FASHION BUSINESS BLUEPRINT

THE DRESS BUILT DESIRE.
THE FRAGRANCE BUILT SCALE.

MISS DIOR, SAUVAGE, AND THE PORTFOLIO ECONOMICS OF DIOR BEAUTY

CORE THESIS

Dior launched the halo and the participation product together in 1947. Miss Dior converted heritage into a renewable franchise; Sauvage proved the same architecture could still create global scale.

RESEARCH WHITE PAPER | FINAL ANALYTICAL EDITION

Research cut-off: 27 July 2026

00 Executive orientation

The answer first: what is provable, what is likely, and what remains undisclosed.

EXECUTIVE VERDICT

Miss Dior and Sauvage are almost certainly major revenue franchises and strategically important repeat-purchase platforms. Public data does not permit a product-level cash-flow claim. The stronger and more defensible conclusion is that Dior has built two renewable franchise systems: Miss Dior carries heritage and recruitment; Sauvage supplies blockbuster scale, trade-up and retention.

12 Feb 1947	2015	40%	€8.17bn
Miss Dior was sprayed during Dior's first fashion show. [1]	Sauvage launched and achieved "unprecedented worldwide success." [5]	Approximate fragrance share of Parfums Christian Dior revenue, disclosed by management in 2022. [10][11]	LVMH Perfumes & Cosmetics revenue in 2025; not Dior alone. [9]

What is genuinely surprising

- Dior did not build prestige first and monetize it later. It launched couture and fragrance together in 1947: the dream and the participation product were part of the same founding architecture. [1][2]
- An official Dior report stated that Parfums Christian Dior accounted for roughly half of LVMH's beauty business at the time of publication, supported by 14,000 employees, more than 200 boutiques, over 20,000 points of sale and 55 subsidiaries. [4]
- In 2022, refillable products represented 21% of Parfums Christian Dior sales; refillable formats represented 36% of Sauvage sales, according to management reporting cited by Vogue Business. Refills were already a commercial retention mechanism, not merely a sustainability project. [11]
- Dior rotates innovation across franchises. In 2024 and 2025, Miss Dior and Sauvage were highlighted; in H1 2026, the spotlight shifted to J'adore Intense, Dior Addict, La Collection Privée, Forever and Backstage. Portfolio leadership means renewing icons in sequence, not forcing every franchise to lead every reporting period. [6][7][8]

Research standard and evidence labels

This edition separates four types of evidence:

Label	Meaning	How it is used
DISCLOSED	Official Dior or LVMH statement or audited group figure.	Treated as fact, with scope stated precisely.
MANAGEMENT	Operational or category information attributed to Dior management.	Used with the date and context attached.
ESTIMATE	External analyst or market-research estimate.	Never presented as audited disclosure.
INFERENCE	Business interpretation derived from the evidence.	Explicitly labeled; no false precision.

01 The founding architecture

Dior launched the cultural halo and the scalable entry product in the same year.

On 12 February 1947, Miss Dior was sprayed through the Avenue Montaigne salons as Christian Dior presented his first fashion show. The fragrance was not a late licensing attachment to a famous fashion name; it accompanied the first public expression of the House. [1]

That sequence matters. Couture created scarcity, editorial authority and a new silhouette. Fragrance translated the House into an object that could travel, be gifted, be replenished and be sold through a much wider network. The first show built cultural capital; the fragrance converted part of that capital into repeatable commercial participation. This is an inference from the launch architecture, not a disclosed profit allocation.

THE FOUNDER-LEVEL INSIGHT

The dress built desire. The fragrance built scale. Dior's advantage came from designing both as parts of one system rather than treating the lower-ticket product as an afterthought.

The two-speed model

System layer	Primary job	Typical economics	Failure mode
HALO	Create authority, difference and aspiration.	Low volume, high symbolic value, high creative and service intensity.	Becoming culturally irrelevant or visually generic.
PARTICIPATION	Let more customers enter the brand world without discounting the halo.	Higher volume, repeat purchase, broad selective distribution.	Becoming ordinary through overexposure or weak codes.
TRADE-UP	Move loyal customers to greater intensity, rarity or service.	Higher price points and basket value.	Artificial premiumization without added meaning.
RITUAL	Increase frequency and embed the franchise in daily use.	Adjacent categories, replenishment and cross-sell.	Assortment complexity and cannibalization.
EXCEPTIONAL	Restore rarity inside the accessible category.	Limited editions, craft, collectability and halo margin.	Gimmickry or pricing detached from brand authority.

Timeline of strategic renewal

Year	Event	Business meaning	Evidence
1947	Miss Dior accompanies the first couture show.	The halo and participation product launch together.	DISCLOSED [1]
2015	Sauvage launches and records unprecedented worldwide success.	A new global male fragrance platform is established.	DISCLOSED [5]
2022	Management reports fragrance at ~40% of Dior Beauty revenue; refillables at 21% of Maison sales and 36% of Sauvage sales.	Fragrance is material, and refill is already a retention model.	MANAGEMENT [10][11]
2024	Miss Dior Parfum is described as a major success; Sauvage remains the world-leading fragrance.	Heritage is refreshed while the blockbuster continues to scale.	DISCLOSED [6]
2025	Miss Dior Essence launches successfully; Sauvage remains the world's best-selling men's fragrance.	Both franchises renew without replacing their cores.	DISCLOSED [7]

Year	Event	Business meaning	Evidence
H1 2026	Dior momentum shifts to J'adore Intense, Dior Addict, La Collection Privée, Forever and Backstage.	Portfolio rotation continues; P&C revenue is flat organically and the operating margin edges up.	DISCLOSED [8]

02 Dior Beauty as a portfolio

Why Miss Dior and Sauvage matter - and why neither should be analysed in isolation.

Parfums Christian Dior is not a fragrance label attached to a couture business. Its official strategy spans perfume, makeup and skincare, with a global operating system of product creation, gardens and raw materials, industrial production, directly operated boutiques, wholesale points of sale and e-commerce. An official Dior vision report described the Maison as accounting for half of LVMH's beauty business at the time of publication. [4]

14,000	200+	20,000+	55
Employees reported by Parfums Christian Dior in its vision report. [4]	Dior Beauty boutiques reported at the time. [4]	Corners, counters and shop-in-shops reported globally. [4]	Subsidiaries reported around the world. [4]

Scale triangulation - useful, but not audited product data

Vogue Business reported an HSBC estimate of approximately €3.55 billion in Parfums Christian Dior turnover for 2022. The former chief executive said fragrance represented roughly 40% of Maison revenue, with makeup and skincare around 30% each. [10]

ANALYST INFERENCE - NOT AN OFFICIAL FIGURE

Combining the external €3.55 billion estimate with the management category split would imply a fragrance business on the order of €1.4 billion in 2022. This is a triangulation, not an audited number, and it cannot be allocated between Sauvage, Miss Dior, J'adore, Dior Homme or other lines.

Portfolio choreography

A strong beauty portfolio does not ask every icon to deliver the same job. Miss Dior recruits through heritage, femininity, gifting and ritual. Sauvage recruits and retains a broad male customer base through a concentration ladder, refills, grooming and global campaign recognition. J'adore anchors the women's fragrance portfolio at scale. Dior Addict, Forever, Backstage and Prestige diversify the Maison across makeup and skincare. The operating logic is rotation: renew a franchise, let recognition compound, then move the launch spotlight to another strategic line.

Portfolio role	Illustrative Dior franchise	Why it matters
Founding heritage	Miss Dior	Connects current sales to the founder, 1947 and the House's floral codes.
Blockbuster scale	Sauvage	Provides global recognition, male recruitment and systematic extension.
Women's global icon	J'adore	Balances the women's fragrance portfolio and supports premium reinterpretation.
Makeup frequency	Dior Addict / Forever / Backstage	Creates higher-use-frequency categories and repeat replenishment.

Portfolio role	Illustrative Dior franchise	Why it matters
Prestige skincare	Dior Prestige / L'Or de Vie	Extends the House into efficacy, treatment and high-loyalty routines.
High perfumery	La Collection Privée	Protects expertise, rarity and the upper end of fragrance pricing.

Current market and company context

- The global beauty market is expected to grow at roughly 5% annually through 2030, with fragrance forecast as the strongest major category at around 6%. [18][19]
- In U.S. prestige retail, fragrance sales grew 6% in 2025; Q1 2026 prestige beauty also grew 6%, while higher concentrations, luxury brands and mini/discovery formats remained influential. [14][15][16]
- Mini and discovery fragrance sets grew 41% in units in the first nine months of 2025, while luxury fragrance brands grew at double-digit rates. This validates a portfolio that sells both entry formats and high-intensity trade-up. [15]
- Approximately 25% of annual U.S. prestige fragrance sales occurred in December in 2025, reinforcing the importance of gift sets, recognizable franchises and holiday inventory planning. [17]
- In H1 2026, LVMH Perfumes & Cosmetics generated €3.914 billion in revenue, flat organically, and €417 million in recurring operating profit, implying an operating margin of approximately 10.7%, versus 10.4% a year earlier. Parfums Christian Dior performed well, with momentum attributed to J'adore Intense, Dior Addict, La Collection Privée, Forever and Backstage - not specifically to Miss Dior or Sauvage. [8]

03 Miss Dior: heritage made renewable

A founding story converted into concentration, format, ritual, gifting and exceptional pieces.

Miss Dior's strategic value is not simply longevity. It gives Dior a renewable narrative asset: the founder, Catherine Dior, flowers, the 1947 launch, the houndstooth bottle and the couture bow. Every reinterpretation can draw on the same memory structure while altering scent, concentration, format and campaign language. [1][2][4][13]

What the current franchise contains

Layer	Current examples (July 2026)	Business job
Core fragrance	Blooming Bouquet, Rose N'Roses, Eau de Parfum, Parfum, Essence and Original interpretations.	Cover scent preferences and create a clear trade-up ladder.
Portable entry	Roller-Pearl and Mini Miss solid perfume.	Lower transaction barrier, travel, trial, layering and gifting.
Refill / retention	Mini Miss refillable solids and replacement cases.	Lock in the installed customer while creating repeat purchase.
Ritual extensions	Hair mist, hair oil, hand cream, body cream, body milk, shower gel, body mist, body oil and deodorant.	Increase usage occasions and frequency beyond the main bottle.
Gifting	Limited sets combining fragrance with lip or body products.	Increase basket value and capture seasonal demand.
Exceptional / archive	Miss Dioramour, Original extrait and elevated presentations.	Reinsert rarity, history and craft at the top of the franchise.

Illustrative price staircase - Dior Canada, July 2026

Tier	Examples	Observed price points	Strategic effect
Refill / case	Mini Miss refill and limited couture case	From C$52 to C$81	Low-friction re-entry and personalization.
Portable / entry	Mini Miss solid perfume	C$90 to C$115	A complete Dior object below the core spray price.
Core	Blooming Bouquet, EDP, Parfum, Essence	From C$110 to C$179	Intensity ladder and premiumization.
Ritual	Hand cream and body cream	Approx. C$75 to C$127	Higher-frequency cross-sell.
Exceptional	Numbered or couture presentations	Limited, market-dependent	Halo and collectability inside beauty.

Prices are snapshots from Dior Canada and can change. They illustrate architecture, not global price equivalence. [2]

Why the bow and bottle matter economically

Dior’s own report describes the 2021 Miss Dior bow as a jacquard ribbon woven with 396 threads and approximately 12,000 thread crossings per centimeter. The detail is not incidental. It converts packaging into evidence of couture, supports gifting, improves shelf recognition and helps justify price without discounting the fashion halo. [4]

> BUSINESS READING
>
> Miss Dior does not sell one formula. It sells a stable code that can be renewed across scent, object, ritual and occasion. The code is the compounding asset; the SKU is the current monetization vehicle.

Risk inside the heritage franchise

- Too many versions can blur what “Miss Dior” means, especially because the name has covered materially different formulations over time.
- Narrative continuity can become repetitive if campaigns lean on romance without producing a new cultural interpretation.
- Entry formats must remain designed objects. If they become merely cheaper versions, the ladder can dilute rather than recruit.
- The original 1947 heritage should add authority, not prevent the franchise from evolving for new generations.

04 Sauvage: the global scale platform

A 2015 launch developed into concentration, refill, travel, grooming, skincare, gifting and exceptional craft.

Sauvage entered a far more saturated market than Miss Dior did in 1947. LVMH described its 2015 launch as an unprecedented worldwide success. By 2025, the Group called Sauvage the world’s best-selling men’s fragrance. [5][7]

The scale architecture

Layer	Current examples	Business job
Concentration ladder	Eau de Toilette, Eau de Parfum, Parfum, Eau Forte and Elixir.	Recruit broadly, retain the customer and create trade-up without leaving the name.
Refills	300 ml refills and refill stations for selected bottles.	Turn installed bottles into retention infrastructure and repeat revenue.

Layer	Current examples	Business job
Travel	Refillable travel formats and cases.	Capture convenience, gifting and mobile use.
Grooming	Deodorant, shower products, after-shave and hair products.	Increase routine frequency and cross-category attachment.
Skincare	Cleanser, toner, serum and ritual kits powered by cactus.	Extend the brand code into a recurring care category.
Gifting	Fragrance-and-travel, fragrance-and-grooming and multi-product sets.	Raise seasonal basket value and simplify gift choice.
Exceptional	Sauvage Elixir by Baccarat and rare editions.	Create a top tier that restores scarcity inside a global blockbuster.

Illustrative price staircase - Dior Canada, July 2026

Tier	Examples	Observed price points	Strategic effect
Entry fragrance	Eau de Toilette 30 ml	From C$90	Accessible first purchase without discounting.
Core / trade-up	EDP, Parfum, Eau Forte and Elixir	From C$128 to C$235	A systematic intensity and price ladder.
Routine / gift	Skincare ritual and multi-product sets	Approx. C$159 to C$387	Higher basket value and more use occasions.
Refill	300 ml EDT, EDP and Parfum refills	C$340 to C$470	Customer retention and lower per-use replacement friction.
Exceptional	Sauvage Elixir 500 ml by Baccarat	C$10,900	A rare object that reconnects mass recognition to craft and scarcity.

Prices are market-specific snapshots. The point is the breadth of the ladder: one name spans entry, trade-up, routine, refill and exceptional craft. [3]

The refill fact that changes the business interpretation

In 2022, refillable products represented 21% of Parfums Christian Dior sales, while refillable products represented 36% of Sauvage sales, up from 6% a year earlier, according to Dior management cited by Vogue Business. [11]

> WHY THIS MATTERS
>
> A refill is not simply “less packaging.” It converts the bottle into an installed base, gives the customer a reason to return to the same franchise and can reduce switching to a competitor. The environmental claim and the retention mechanism reinforce each other.

Dior states that using a 100 ml bottle plus a 300 ml Sauvage refill, rather than four separate 100 ml bottles, can reduce energy use, water use, greenhouse-gas production and waste by approximately 53-62%, depending on the measure. [20]

Scale risk

The larger the franchise becomes, the greater the risk that ubiquity erodes perceived distinction.
A single global campaign world can accumulate recognition but also create dependency and fatigue.

Extensions can add revenue or merely transfer customers from one concentration to another; public data does not show the difference.

Skincare and grooming require category credibility, product efficacy and replenishment behavior - the fragrance name alone is not enough.

05 How Miss Dior and Sauvage work together

Two franchises, two customer systems, one House.

Dimension	Miss Dior	Sauvage	Portfolio interpretation
Historical position	Founding fragrance, 1947.	Modern franchise, 2015.	One carries origin; the other demonstrates current scale.
Primary role	Heritage, women's recruitment, gifting and emotional continuity.	Male recruitment, blockbuster visibility, retention and trade-up.	Different audiences reduce direct cannibalization.
Core code	Flowers, bow, houndstooth, romance, freedom and Catherine Dior.	Raw nature, power, open space and contemporary masculinity.	Distinct narratives keep the House broad without becoming generic.
Extension logic	Solids, hair, body, gifting, original archive and exceptional pieces.	Concentrations, refills, grooming, skincare, travel and Baccarat.	Each franchise expands through behavior appropriate to its customer.
Commercial rhythm	Long continuity with periodic reinterpretation.	High global volume with systematic extension and premiumization.	The House can rotate innovation and media weight.
Main risk	Confusion from reformulation and too many romantic variations.	Overexposure, saturation and dependence on one blockbuster world.	Portfolio balance prevents one risk from defining the whole business.

The franchise flywheel

Stage	Mechanism	Value created	Metric a manager would watch
Recruitment	Mini, travel, recognizable advertising and selective availability.	New customer enters the Dior Beauty ecosystem.	New-to-brand buyers; cost of acquisition; first-purchase mix.
Conversion	Core fragrance and trained retail service.	Customer chooses a signature and concentration.	Conversion rate; net revenue per door; tester-to-sale rate.
Retention	Refills, repeat bottles and ambassador continuity.	Recognition compounds and switching friction rises.	Repeat rate; refill penetration; time to repurchase.
Trade-up	Parfum, Essence, Elixir, exceptional formats.	Higher average selling price and perceived depth.	Concentration mix; premium-tier share; price realization.
Frequency	Hair, body, grooming and skincare rituals.	More purchase occasions and category attachment.	Attach rate; units per customer; category penetration.
Seasonality	Gift sets, limited packaging and personalization.	Holiday peaks and higher basket values.	Gift-set share; December mix; inventory sell-through.
Renewal	New interpretation without removing the core.	Media attention returns while memory remains intact.	Incremental demand vs cannibalization; launch payback.

The hidden portfolio advantage: rotating the spotlight

A franchise does not need to be the headline every year to remain economically valuable. LVMH highlighted Sauvage and Miss Dior in 2024-2025, then emphasized J'adore Intense, Dior Addict, La Collection Privée, Forever and Backstage in H1 2026. This supports a disciplined launch calendar: maintain evergreen icons, refresh selected franchises and shift media investment to the line with the strongest current innovation. [6][7][8]

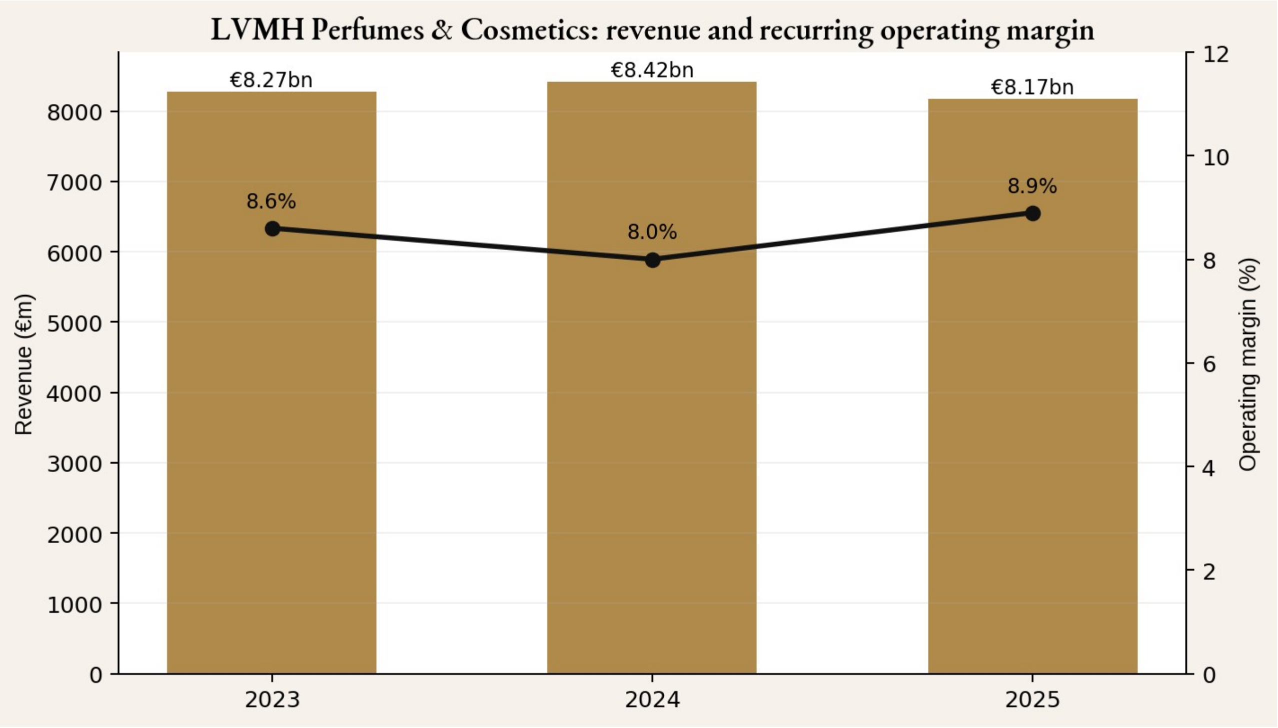
PORTFOLIO PRINCIPLE

The objective is not to make every product a star at the same time. It is to keep the House growing while different franchises alternate between recruitment, retention, trade-up and cultural visibility.

06 The economics - without the mythology

Why revenue, gross margin, operating profit and cash flow are not interchangeable.

Dior does not publish revenue, gross margin, advertising spend, contribution margin, inventory investment or cash flow for Miss Dior or Sauvage. LVMH reports Perfumes & Cosmetics as a group containing multiple Maisons. Any product-level cash-flow number would therefore be invented.

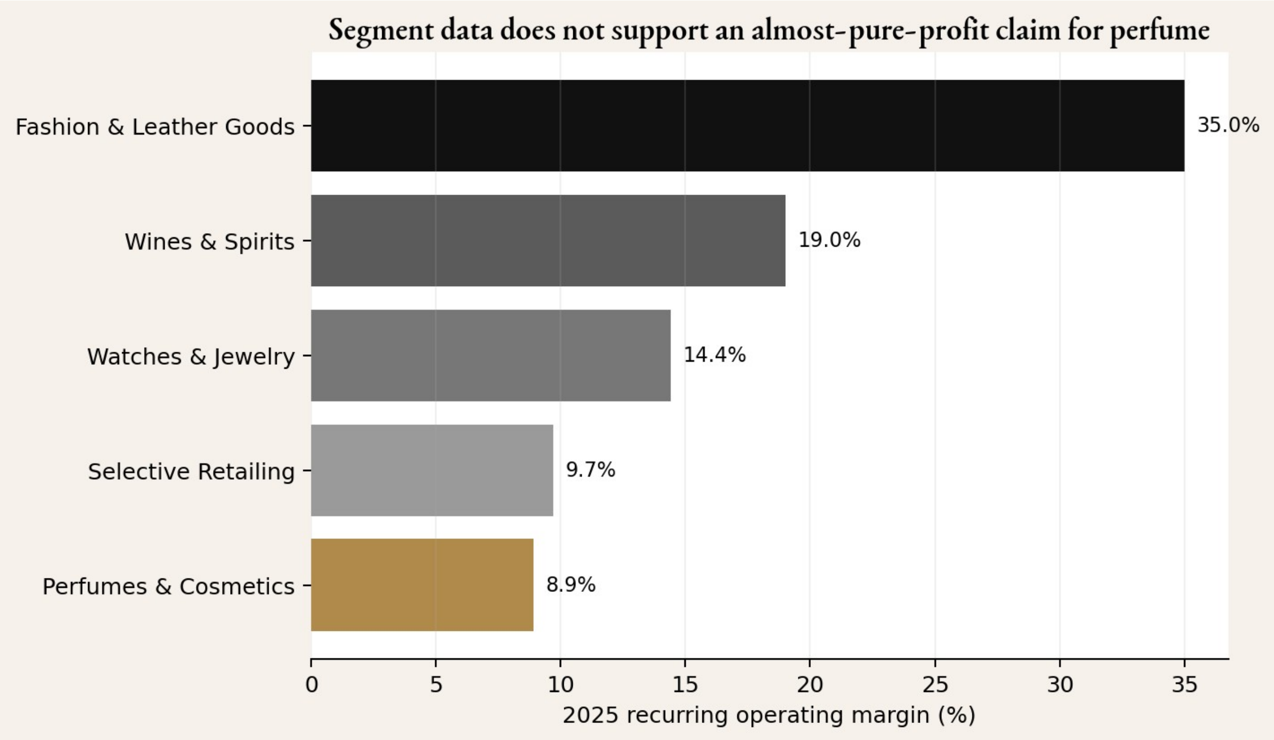


LVMH Perfumes & Cosmetics revenue was €8.271 billion in 2023, €8.418 billion in 2024 and €8.174 billion in 2025. Recurring operating profit was €713 million, €671 million and €727 million, implying margins of 8.6%, 8.0% and 8.9%. Operating investment was €432 million, €477 million and €385 million. [9]

H1 2026 update: stable organic revenue, slightly better margin

€3.914bn	€417m	10.7%	-1%
LVMH Perfumes & Cosmetics revenue in H1 2026; -4% reported and 0% organic. [8]	Recurring operating profit in H1 2026; -2% year on year. [8]	Approximate H1 2026 operating margin, up from 10.4% in H1 2025. [8]	Q2 2026 organic revenue change for Perfumes & Cosmetics, after 0% in Q1. [8]

The first-half release strengthens the portfolio-rotation argument but not the product-level cash-flow claim. The business group held organic revenue flat and improved margin slightly, while Dior's reported momentum came from a rotating mix of fragrance, makeup and high perfumery launches. Miss Dior and Sauvage did not need to lead the period for the portfolio to perform. [8]



The 2025 operating margin for Perfumes & Cosmetics was 8.9%, compared with approximately 35.0% for Fashion & Leather Goods. This does not reveal the gross margin of a bottle, but it decisively rejects the idea that beauty is an effortless “almost pure profit” business at segment level. [9]

Why a fragrance launch consumes cash before it generates it

- Formula development, stability testing, regulatory work, bottle engineering and packaging tooling occur well before revenue.
- Media, ambassadors, content production, sampling, testers, retail education and point-of-sale support are major launch costs.
- Wholesale and selective-retail economics mean the consumer price is not the Maison’s net revenue.
- Gift sets and multiple sizes increase forecasting complexity, minimum orders and inventory exposure.
- The cash conversion cycle depends on receivables, inventory, supplier terms, returns, capex and tax - none of which is disclosed by fragrance.

Francis Kurkdjian has described a major fragrance launch as a colossal investment. For L’Or de J’adore, composition took roughly eight months and production about a year, illustrating why perfumery cannot operate on fashion’s six-month creative rhythm. [10]

The accurate language

Claim	Verdict	Better wording
“Miss Dior is a cash-flow generator.”	Plausible but not directly provable.	Miss Dior is a strategically important renewable franchise that likely contributes material repeat revenue.

Claim	Verdict	Better wording
“Sauvage funds Dior couture.”	Not supported by public accounts.	Sauvage is a global blockbuster whose scale strengthens Dior Beauty and the wider House.
“Perfume is almost pure profit.”	Misleading.	Fragrance can have attractive product economics, but segment profit reflects heavy media, retail, development and operating costs.
“Affordable products make most luxury revenue.”	Too broad and often unsupported.	Entry products expand participation and frequency; revenue mix varies by House and is rarely disclosed.
“A new flanker creates growth.”	Not necessarily.	Growth depends on incremental customers, trade-up and retention after cannibalization is considered.

07 The operating system behind the franchises

The advantage is not the liquid alone. It is the repeatable system surrounding the liquid.

Capability	How Dior expresses it	Business effect
Stable codes	Bottle silhouette, bow, houndstooth, typography, color, campaign tone and scent vocabulary.	Recognition compounds across generations and launches.
Concentration ladder	EDT, EDP, parfum, essence or elixir.	Customers can trade up without leaving the franchise.
Format ladder	Spray, roller, solid, travel, refill and exceptional piece.	Different transaction barriers and occasions expand participation.
Ritual adjacency	Hair, body, grooming and skincare.	The franchise moves from occasional scent to repeated routine.
Selective distribution	Boutiques, counters, beauty specialists, e-commerce and travel retail.	Scale is achieved while presentation and service remain controlled.
Campaign continuity	Recognizable ambassadors and visual worlds over multiple years.	Memory lowers the need to rebuild awareness from zero.
Craft at the top	Couture bows, Baccarat, artisanal glass and numbered pieces.	The accessible category contains its own halo.
Renewal calendar	Franchises are refreshed in sequence, while core products stay available.	Launch investment rotates and portfolio dependence is reduced.
Refill infrastructure	Compatible bottles, large refills and selected refill stations.	Installed-base retention and sustainability claims reinforce each other.
Global operating reach	Subsidiaries, boutiques, counters, e-commerce, sourcing gardens and R&D.	Creative ideas can be industrialized and distributed at global scale.

The three assets that compound

Asset	What accumulates over time	Why competitors cannot copy it quickly
Memory	Name recognition, bottle recognition, campaign	It requires years of consistent repetition and cultural

Asset	What accumulates over time	Why competitors cannot copy it quickly
	familiarity and gifting confidence.	exposure.
Installed base	Existing bottles, refill compatibility, routines and customer habits.	The customer already owns the object and knows the scent.
Distribution trust	Retail space, trained staff, travel retail, e-commerce and service standards.	It requires capital, negotiation, logistics and reliable sell-through.

CORE ANALYTICAL FINDING

The durable “cash engine” is not a bottle. It is the combination of memory, installed base and controlled distribution. The fragrance formula activates the system; the system creates repeatability.

08 Risks, saturation and limits

Scale can destroy the distinction that made scale possible.

Risk	How it appears	Leading indicator	Management response
Over-extension	Too many versions, sizes and adjacent products blur the core.	Falling sell-through; low repeat; weak recognition of the hero.	Clarify hierarchy, retire weak SKUs and protect the core.
Cannibalization	New concentration shifts existing buyers rather than adding demand.	Launch sales rise while total franchise units or value stagnate.	Define a distinct audience, use occasion and price role.
Overexposure	A blockbuster becomes ordinary through ubiquity.	Discounting, lower engagement, retailer dependence.	Protect channels, campaign quality and exceptional tiers.
Narrative fatigue	The campaign world stops feeling culturally alive.	Declining earned media and creative repetition.	Refresh interpretation while retaining recognizable codes.
Channel conflict	DTC, department stores, specialists and travel retail compete on price or allocation.	Inconsistent service, grey market and promotion pressure.	Set channel-specific roles, assortments and service standards.
Working-capital drag	Gift sets, flankers and packaging create excess inventory.	Rising inventory days and markdown or destruction risk.	Tighter launch gates, modular packaging and demand planning.
Regulatory / sourcing risk	Formula restrictions, ingredient volatility or agricultural disruption.	Reformulation pressure and input-cost volatility.	R&D depth, traceable sourcing and diversified supply.
Celebrity dependency	One ambassador becomes inseparable from the franchise.	Reputational concentration and weak product-led storytelling.	Build product codes strong enough to survive campaign change.
Premature founder imitation	A young brand launches fragrance before it has codes, demand or distribution.	High acquisition cost, weak repeat and unsold inventory.	Prove the House world first; choose a scalable category deliberately.

What Dior should not be credited with publicly

A specific Miss Dior or Sauvage revenue number.
A specific product gross margin, contribution margin or cash-flow figure.
A statement that beauty directly subsidizes couture.

A claim that lower manufacturing cost automatically means higher cash generation.
A claim that every extension is incremental rather than cannibalistic.

RESEARCH DISCIPLINE

The absence of product-level disclosure is not a weakness in the analysis. It is the boundary that keeps the analysis credible.

09 A founder playbook for an emerging luxury house

What to copy from Dior's architecture - and what would be reckless to imitate.

Step 1 - define the halo

Identify the garment, object, service or experience that proves the House's point of view at maximum clarity. Its job is not maximum volume. Its job is to make the brand legible, desirable and difficult to confuse with anyone else.

Step 2 - choose the participation product

Select a product that can repeat the same codes at a more frequent and scalable purchase rhythm. It may be fragrance, jewelry, silk, leather goods, a home object or a service. Lower price is not the strategy; coherent participation is the strategy.

Step 3 - build a franchise, not a catalogue

A hero should support future sizes, materials, colors, refills, rituals, services or limited editions. A franchise compounds one idea. A catalogue disperses attention across unrelated ideas.

Step 4 - assign every SKU a job

Role	Question	Illustrative KPI
Recruitment	Which item gives a new customer the safest first purchase?	New-to-brand share; acquisition cost; conversion.
Core	Which item expresses the franchise most clearly?	Repeat rate; availability; full-price sell-through.
Trade-up	How does a loyal customer spend more without leaving the idea?	Premium mix; average selling price; migration rate.
Frequency	What creates a reason to purchase again sooner?	Purchase interval; attachment; units per customer.
Gifting	Which format is easy to choose, present and understand?	Gift-set share; seasonal basket; return rate.
Retention	What keeps the installed customer inside the system?	Refill rate; repurchase; churn or switching.
Halo	Which version restores rarity and authority?	Waitlist, press, top-client conversion, halo lift.

Step 5 - model the full economics

Do not model retail price minus factory cost. Build a contribution and cash model that includes channel margin, taxes and duties, returns, packaging, formula, tooling, samples, testers, launch media, ambassadors, commissions, freight, storage, fulfillment, compliance, customer acquisition, inventory and working capital.

Economic question	Why it matters
What is net revenue after the route to market?	The consumer price is not the revenue retained by the brand.
What is contribution after launch and retail support?	Gross margin can hide the cost of creating demand.
How much inventory is required before launch?	A profitable SKU can still consume cash.
What proportion of sales is repeat vs paid acquisition?	A franchise only compounds if retention improves.
Does the extension add customers or cannibalize the core?	Top-line launch sales may not equal portfolio growth.
How quickly does cash return after the investment?	Payback, not prestige, determines survivability.

Step 6 - protect the channel

Decide where the product can be sold, which versions are exclusive, how service should feel, what the display communicates and how promotions are governed. Distribution is not a logistics afterthought; it is part of the luxury design.

Step 7 - create a renewal calendar

Do not launch endlessly. Alternate between core support, a meaningful innovation, a gift peak, an exceptional halo moment and a period of consolidation. The objective is to keep recognition compounding while preventing fatigue.

Launch readiness test

Gate	Ready when...	Not ready when...
Brand code	Customers can identify the House without relying only on the logo.	The product would be generic without the name.
Demand	A real audience already follows, buys or requests the brand world.	The launch is expected to create the audience from zero.
Economics	Contribution and cash payback are modeled conservatively.	The plan assumes retail price is mostly profit.
Channel	The brand can control presentation, service and replenishment.	The product depends on indiscriminate distribution or discount.
Operations	Quality, compliance, minimums, inventory and returns are manageable.	The founder is relying on a supplier to solve the whole business.
Renewal	The hero can support a coherent second and third chapter.	The product is a one-off novelty with no franchise path.

THE FOUNDER WARNING

Dior’s lesson is not “launch a perfume.” The lesson is to design one brand world with a halo, a participation product, a trade-up ladder, a repeat mechanism and controlled distribution.

10 Conclusion and evidence matrix

The final answer to the cash-flow question.

Miss Dior created the blueprint. Sauvage proved the blueprint could still generate global scale in a different century.

Miss Dior shows that Christian Dior understood portfolio architecture from the first year of the House: couture would create authority and fragrance would make that authority portable, giftable and repeatable. Sauvage shows how the same logic becomes a modern franchise system through concentrations, refills, travel, grooming, skincare, gifting and exceptional craft.

The data supports calling both franchises strategically important revenue platforms. It does not support assigning either one a specific cash-flow figure. The right business claim is therefore more analytical than the popular myth: Dior's strength lies in converting brand memory into a renewable customer system while protecting the halo that gives the system meaning.

FINAL THESIS

The dress built desire. The fragrance built scale. The enduring advantage came from designing both as parts of one portfolio - then renewing the portfolio without allowing scale to erase distinction.

Evidence matrix

Claim	Confidence	Basis	Boundary
Miss Dior launched with Dior's first show in 1947.	High	Official LVMH and Dior history. [1][2]	No product sales data for 1947.
Fragrance is Parfums Christian Dior's largest category.	Medium-high	Former CEO stated roughly 40% in 2022. [10] [11]	Category share may have changed.
Parfums Christian Dior is a very large part of LVMH beauty.	High for report date	Official Dior report said roughly half at the time. [4]	Not a current audited split.
Sauvage is a global blockbuster.	High	Official LVMH launch and 2025 bestseller statements. [5][7]	No revenue, units or profit disclosed.
Miss Dior remains commercially relevant.	High	Official 2024 and 2025 launch-success statements. [6][7]	No franchise revenue disclosed.
Refills are commercially material.	Medium-high for 2022	Management said 21% of Dior sales and 36% of Sauvage sales were refillable. [11]	Historic share, not current.
Miss Dior and Sauvage generate positive cash flow.	Unknown publicly	Likely but not disclosed.	Cannot be proven by public data.
Beauty directly funds couture.	Unsupported	No transfer or segment allocation disclosed.	Should not be stated as fact.
The two-speed model is a useful strategic interpretation.	High as inference	Launch history, portfolio architecture and H1 2026 rotation across fragrance, makeup and high perfumery. [8]	It is analysis, not management wording.

Research cut-off note

Research cut-off: 27 July 2026, after publication of LVMH's first-half 2026 results. This edition incorporates the official Perfumes & Cosmetics revenue, recurring operating profit and Dior portfolio commentary from that release. Dior still does not disclose product-level revenue, margin or cash flow for Miss Dior or Sauvage.

II

Sources and notes

Official sources are prioritized; estimates and market evidence are identified explicitly.

[1] Parfums Christian Dior - LVMH Maison profile — Official history of Miss Dior at the first show on 12 February 1947.

[2] Miss Dior official fragrance universe - Dior — Current portfolio, categories and Canadian price architecture; accessed July 2026.

[3] Sauvage official fragrance universe - Dior — Current portfolio, refills, grooming, skincare, gifts and Canadian price architecture; accessed July 2026.

[4] Dior Beauty as a Legacy 2030 — Official operating-scale, heritage, distribution, craft and sustainability report.

[5] Excellent performance of LVMH in 2015 — Official Sauvage launch performance statement.

[6] LVMH 2024 full-year performance — Official Miss Dior Parfum and Sauvage statements.

[7] LVMH 2025 full-year performance — Official Miss Dior Essence and Sauvage statements; P&C operating margin.

[8] LVMH first-half 2026 results — Official P&C first-half financials and current Dior portfolio-rotation commentary.

[9] LVMH key figures — 2023-2025 revenue, recurring operating profit and operating investment by business group.

[10] Vogue Business - Dior unveils highly anticipated fragrance by Francis Kurkdjian — HSBC estimate, category mix, launch economics and portfolio commentary.

[11] Vogue Business - Guided by legacy: Parfums Christian Dior CEO on its sustainable future — Historic refillable-sales penetration and management context.

[12] LVMH first-half 2023 results — Official Miss Dior, J'adore and Sauvage performance context.

[13] Six iconic fragrances of LVMH Group — Official 2026 Miss Dior heritage and Essence context.

[14] Circana - U.S. prestige and mass beauty performance in 2025 — Prestige fragrance normalization, premiumization and mini-size trends.

[15] Circana - U.S. beauty sales accelerate in Q3 2025 — Prestige fragrance, luxury brand and discovery-set growth.

[16] Circana - U.S. beauty market Q1 2026 — Current beauty growth and fragrance/self-care demand.

[17] Circana - Beauty sales sparkle in holiday 2025 — Fragrance seasonality and December concentration.

[18] McKinsey - State of Beauty 2025 — Beauty growth, saturation and strategic context.

[19] The Business of Fashion / McKinsey - State of Fashion: Beauty — Fragrance category growth outlook.

[20] Dior - Sauvage Eau de Toilette refill — Official refill compatibility and life-cycle impact claims.

Disclosure note

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