierce competition. And thus, the competitive environment remained extremely fragmented in fragrances with the top five brands share accounting for over 36% of values sales in 2009. According to industry sources, both Parfum Christian Dior and Chanel are co-leaders in fragrances, with value shares approximately 8% in 2009. In addition, another big rival from the fashion world is Yves Saint Laurent Parfums.

According to Table 4 below, and some secondary resources, the biggest competitor of Dior and J'adore was identified as Chanel and its prime fragrance product Chanel N°5. It can be seen that for women's premium fragrances brand shares, the retail value of Chanel N°5 was only a slight 0.1% less than that of J'adore in 2009 with 3.5%. In fact, the retail value of J'adore from 2006-2008 were all lower than Chanel N°5's. Consequently, the biggest rival is still the world leading luxury brand Chanel and its most popular classical premium fragrance-Chanel N°5.

% retail value RSP	Company	2006	2007	2008	2009
J'adore	Christian Dior Parfums	3.3	3.3	3.3	3.5
Chanel N°5	Chanel SA	3.8	3.6	3.6	3.4
Angel	Thierry Mugler Parfums	3.0	3.1	3.2	3.2
Coco Mademoiselle	Chanel SA	2.2	2.4	2.6	2.8
Flower by Kenzo	Kenzo Parfums	2.3	2.2	2.2	2.2

Table 4. Women's premium fragrances brand shares by GBN 2006-2009.

Results and Discussion

Customer analysis

The economic downturn strongly impacted the purchasing power among consumers. In the current economic context, consumer behaviors are also changing as most of consumers are becoming increasingly price-sensitive; therefore, premium fragrances brands are facing great pressure and challenge.

On the contrary, some market analysts believe that families facing great financial sacrifices will look for psychological compensation in pleasure purchases to meet hedonic needs, such as fragrances. Fragrances products are high in pleasure value as a result provide strong hedonic value to the consumers.

Currently, consumers are motivated to purchase fragrances products by a more complex mix of hedonic and symbolic aspirations. In addition, the contemporary social trend and lifestyle demonstrate the most potential development in men's fragrances as increasing males have strong self-concept of their appearances and score high on their public self-consciousness. Consequently, men became the most targeted segment by both premium and mass fragrances brands.

Select a portfolio strategy

Management should select those strategies consistent with its mission and capitalize on the organization's distinctive competencies (Table 5).

Organizational growth strategies		
Markets/Products	Present products	New products
Present customers	Market penetration	Product development
New customers	Market development	Diversification

Table 5. The strategic process of planning.

As a global leading luxury brand, Dior premium fragrances should continually focus and build on organizational growth strategies such as in product development for the present customers as well as market development for new customers to sustain a long-term competitive advantage. As discussed earlier, any marketing activities are embedded within a wider external environmental context. Marketing had a new definition as a social discipline.

Therefore, any new product launch and subsequent marketing activities should be based on the current social trend and macro-marketing situation and environment. In fact, organization's strategic planning can be viewed as coupled and directly interrelated with the external social matrix and trend. Consequently, it is important to identify and analyze the current social trend and entire market situation in premium fragrances industry.

Market analysis

Due to economic downturn and global recession especially in U.S. and Europe. In 2009, volume sales of premium fragrances decreased almost 4% but value only 2%, therefore unit prices increased in premium fragrances. The manufacturers and retailers of perfumes became extremely cautious in terms of advertising, sales and stock. In premium women's fragrances, sales were down by 3% in 2009. Besides, sales of premium fragrances are expected to remain static especially women's premium fragrances. Premium brands are likely to suffer most from the economic crisis. Therefore, according to the entire market environment and social trend, there is no more place and potential to develop premium women's fragrances as shown on the following Table 5.

However, as can be seen from Table 5 that there was an obvious growth on premium men's fragrances and this resulted from the industry noticing a change in men's behavior toward such products. There is now a generation of males who are less inhibited in terms of body and self-image.

Nevertheless, there is already a high competition in premium men's fragrances as so many premium brands such as Chanel, Jean Paul Gaultier, Hugo Boss, Hermes and also Christian Dior have targeted men's segment for the launch of new fragrances and advertising campaigns. In fact, Christian Dior's premium men's fragrances like Eau Sauvage and Dior Homme all gained competitive brand shares. Therefore, because of the existing high competition, it is not proposed to launch and develop new product of men's fragrances.

Corporate growth strategy-expansion by developing new products for current customers

According to the secondary data resources (Tables 5 and 6) and current social trend and phenomena, there is a great potential opportunity to target and develop premium unisex fragrances. As illustrated on Table 5, premium unisex fragrances had a soaring value growth from 2004-2009 and also a positive growth on the forecast sales of premium Unisex fragrances with 4.2% shown on Table 6. As a result, there will be prosperous prospects and potential for premium unisex fragrances products.

% constant value growth	2009-2014 CAGR	2009/14 Total
Premium fragrances	0.1	0.7
a) Premium men's fragrances	0.8	4.1
b) Premium women's fragrances	-0.2	-1.2
c) Premium unisex fragrances	0.8	4.2
Mass fragrances	-0.3	-1.7
a) Mass men's fragrances	1.4	7.1
b) Mass women's fragrances	-1.7	-8.4
c) Mass unisex fragrances	-2.1	-10.0

Fragrances	0.0	0.2

Table 5. Sales of fragrances by subsector: % value growth 2004-2009.

% current value growth	2008/09	2004-09 CAGR	2004/09 Total
Premium fragrances	-1.8	0.5	2.4
a) Premium men's fragrances	0.4	1.4	7.3
Premium women's fragrances	-2.8	0.0	-0.2
a) Premium unisex fragrances	-0.9	2.3	12.2
Fragrances	-1.4	0.6	2.8

Table 6. Forecast sales of fragrances by subsector: % value growth 2009-2014.

Accordingly, for Christian Dior, the organizational growth strategy is to launch and develop new unisex fragrances products and potentially a need to target a new segment of androgynies. Moreover, these still include present customers who would be inclined and appealed to the new premium unisex fragrances of Christian Dior. As current social trend and customers' attitudes, increasing consumers prefer to purchase unisex products such as perfumes, apparels, bags, watches and even some consumers are inclined to pursue an androgynous look. Accordingly, for Dior's new premium unisex fragrances, the target segment and entire Customer Relationship Management (CRM) will include both customer acquisition and customer retention.

For premium fragrances brands, the market segmentation according to social class and income and lifestyle is significant as premium fragrances are out of reach of the mass segment because of the premium pricing. The distribution of wealth is of great interest to marketers because it determines which groups have the greatest buying power and market potential. Dior of course will still target the upper-side affluent segments and as well increasing cohort of middle class. Moreover, these consumers normally score high on a scale of public self-consciousness, and thus they have strong evaluation of self-concept and self-image.

Conclusion

As discussed earlier, a marketing system is a network of individuals, groups and entities, embedded in a social matrix and as well provided in response to customer demands. The power of marketing system is to initiate and control environmental processes in the pursuit of marketing goals. The product and marketing activity dimensions can be viewed as coupled or directly interrelated with the environment and social matrix.

Additionally, the mock results based on preliminary findings and empirical evidences collected through a sample of 20 interviewees each for two groups, (40 in total) conducted over a longitudinal stratified random research including all of these variables being tested by the independent samples t-Test were determined. It was concluded that under the 95% confidence interval of the difference, we can see that the bracket under youth goers between 19-28 had lower revenue generating levels than those who were under the bracket of working veterans between 29-38.

In reflection, marketing system is essential in today's business environment as today the whole marketplace is becoming more complex and dynamic with given the uncertainty of the external environmental forces. Therefore, any marketing activities and strategic planning process should be based on and adapt to the external environment and trend otherwise even the better strategies will fail to achieve organizations' objectives and goals. Accordingly, for Dior premium fragrances, the organizational future growth through a product-development strategy emphasizing the introduction of new unisex product offerings aimed at existing customers.

References

1. Baumol, William J, Robert E. Litan, and Carl J. Schramm. "Good capitalism, bad capitalism, and the economics of growth and prosperity." Yale University Press, (2007).
2. Glaser, Stan. "The marketing system and the environment." *Eur J Mark* 19 (1985): 54-72.
3. Layton, Roger A. "Marketing systems-A core macromarketing concept." *J Macromarketing* 27 (2007): 227-242.
4. Layton, Roger A. "On economic growth, marketing systems, and the quality of life." *J Macromarketing* 29 (2009): 349-362.
5. Smith, Adam. "An inquiry into the nature and causes of the wealth of nations." Readings in Economic Sociology (2002): 6-17.
6. Wood RD, Julie Cogin, and JF Beckmann. "Managerial problem solving: frameworks, tools and techniques." (2009).

How to cite this article: Sim PI, and Kim JS. "A Data Abstract of Strategic Sector Analysis for Dior J'Adore Perfumes." *Int J Econ Manag Sci* 15 (2026): 827.