

# Does the “Made in France” label sell in America?

September 2, 2008

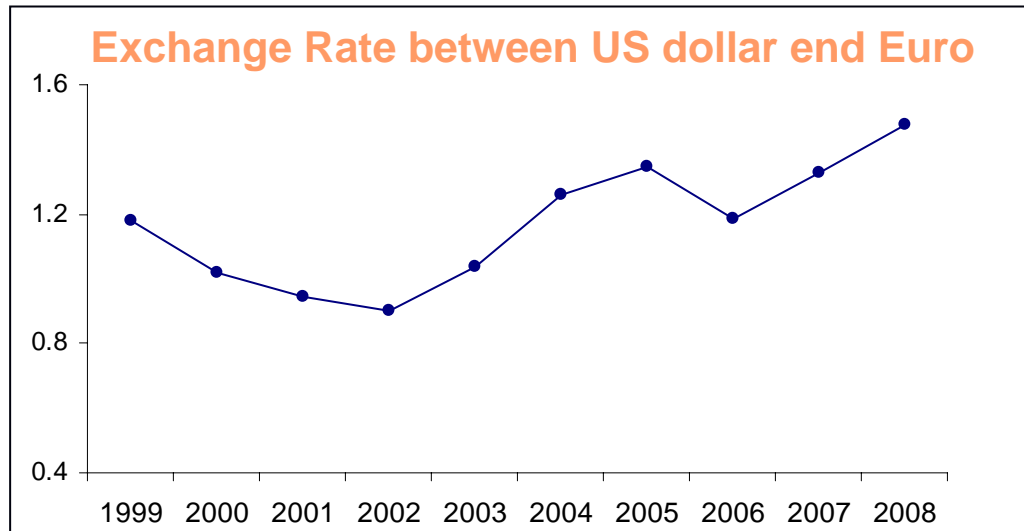
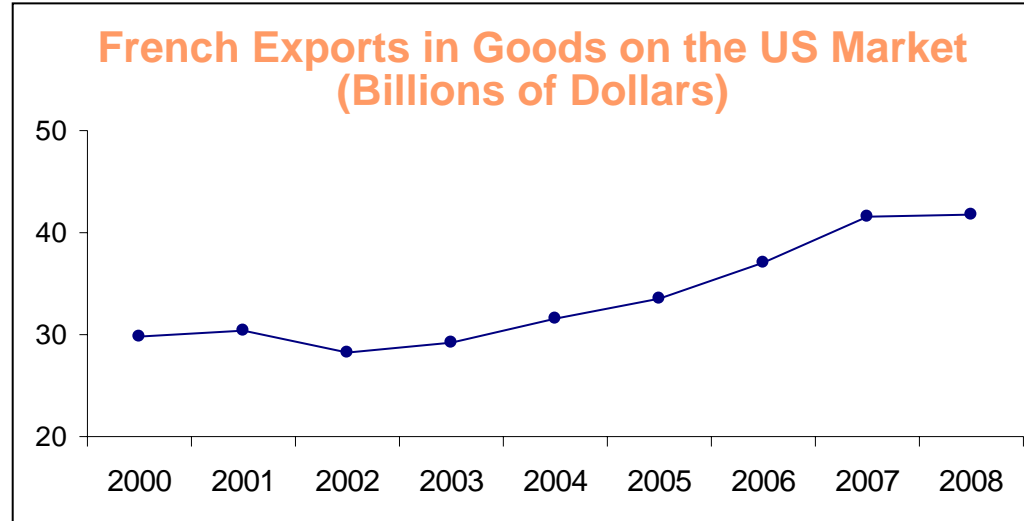
# Context

- *The US market is France's largest export market after the EU.*
- *From 2002 to 2007, French exports to the US have successfully resisted the negative impact of the Euro/Dollar exchange rate.*
- *Today however, French products are facing an increasingly difficult US market as the result of the combined effects of the US financial crisis and the continued weakening of the dollar.*
- *Even the US luxury sector which registered a 8 to 10% growth during the last 5 years appear to have leveled off in early 2008.*
- *The exports of French wines and spirits have also dropped by 8% year to date in 2008.*

# Context

- *Facing the toughest business environment they have seen in the recent past, French products need to re-asses their brand positioning and communication strategy to address the changing US consumer mind set and expectations.*
- *In this challenging environment, many marketers of French made products are interesting in learning more about the leverage of the “Made in France” label.*

# Context



# Content

## ➤ Transmark Partners Survey Methodology

### ➤ *On-Line Survey conducted amongst 300 US Customers*

- August 19<sup>th</sup> to August 21<sup>st</sup>, 2008
- Age between 18 and 65
- High Income (\$75,000+)
- Geographically Dispersed

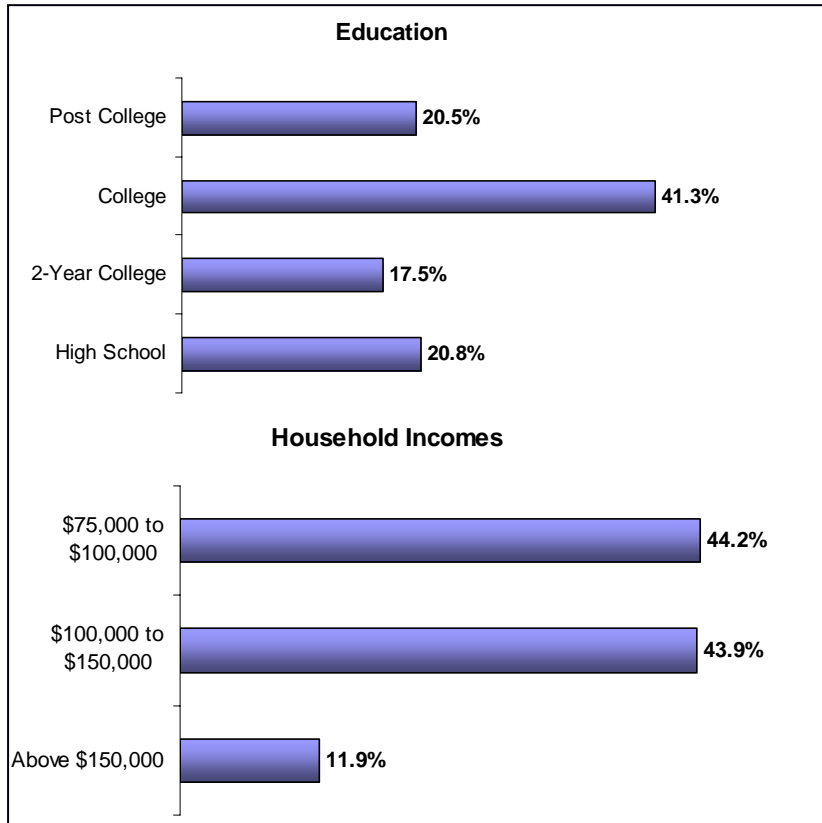
### ➤ *Objectives*

- Assess overall image of France
- Profile consumer perception of French products
- Measure the potential leverage of the “Made in France” label among American consumers

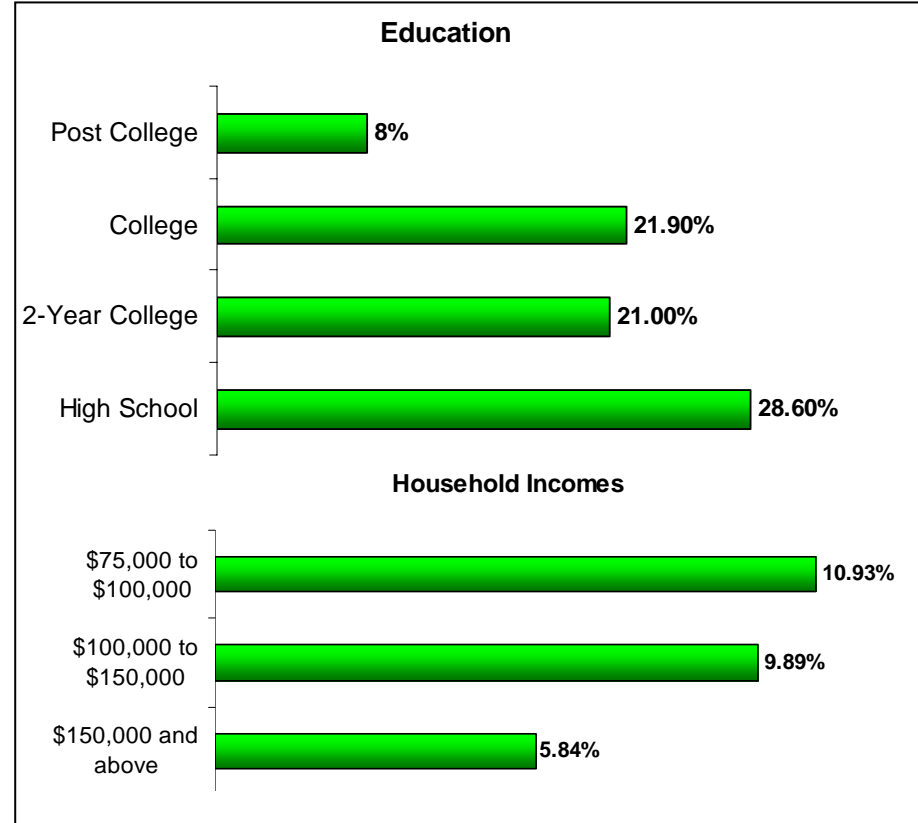
# Respondents Panel

- Survey conducted among high demographic consumers more likely to buy French products

- **Survey Sample**



- **Total USA**

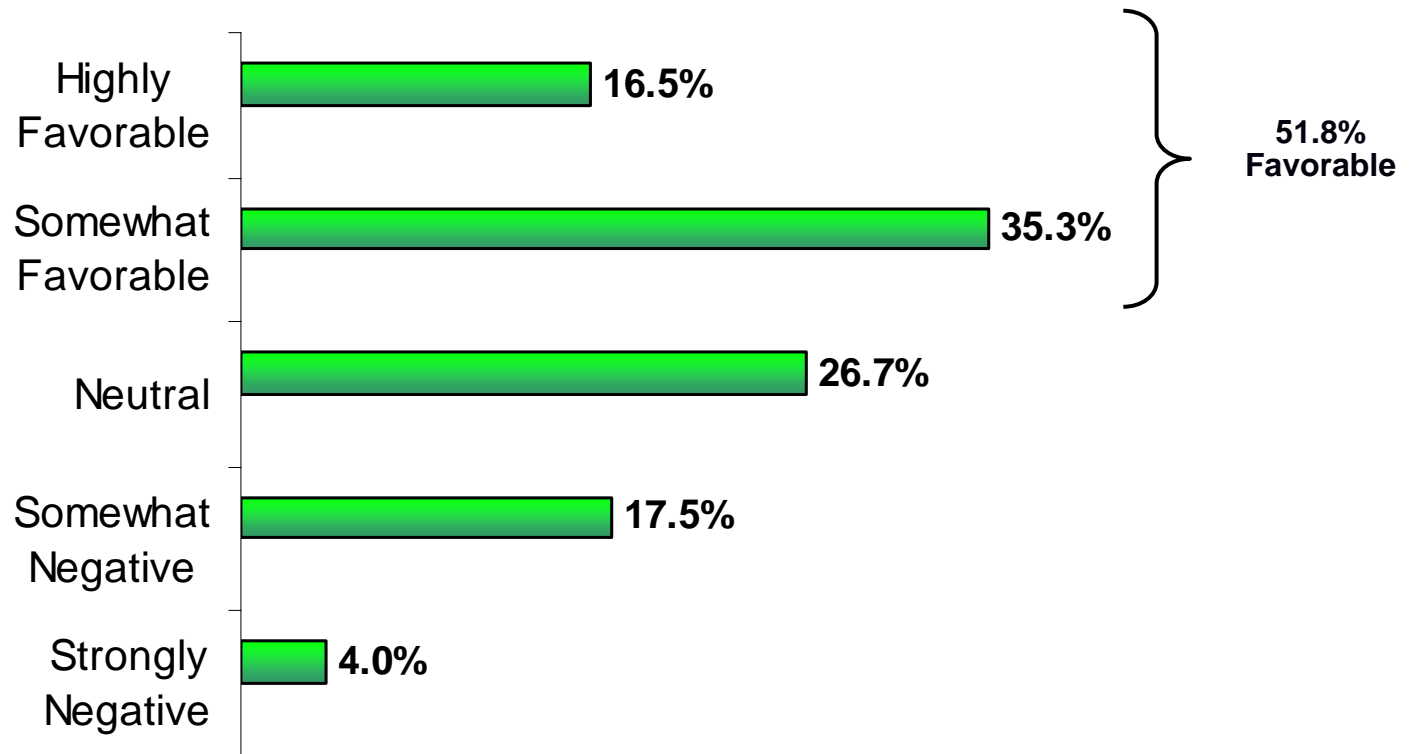


# Image of France among American Consumers

# Opinion towards France

- Over 50% of US consumers have a favorable image of France

“What best describes your opinion of France in general?”

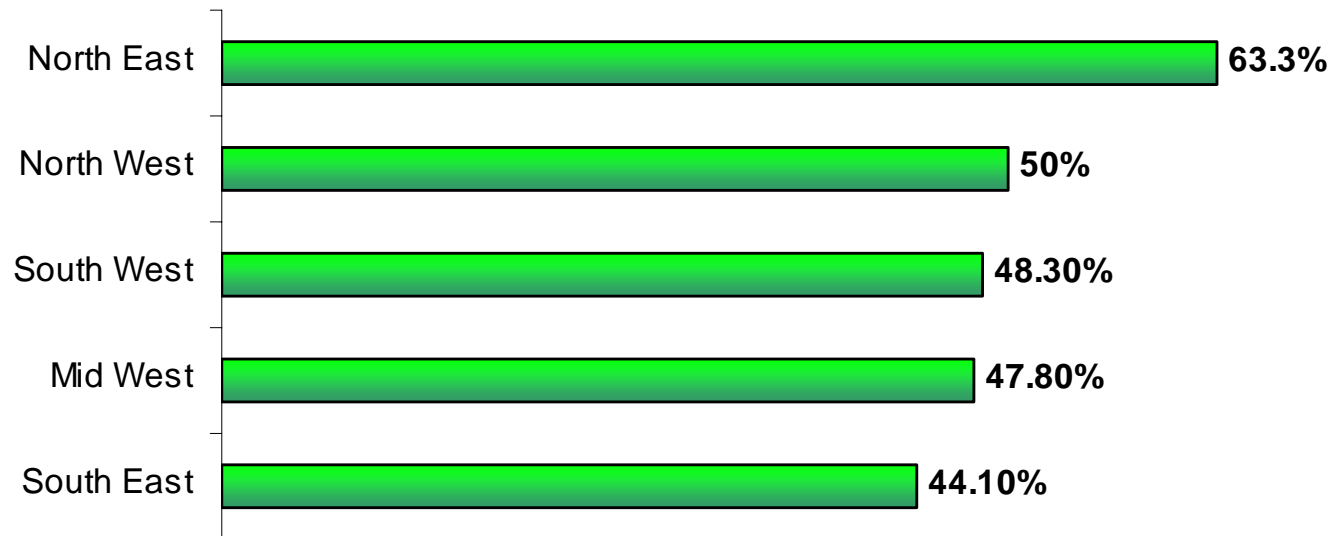


# Opinion towards France

- However, some major regional differences were observed

“What best describes your opinion of France in general?”

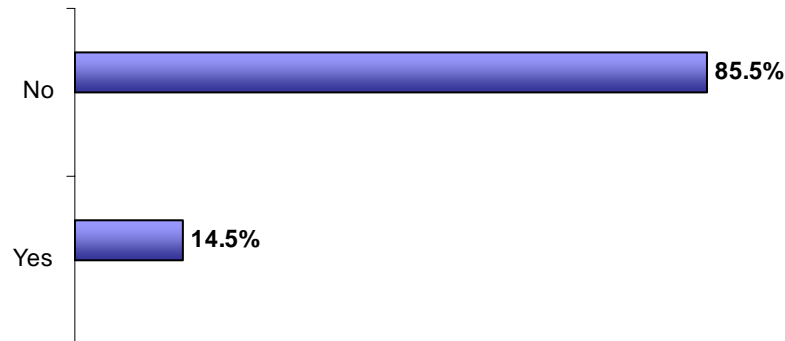
## Opinion Somewhat or Highly Favorable to France



# Opinion towards France

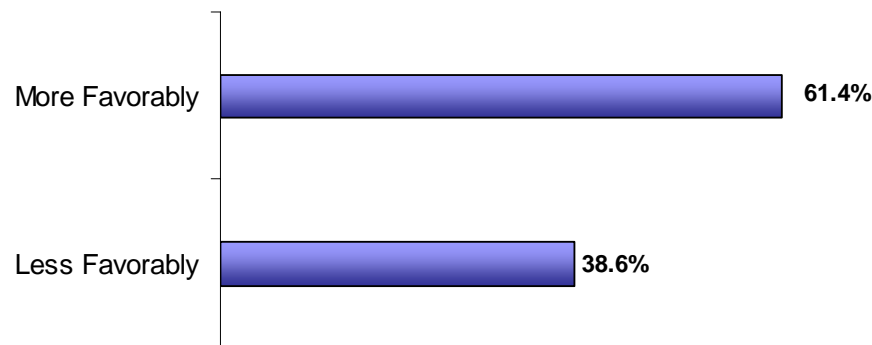
## ➤ The image of France remains stable

“Has your opinion of France changed in the past 12 months?”



## ➤ Among those who have changed their opinion, it is mostly in a more positive way

“In which way has your opinion of France changed in the past 12 months?”



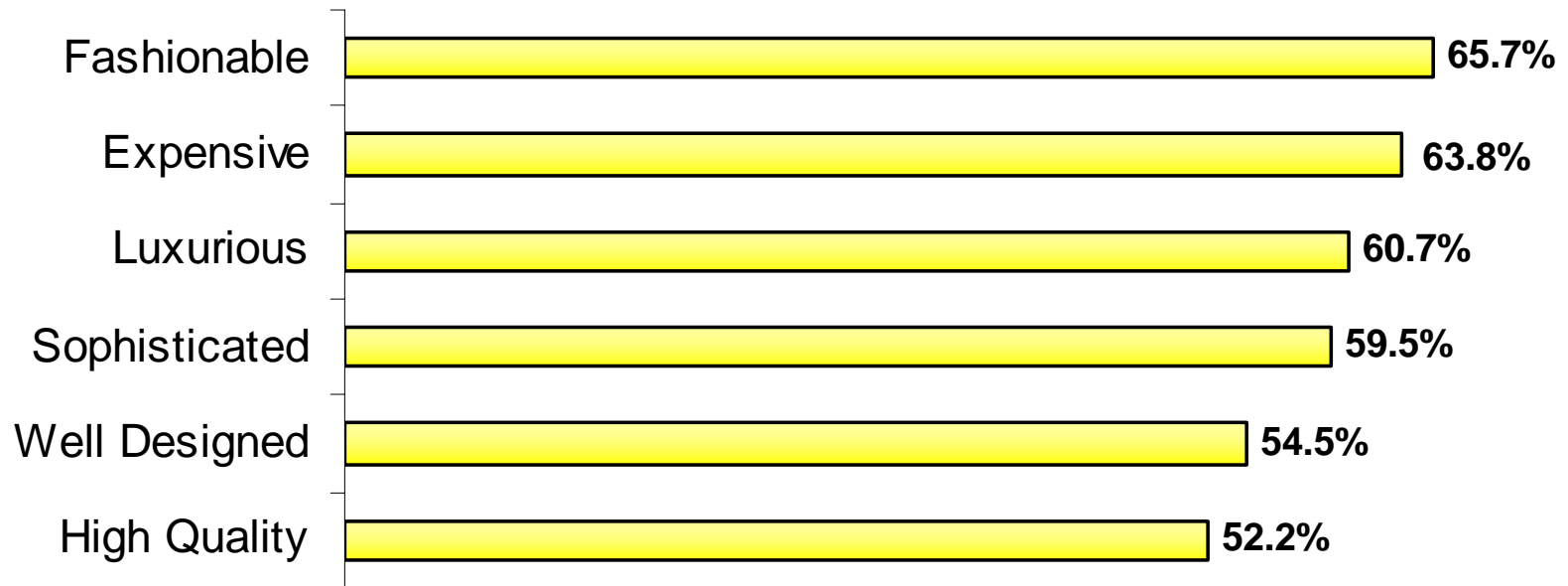
# Image of French Products Among American Consumers

# Perception of French products

- French products have an image strongly associated with luxury and fashion

“In your opinion which words best describe goods made in France?”

Strongly or somewhat agree

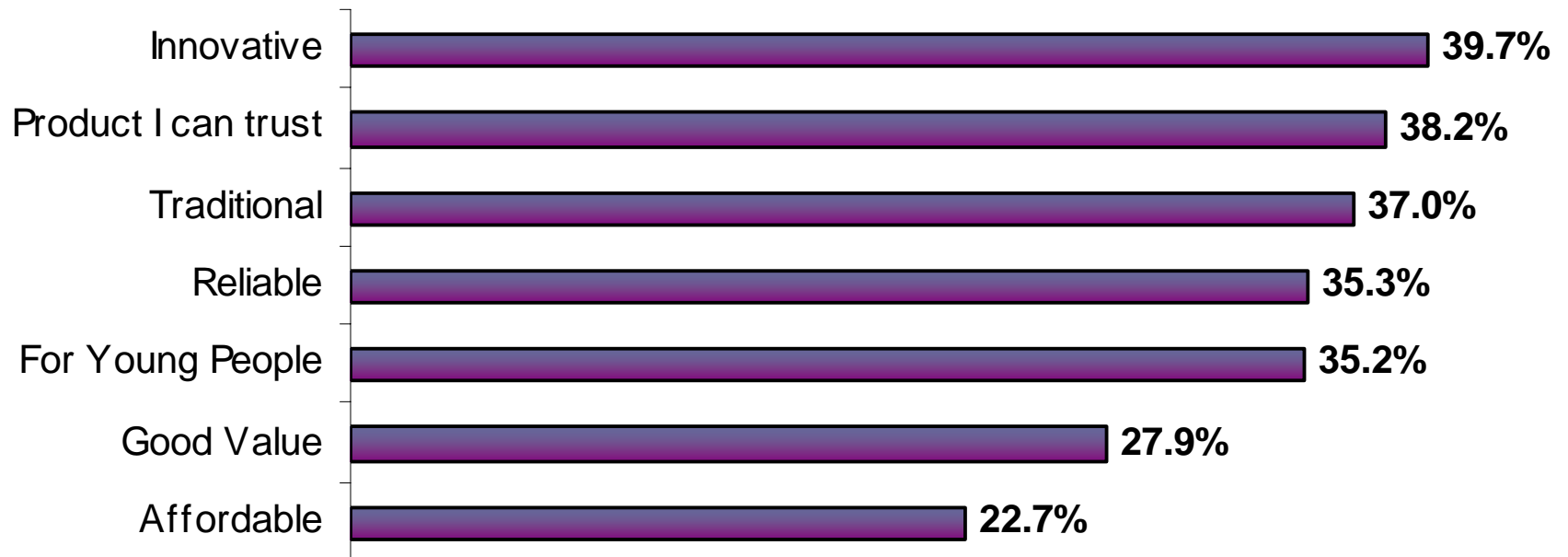


# Perception of French Products

- However, the image profile shows weaknesses in the area of reliability, value and innovation.

“In your opinion which words best describe goods made in France?”

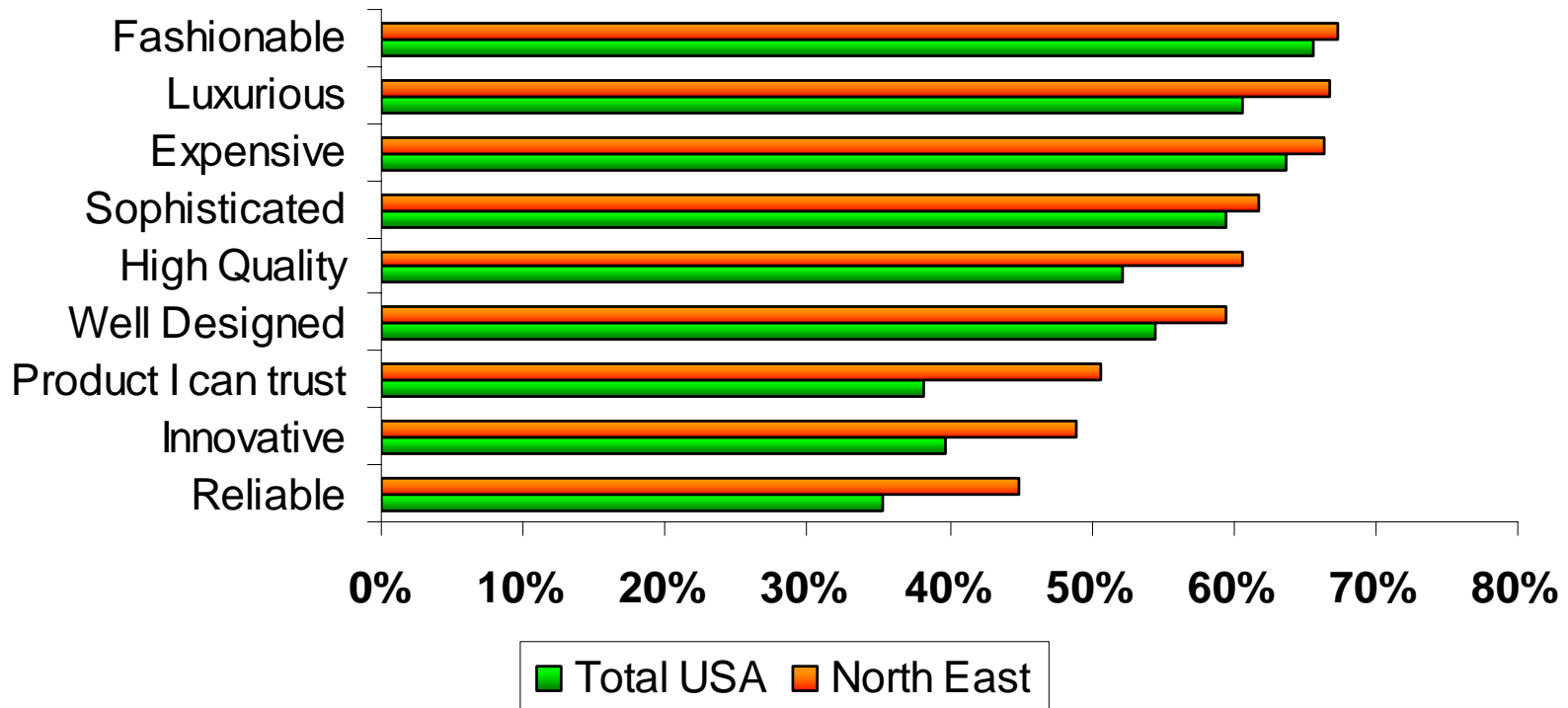
Strongly or somewhat agree



# Perception of French Products

- Not surprisingly, the image of French products is somewhat more positive in the North East

“In your opinion which words best describe goods made in France?”



# French Products Compared to Other Products Made Overseas

# Comparison with other products

- Overall, European products benefit from a positive image among US consumers

“In general, how would you compare products made overseas to US made products?”

## Significantly More Appealing or Somewhat More Appealing

1	Italy	46.33%
2	France	36.33%
3	England	34.11%
4	Canada	28.24%
5	Spain	25.91%
6	Greece	25.08%
7	China	17.39%
8	Mexico	15.33%

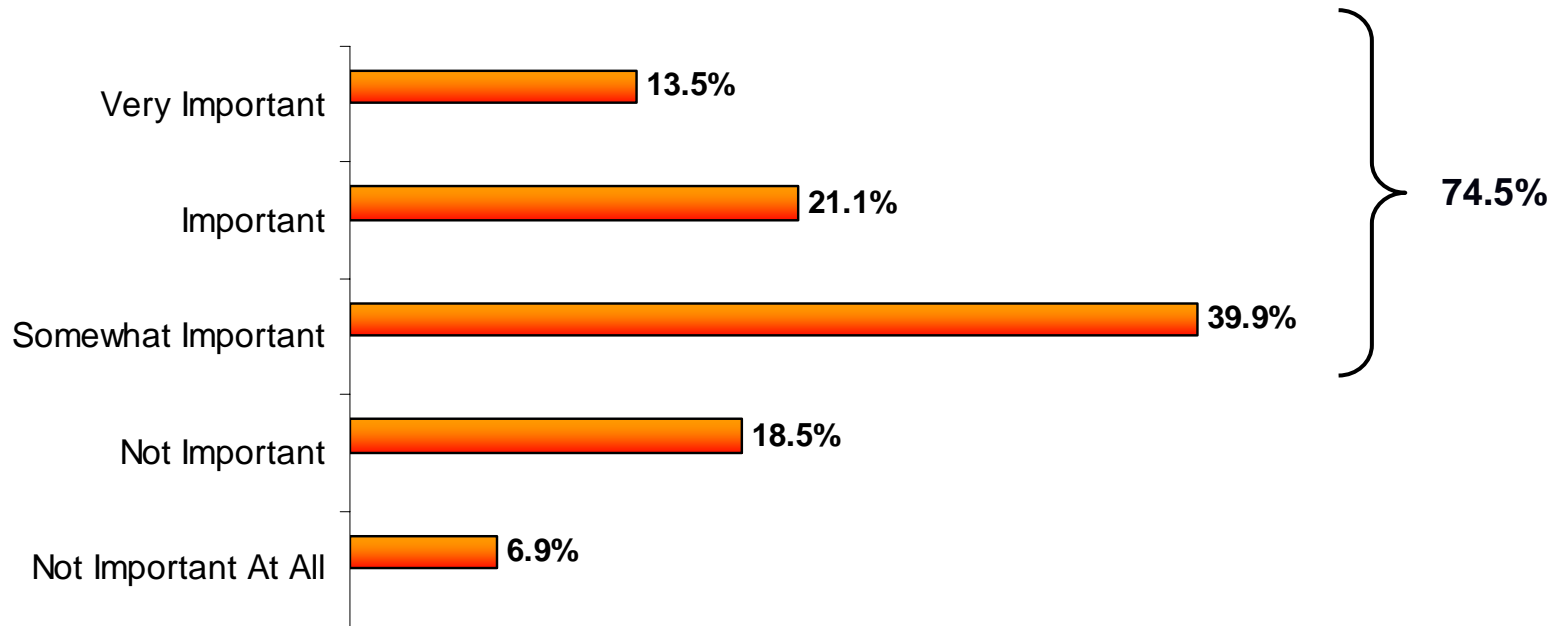
## Significantly Less Appealing or Somewhat Less Appealing

1	China	54.5%
2	Mexico	52.3%
3	Greece	18.7%
4	France	17.7%
5	Spain	17.6%
6	Italy	12%
7	England	10.9%
8	Canada	9.6%

# Importance of the country of origin

- The country of origin is still a key element in the purchase decision

“How important is the country where the product is made in your purchase decision?”



# Brand Association

## ➤ Leading luxury brands are closely associated with France

“Please indicate the country of origin of the following brands?”

### Close association with France

Perrier	62.9%
Chanel	53.6%
Lancôme	51.0%
Louis Vuitton	49.0%
L'Oréal	48.8%
Christian Dior	48.1%
Cartier	47.1%
Grand Marnier	40.2%

### Low association with France

Hermès	34.6%
Michelin	25.2%
Baccarat	22.7%
Dannon	13.7%

### Italian luxury brands closely associated with Italy

Gucci	56.0%
Armani	53.7%
Prada	36.6%

### American luxury brands association with the US

Coach	31.9%
Estée Lauder	24.2%
Aveda	13.7%

# Summary Observations

- *France has a highly positive image among high demographic US customers.*
- *The perception of French made products is still closely associated with luxury, fashion and design. These attributes define the traditional image of luxury brands.*
- *However, French products appear to suffer from a significant image deficit when associated with characteristics such as reliability, innovation, good value and service.*
- *The significant gap between current market perception of French products (high luxury and low innovation) and the market realities (growing penetration of products with high innovative and technological contents ) needs to be addressed to improve the market performance of products made in France.*

# Implications

- *“Made in France” label can be an important communication vehicle for a product seeking to communicate the traditional values associated with luxury and fashion.*
- *The perception of French products could result in some vulnerability for Luxury Brands as US consumers may be looking for products that can deliver on timeless value and reliability during difficult economic times.*
- *French products could enhance their brand positioning and communication by focusing on such attributes as quality, craftsmanship and service.*
- *There is a significant opportunity to strongly promote the image of quality and innovation associated with the Made in France label for French products to compete more effectively in the US market.*

# About Transmark Partners

- *Transmark Partners is a New York based strategy and market development firm dedicated to building value for our clients; French companies in the consumer products, retail, personal service and luxury goods sectors.*
- *We provide integrated consulting services across the business development cycle from strategy to organization to marketing.*
- *Our project management approach leverages our broad strategic insights into the US marketplace and operational experience..*
- *Thorough expertise through all development steps: market research, distribution channel, logistics, organization, marketing, eCommerce.*

# About Yves Coleon

- *Yves Coleon, Transmark Partners Manager : 30 years of experience in the U.S.*
- *Prior to founding Transmark Partners, Mr. Coleon was President of Lalique North America for over six years and assumed senior management and marketing responsibilities for General Foods, Kraft and Häagen Dazs.*
- *He is a frequent speaker on the subjects of business innovation and cross cultural management.*
- *He was appointed “Conseiller du Commerce exterieur de la France” in 2001*