

The Fragrance Phenomenon: Redefining Value and Priorities

November 2022

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INTRODUCTION

Scope

Key findings

STATE OF PLAY

Fragrances is the fourth largest in beauty and personal care behind skin, hair and colour cosmetics

Fragrances make a solid rebound in 2021, driven by premium and wellness positioning

N. America accounted for majority of growth in 2021, but W. Europe the largest region

Premium makes up two thirds of global fragrance market, but regional differences exist

Women's makes up largest fragrance type, but unisex is fastest growing globally

US and China witnessed a fragrance renaissance in 2021, especially in premium segment

Rising unit prices uneven across top fragrance markets and segmentation types

Fragrances prospects noted in emerging markets of south and southeast Asia

E-commerce, niche positioning, "vegan" and "no alcohol" claims drive SE/S Asia momentum

Restrictions on international travel offered domestic opportunities for fragrances

Deceleration expected in largest fragrance market, the US, while e-commerce grows

In second-largest market Brazil, premium and e-commerce grow from pent-up demand

In third-largest market France, fragrances see strong rebound in premium and e-commerce

Fastest growing market of China to witness boost in niche and homegrown fragrances

Fragrances' cultural significance in Middle East drive personalization, sustainability prospects

REPOSITIONING OF FRAGRANCES

Perception of beauty has changed to encompass intrinsic motivations, benefiting fragrances

Fragrances shift to wellness and emotional wellbeing

Trending wellness claims in fragrances include energy boosting, vegan and aromatherapy

Yanbal's Aromatherapy collection capitalises on popularity of essential oils

UK supplement company The Nue Co launches functional fragrances to address stress

COMPETITIVE LANDSCAPE

Amid much movement in top 10 fragrance brands, Chanel maintains its leading position

Mobile-first, visuals and Gen Z feedback among premium fragrances' digital transformation

Christian Dior leverages livestreaming and social media platforms to maintain its leading rank

Mass fragrances incorporate sustainability features in sourcing and product life cycle

E-commerce leaps in 2020 and to remain a pivotal channel, overtaking direct selling in 2021

Recent business activity includes mergers and acquisitions among brands, suppliers

INNOVATIONS AND OPPORTUNITIES

Megatrends in fragrances reflect heightened demand for "value creation"

Self-care positioning, microbiome-friendly formulas bring fragrances closer to wellness

New launches expand multifunctionality, delivery formats and ingredient-led beauty

Gamification in the metaverse creates personalised NFT auras that can be produced offline

Fragrance houses debut AI-enabled platforms, while Tiktok launches fragrance brand

Carbon-negative footprint and ethical ingredient sourcing are top-of-mind

Green chemistry underlines future sustainability innovations, especially upcycling

Personalisation spans from mass customisation to neuroscience-backed selection

Changing consumer values place less emphasis on distinct male-female characteristics

Category extensions and opportunities beyond fine fragrances

Opportunities beyond fine fragrances: Baby and child-specific fragrances

Uses, limitations and naturals trend may keep baby fragrances niche

Hair mists/perfumes/fragrances represent accessible luxury from fine fragrance players

Air care is a natural extension, due to existing supply chain connections

CONCLUSION

Key findings

SWOT Analysis

Fragrances' projection globally is steady yet optimistic, despite risks

APPENDIX

Euromonitor's definition: Fragrances

Overview of Beauty Survey

Overview of Beauty Survey: Product coverage

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