

This is an interesting case. Personally, I'd say both brands would have a very good chance of succeeding. But if I had to make a choice, I suppose it would be cheaper and probably even safer to simply bring out a new fragrance which fits easily within the image of the existing range. Plus, of course, the target customer would be more willing to pay a high price for a fragrance and therefore fairly high promotional costs could be more easily justified. However, in spite of all that, I think I'd go for launching a completely new brand with a newer and trendier image. It appears to be a far riskier choice but I suspect that in reality it's not quite as adventurous as it sounds. After all, once you've covered reasonably higher promotional costs, and you need to get that marketing campaign absolutely right, by the way, then you have access to a whole new market of younger customers. You might even save money on the packaging, as it doesn't require such expensive materials. But, and this is a big one, you have to be careful not to lose your base customers, and the new 'younger', probably cheaper, fragrance mustn't change the brand image of the established high-value products in the range.

It is doable but relatively difficult. Look at Chanel, it chose Vanessa Paradis to endorse its perfume 'Coco' in 1984 and she was a teenage pop star at the time, not at all adapted to the traditional Chanel image. But that opened up a huge new teenage market for Chanel and those customers have remained loyal to the brand ever since.

So yeah, I'd definitely go for the second option. Of course, as a brand consultant, my opinion may be just influenced by the fact that it is tremendously more challenging and interesting to create a new brand.