

RESEARCH

## Chanel ranks at top of beauty industry's brand intimacy chart: report

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*Image from Chanel Standard February issue*

By JEN KING

France's Chanel Beauty leads its industry in establishing a strong emotional connection with consumers through a foundation of intimacy, according to a new report from MBLM.

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Broken into categories that include automotive, fashion, retail, travel, health and beauty and other industry sectors, MBLM's "Brand Intimacy Report 2015" examined key attributes to determine which brands have built a relationship based on positive feelings and associative key attributes. Using six markers, such as fulfillment, identity and nostalgia, and judging the strength of such bonds, MBLM identified the character and nature of brand relationships to determine a Brand Intimacy Quotient from 1-100 used to rank performance.

"We hear from our clients that marketing is becoming more complicated than ever before," said Mario Natarelli, managing partner at **MBLM**, New York. "Big data is overwhelming. Digital integration is complex. Social media is taxing.

"Strategy is being measured in months versus years as the pressure grows to demonstrate immediate, tangible returns," he said. "Traditional domains of technology, content, sales and customer service are now blurring departments, responsibilities and budgets. Marketing resources are shrinking, and expectations are rising.

"But there is good news. We've uncovered a winning formula that presents enormous opportunity for brands and those who market them. It all begins with intimacy."

For its **Brand Intimacy Report 2015**, MBLM investigated 400 brands from nine industries by surveying 6,000 consumers from three different geographies: the United States, Mexico and the United Arab Emirates.

### Intimacy pros

Based on emotion, MBLM has found that the top 10 most intimate brands outperform established financial indexes in terms of revenue and profit growth over the last decade. The brands in the top 10 also command premium prices and are more financially resilient than others in their category who are not ranked as intimate.

Generally, intimate brands excel over time with revenue and profit growth growing at a higher percentage than those on the S&P and Fortune 500 lists.

When looking at the individual countries, those living in the UAE and Mexico were found to be more intimate with

the brands profiled, at approximately 40 percent. The lower intimacy of U.S. consumers, at about 25 percent, may be a reflection of market saturation or a cynical outlook toward brands.

In the U.S. and Mexico, Health & Beauty is a top three industry for intimacy, but not for the UAE. Overall, the Health & Beauty category has a Brand Intimacy Quotient score of 36, found just behind retail at 40, automotive at 50 and an industry average of 33.



*Chanel Blue Rhythm beauty collection GIF*

Contributing to its high rank is the Health & Beauty industry's annual growth rate of 4.5 percent over the past two decades. Likewise, the value of the industry in Europe, the U.S. and Japan is expected to be \$42.4 billion by 2018.

Comparably, in 2013 the global retail sales of Health & Beauty hit \$454 billion with retail sales in the U.S. totaling \$87.21 billion.

Of the six markers considered by MBLM, the Health & Beauty industry is associated the most with indulgence. This results in a mixture of mass, premium and high-end brands ranking among the top 10.

The Health & Beauty category is led by Chanel Beauty with a Brand Intimacy Quotient of 46. Within the top 10, Este Lauder's flagship label and its licensees Clinique, M.A.C and Bobbi Brown as well as Lancme are found.



*The Este Edit collection*

#### Chanel's case

Brands with a high Brand Intimacy Quotient check off some or all of the six markers needed to cultivate a strong relationship with target consumers. These markers are then measured by the strength of the bond created, based on sharing, bonding and fusing.

Chanel Beauty's marketing is proficient in embracing the six markers needed for a strong relationship with consumers, including indulgence due to its price and status as a luxury brand. Also, Chanel Beauty commonly references its identity and includes nods to nostalgia to connect with consumers and push its products, both of

which are MBLM markers.

The heritage brand often does this by connecting its current beauty offerings to aspects of Gabrielle "Coco" Chanel's life and legacy.

For instance, Chanel invited consumers to experience its founder's favorite beaches through a trio of curated beauty looks.

In an email blast, Chanel enticed consumers to open the message with a subject line reading, "In the footsteps of Mademoiselle," a phrase that linked the house to its namesake. Given Ms. Chanel's infamy, Chanel often incorporates her spirit and tokens of her life, from lovers and muses to her time spent at the Htel Ritz Paris, into its brand communications ([see story](#)).



*Chanel French Beauty microsite image*

Chanel also is well-versed in building marketing campaigns that play off ritual, enhancement and fulfillment markers. In its fragrance marketing, these are often explored to tout how its brand has become more than a habit that makes the wearer better through use due to its quality and efficacy.

Recently, Chanel personalized its fragrance marketing with a video featuring model and brand ambassador Gisele Bndchen.

Ms. Bndchen is the current face of Chanel's iconic N 5 fragrance marketing, and this particular effort departed from the French label's typical campaign created for this segment of its brand. Instead of focusing heavily on product and glamour, Chanel concentrated on what fragrances may mean for the wearer and those around them ([see story](#)).



*Ms. Bndchen for Chanel N 5*

While its aforementioned efforts establish bonds and fuse Chanel to its consumers through a sense of co-identity and mutual realization, the passage of knowledge through sharing is also essential to brand intimacy.

By keeping consumers informed on products a sense of assurance is formed. Chanel most recently achieved this by teaching consumers how to achieve makeup mastery with the help of Ms. Bndchen.

In the first in a new series of Chanel Beauty Talks, the model sat down with the brand's global creative makeup and color designer Lucia Pica to share beauty secrets to "Free Your Glow." Compared to other makeup tutorials, the designer and model have a natural conversation, allowing their personalities to come through along with their tips and tricks ([see story](#)).

"At its core, brand intimacy is about building strong bonds," Mr. Natarelli said. "It factors in reciprocity and emotion as key drivers in decision making and behavior."

"This new paradigm better reflects how we access, learn about, choose, buy, share and advocate for brands," he said. "The upside potential for intimate (or engaged) brands is immense, and this report demonstrates only a fraction of that upside."

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