

# CASE STUDY

## Laura Ashley



### Brief

To prove the lack of correlation between share price and brand value in defence of claims made by L'Oreal.

To be an expert witness in the International Chamber of Commerce courts in Paris for the purpose of evaluating the change in value of the Laura Ashley brand on a global scale between the period 1995 to 2002 and to evaluate the effectiveness of the organisation and management during that period.

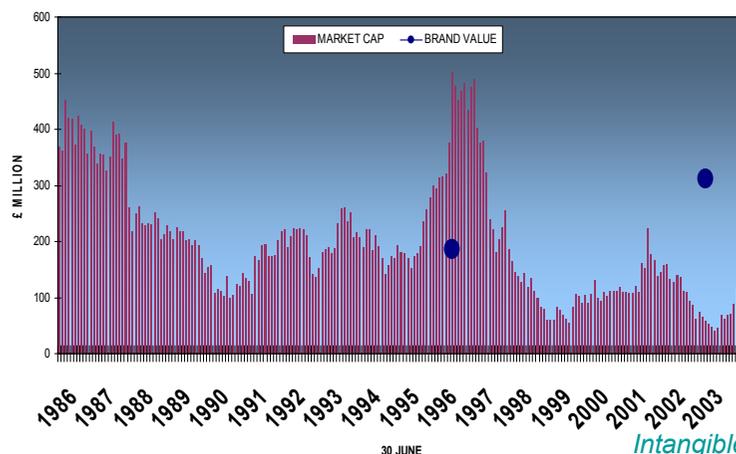
### Approach

A complete and thorough analysis of the 'selling power' of the Laura Ashley brand across the major markets of USA, UK, Japan, France and Rest of the World was executed. This included a full evaluation of retail sales value across own operations, franchise operations and licensed operations, brand investment, brand premium in terms of profitability, brand loyalty and brand image across a broader universe of consumers.

Company plans and brand investment strategies were analysed across the fashion, design and home furnishings sectors including analysis of achievements over the period. Results were benchmarked against comparative studies of other leading 'lifestyle' brands and their market performance.

The value of the Laura Ashley brand in the Fashion and Home furnishings sectors from 1995 to 2002 was calculated and compared against its share price.

### Relationship between share price and brand value



# CASE STUDY

## Laura Ashley

### Outcome

Powerful and persuasive expert reports based on thorough analysis of the Laura Ashley brand were used as expert evidence in court. Oral evidence was also given over a two week period, defending Laura Ashley against L'Oreal.

### Results

The ICC in Paris ruled in Laura Ashley's favour and our work withstood the fiercest examination and critical review.



## Laura Ashley wins first round of £17m battle

By Harry Wallop (Filed: 20/10/2004)

Laura Ashley has won the first round in a battle against cosmetics giant L'Oreal, which it claimed reneged on a deal to produce a range of beauty products for the retailer. In theory, Laura Ashley could win up to £17m.

The argument dates back to 1996 when L'Oreal won a 20-year licence from the clothes retailer to produce make-up and perfumes under the Laura Ashley name.

By 2002 the relationship had soured with Laura Ashley claiming that L'Oreal had not stuck to its part of the deal.

The retailer claimed: "L'Oreal failed to develop the true potential of the Laura Ashley perfumes, toiletry and cosmetic brands and that substantial revenues had been lost as a result."

L'Oreal only produced one perfume: Magic Garden, which did not sell particularly well.

Laura Ashley took L'Oreal to court two years ago, claiming breach of contract and sought to recover unpaid royalties.

Under the deal L'Oreal promised to pay minimum royalties of £17m over twenty years.

The International Chamber of Commerce in Paris has ruled in Laura Ashley's favour on the issue of liability. The tribunal has yet to decide how much the retailer should be paid.

Sources close to the company suggest that Laura Ashley is unlikely to hear for another year.

Richard Ratner, retail analyst at Seymour Pierce, said: "They won't get anywhere near £17m. But I suppose they might get a few million."

Any winnings will be welcomed. Earlier this month Laura Ashley reported it had fallen deeper into the red in the first half as its fashion sales continued to plummet. Pre-tax losses were £1.2m, against a loss of £1m in the same period last year.



INTANGIBLE  
BUSINESS

### Service

Brand and Market Metrics  
Litigation Support  
Valuation

### Territory

US  
USA  
France  
Japan

### Sector

Retail  
Fashion  
Home Furnishings  
Lifestyle

*Intangible Business Ltd*