

APPENDIX 3.2
(referred to in paragraph 3.68)

Suppliers' comments on the marketing and distribution of fine fragrances and on the effects of selective distribution

	P & C	E L	Y S L	C K	C C	C D	E A	Gy	G B H	G	S B	N R	C F	R	M	P & G	L G
<i>Comments on marketing and distribution of fine fragrances</i>																	
The company does maintain a selective distribution network	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
The company does make use of limited launches	✓	-	-	✓	-	-	-	-	✓	-	✓	-	✓	✓	-	✓	✓
Selective distribution is essential to the prestige and quality image	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
Selective distribution is essential in maintaining high-quality staff	-	✓	✓	-	✓	✓	-	✓	✓	✓	-	-	-	-	✓	-	✓
The company's arrangements satisfy EC criteria for retailer agreements	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-	-	-	-	-	✓	-
Instigate intense advertising and marketing campaigns	✓	✓	-	✓	-	✓	-	✓	-	✓	✓	-	✓	-	✓	-	-
Selective distribution is essential in maintaining fresh stock	✓	✓	-	-	✓	✓	-	✓	-	✓	-	-	-	-	-	-	-
<i>Comments on the effects of selective distribution on:</i>																	
<i>(a) Sales of fine fragrances</i>																	
Essential to maintaining sales and image	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	-	-	✓	-	-
Improves brand image and sales	-	✓	✓	-	✓	✓	-	✓	-	✓	-	-	-	-	✓	✓	-
Enhances/maximizes sales	-	✓	-	✓	✓	✓	✓	-	-	✓	-	-	✓	-	✓	-	-
Lowers the cost of the distribution infrastructure	-	-	-	-	✓	-	-	-	-	-	✓	-	-	-	✓	-	-
Essential to long-term sales growth	-	-	-	-	✓	✓	-	✓	✓	✓	-	✓	-	-	✓	✓	✓
Allows intensive promotional and advertising support	-	-	-	✓	✓	✓	✓	✓	-	✓	✓	-	-	-	-	-	-
Does not inhibit sales	-	-	-	-	✓	-	-	✓	-	✓	✓	-	-	-	-	✓	-
Improves stock control	-	✓	-	-	-	✓	-	✓	-	✓	✓	-	-	-	-	-	-

	P & C	E L	Y S L	C K	C	C D	E A	Gy	G B H	G	S B	N R	C F	R	M	P & G	L G
<i>(b) Retailers of fine fragrances</i>																	
Very competitive market-place for authorized sales	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	✓	-	-
Inter-brand competition is very fierce	✓	✓	✓	-	✓	✓	-	✓	✓	✓	✓	-	-	-	-	-	-
Adequate competition in the market-place	-	-	-	✓	-	-	-	-	-	-	✓	-	-	-	-	-	✓
Competition is based on price, service and ambience	✓	✓	-	✓	✓	✓	-	✓	-	-	-	✓	-	-	✓	-	-
Enhances retailer's prestige and image	-	-	-	-	-	✓	-	✓	-	-	-	-	✓	-	-	-	-
Consumers have a wide choice of outlets	✓	-	-	-	✓	✓	-	✓	-	-	✓	-	-	-	-	-	✓
Allows fair competition between committed retailers	✓	✓	-	-	-	-	-	✓	-	-	-	-	-	-	-	-	-
Retailers receive significant advertising and marketing support	✓	✓	-	-	✓	✓	✓	✓	-	-	✓	-	-	-	-	-	-
Retailers can concentrate resources effectively	-	-	-	-	-	✓	✓	-	-	-	-	-	-	-	-	-	-
<i>(c) Consumers of fine fragrances</i>																	
'Expert' sales staff available for the consumer	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	✓	-
Adequate supplies available to consumers	✓	✓	-	✓	✓	✓	-	✓	-	✓	✓	-	✓	✓	✓	✓	✓
Full range of products is available at each outlet	✓	✓	-	✓	-	✓	-	-	✓	-	-	✓	-	-	-	-	-
Ensures product is genuine and fresh	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	-	-	-	-	-
Consumers benefit from intense inter- and intra-brand competition	-	✓	-	-	✓	✓	-	✓	-	✓	✓	-	-	-	-	-	-
Selective distribution has no effect on the consumer	✓	-	-	-	-	-	-	-	-	-	-	-	-	-	✓	✓	-
Improves the quality of the retail outlets	-	✓	-	✓	-	-	✓	✓	-	✓	-	-	-	-	✓	-	-
Creates an image of exclusivity for the consumer	-	✓	-	-	✓	✓	-	✓	✓	✓	✓	-	-	-	-	-	-
Increasing sales indicate consumer support for selective distribution	-	-	-	-	✓	-	-	-	-	-	-	-	-	-	-	-	-

Source: MMC, based on suppliers' responses to a questionnaire.

Notes: P&C = Prestige & Collections (UK) Ltd
 EL = Estée Lauder Cosmetics Ltd
 YSL = Parfums Yves Saint Laurent Ltd
 CK = Calvin Klein Cosmetics (UK) Limited
 C = Chanel Limited
 CD = Parfums Christian Dior (UK) Ltd

EA = Elizabeth Arden Limited
 Gy = Parfums Givenchy Limited
 GBH = Giorgio Beverly Hills Incorporated
 G = Guerlain Ltd
 SB = Sanofi Beauté Ltd
 NR = Nina Ricci (UK) Ltd

CF = Creative Fragrances Ltd
 R = Revlon International Corporation
 M = Muelhens Ltd
 P&G = Procter & Gamble (Cosmetics & Fragrances) Limited
 LG = Lancaster Group Ltd