

**Enduring, classic scents are the**

cornerstone of the perfumery business but in recent years the focus on creativity and quality has waned. The recession, rising raw material costs and a squeeze on consumer spending have all contributed to the sector playing it safe. However renewed confidence from both brands and consumers over the last year has helped reignite that badly needed creative spark.

“2010 was the year of the rebound,” says Felix Mayr-Harting, global head of fine fragrance, Givaudan. “After the destocking effect, we saw some comeback in both consumer confidence and a significant restocking effort.”

According to Euromonitor International, global fragrance sales reached £25.5bn in 2010, up from £24bn in 2009 with the industry outlook for 2011 remaining optimistic. The sentiment has been shared by many big brands which have unveiled blockbuster launches in the second semester of this year.

“There are a lot of great launches at the moment but we are seeing fewer launches than in recent years,” continues Mayr-Harting. “Brands are launching fragrances to last.”

“Developments have been managed more wisely and thoughtfully,” notes Catherine Bru, director FDG, fine fragrances, IFF. “The really good effect of the recession has been to push everyone to challenge their way of working. Today we see people trying to work/develop differently, trying to reinvent the market. This may take time but this is certainly welcomed.”

**DESIGNS ON CREATIVITY**

This reinvention has manifested itself in a collection of high profile, high quality fragrances, and brands have shown that after a few years of belt tightening they are willing to invest again in meaningful launches.

Fashion has played a strong role in these launches with designer houses old and new playing up the link between their fashion heritage and their fragrances.

“Brands want to underline the link between fashion and fragrance and also to get consumers to understand that the creation of fragrance is a craft,” explains Lauren Creecy, senior marketing manager, fine fragrance, Givaudan. “They are looking for a stronger signature and there are many designer fragrances coming through with this focus.”

Luxury shoe brand Jimmy Choo made its perfume debut in January in partnership with Inter Parfums. The fruity chypre is composed around a tiger orchid note

**TABLE 1: FRAGRANCE MARKET SIZES BY REGION, 2010 (£M)**

	2010	2009
World	25,589.5	24,076.3
Asia Pacific	1,756.4	1,671.5
Australasia	356.1	369.4
Eastern Europe	2,557.8	2,375.5
Latin America	6,589.5	5,738.6
Middle East & Africa	1,995.2	1,804.6
North America	3,862.1	3,796.7
Western Europe	8,472.4	8,319.9

Source: Euromonitor International

blended with luminous green top notes, sweet toffee and patchouli, while the brand’s signature snakeskin finish features on the outer packaging.

Similarly, Lebanese designer Elie Saab’s first fragrance, Le Parfum echoes the femininity of his couture clothes. The fragrance is described as a floral woody solar scent, featuring notes of orange blossom, jasmine absolute, a cedar accord and honey rose. The nude coloured juice, a signature shade for Saab’s designs, is housed in a faceted clear glass bottle.

Solar notes were also a theme for Valentino, which unveiled its first scent creation since the licence transferred from P&G to Puig. Valentina, created as a tribute to today’s Valentino woman by Olivier Cresp and Alberto Morillas, is described as

**TABLE 2: FRAGRANCE MARKET SIZES BY COUNTRY, 2010 (£M)**

	2010	±%05/10
China	356.5	97.7
India	90.1	135.1
Russia	1,398.7	76.0
France	1,577.5	8.8
Germany	1,608.9	8.5
Italy	885.1	8.9
Spain	1,051.6	0.3
UK	1,043.7	31.5

Source: Euromonitor International

an irreverent Italian floral oriental that celebrates the designer’s hometown of Rome.

The scent opens with notes of Calabrian bergamot and white Alba truffle, blending to a heart of jasmine, tuberose and wild strawberry. Amalfi orange blossom heightens the solar aspect of the fragrance, while cedar and amber comprise the dry down. The bottle follows the couture theme of the juice – the transparent crystal bottle is adorned with three flowers, emblems of Valentino’s designs, in white, ivory and nude shades that mirror the shades used in the designer’s collections.

Bottega Veneta also entered the world of perfumery with its debut scent. The edp, a leathery floral chypre, created by Michel Almairac, is inspired by the Venetian

# A new golden age?

Following a period of creative stagnation, the fragrance market has bounced back, bringing with it a new twist on classic perfumery. **Emma Reinhold** looks at how this artistic focus is bringing excitement back to the sector



countryside and the meticulous attention to detail of a master leather artisan. The chypre is created with a combination of bergamot, patchouli and oakmoss, while jasmine adds a floral sensuality and pink peppercorns add a spicy element.

The bottle meanwhile is inspired by Venetian glasswork and features soft rounded curves, with a smooth outside and intrecciato texture on the bottom, mirroring the signature woven leather used on the brand's iconic bags.

Burberry meanwhile launched Burberry Body, billed as the brand's most exciting launch ever by creative director, Christopher Bailey. The fragrance, a warm, woody chypre, blends top notes of green absinthe, peach and freesia with a heart of rose, and a warm dry down comprising sandalwood, cashmerean, musk, amber and vanilla.

And Prada added a third pillar to its fragrance franchise, this time targeting a younger consumer. Prada Candy is described as feminine, excessive and seductive and evolved from the idea of pushing things to the maximum. In the case of the juice this has resulted in using olfactive ingredients in excessive proportions. The key notes – white musks, benzoin and a modern caramel accord – have been used in very high concentrations; the benzoin, for instance is used at 12%. The result is a warm, powdery scent with an addictive vanilla 'pop' at the base.

"By using new ingredients and by overdosing others, perfumers are finding unique combinations which offer a point of difference to brands," explains Bru.

Yet despite this burst of olfactive creativity, many brands have continued to invest in line extensions and flankers.

Mintel estimates that 30% of all fragrance launches in the UK in 2010 were flankers, compared to just 18% in 2008. Furthermore between January and September of this year, just over one in five fragrance launches were range extensions, while 13% of newness was linked to revamped packaging.

**Designer brands such as Jimmy Choo, Bottega Veneta and Elie Saab have all made their scent debuts this year and have placed a focus on quality ingredients and fashion heritage**



Elie Saab

“Line extensions are an economical option for brands looking to bring newness to counter without investing in the sizeable tooling costs associated with creating new flacons, or backing full-throttle marketing and advertising campaigns,” explains Vivienne Rudd, head of beauty and personal care, Mintel.

However some brands have used the concept of a flanker to highlight their perfume heritage, creating new fragrances that have been inspired by old classics.

Chanel for instance has invented a new chapter for its iconic No 19 fragrance entitled No 19 Poudré. This is not the first time the fashion house has decided to create a modern interpretation of a classic; Chanel No 5 Eau Premier and Cristalle Eau Verte were both seen as successors to the famous originals, and the new scent follows the same theme. The updated scent combines the crisp green notes of the original No 19 with powdery iris.

“The recession has favoured some brands which are very reassuring because they have a great legitimacy in the fragrance world,” explains Bru.

Similarly, Guerlain has looked to its perfume heritage with the launch of Shalimar Parfum Initiale, the fifth flanker in the Shalimar family. The new scent, created to appeal to a younger Shalimar user, blends notes of bergamot, orange, rose, jasmine, iris, patchouli, vanilla, tonka bean and white musk.

And Lancôme has added to the successful flankering of its Trésor fragrance with Trésor Midnight Rose, described by the brand as a sweet, sexy, playful scent combining notes of raspberry, woods and vanilla with the original scent's signature rose note.

### A QUESTION OF VALUE

While brand investment in launches is returning, the squeeze on

**TABLE 3: TOP FIVE GROWTH MARKETS BY INCREMENTAL VALUE, 2008 - 2010, (US\$M)\***

Brazil	775
UK	140
Mexico	127
South Africa	103
Argentina	98

\*Absolute growth  
Source: Euromonitor International

**TABLE 4: LEADING FRAGRANCE COMPANIES GLOBALLY, 2010**

L'Oréal Groupe
Coty Inc
Procter & Gamble
Avon Products
LVMH
Natura Cosméticos
Estée Lauder Cos
Chanel SA
Puig SL

Source: Euromonitor International

household budgets and discretionary purchases is rewriting consumer spending behaviour.

“Consumers have been looking more for a good ratio of quality to price,” says Bru. “Whatever they have been buying, they have been looking more into what they are getting for their money. In terms of prestige fragrances, they have been very demanding over the quality of the scent.”

**Flankers still make up a sizeable portion of fragrance launches as brands revisit their classics for inspiration**

In terms of price, one retail area where sales have seen an uplift has been online. According to Mintel, perfume retailing is particularly popular in the UK where 16% of female shoppers have bought fragrance online. Germany and France follow at 14% and 11% respectively, while in Spain (8%) and Italy (9%) consumers have been a little slower to respond to the lure of online shopping for fragrance.

“Buying scent online offers several advantages, particularly when it comes to replenishing tried and tested items – price comparison is more convenient than visiting several brick-and-mortar stores, while money-off voucher codes and special offers available online may offer price advantages,” says Rudd.

High street retailers have been trying other methods to keep consumers loyal, with The Perfume Shop launching a customer loyalty programme. The Rewards Club offers members reward points and exclusive product promotions. Members collect one perfume point for every £1 they spend in-store and once 100 points have been collected, they receive a £5 voucher which can be redeemed against a future perfume purchase.

“Most consumers buy two perfume products a year on average and the aim of the Rewards Club is to lock in that third purchase,” explains Matt Walburn, marketing director, The Perfume Shop. “We look forward to rewarding our most loyal customers, creating a more personal dialogue with our members and working in partnership with our suppliers to provide even greater value for our card holders.”

In terms of quality, there has been a welcome return to investment in ingredients and more artistic direction in scent composition.

“The pendulum has swung back in terms of quality which is good for the industry,” says Joël Palix, president, Clarins Fragrance

Group. “I was worried about the destiny of this category – fragrance lost a bit of its glamour but efforts to bring back quality are being met with a positive reaction.”

This is being echoed in the ingredients being used.

“The economic crisis certainly influences people's fragrance attitudes,” says Bru. “On the one hand tasty, juicy and nurturing fragrances with fruity notes are popular but warm scents



with a rich texture and a qualitative feeling are becoming more sought after. The opulent, oriental, woody trend is answering this need.”

“This autumn/winter we see a return to the oriental fragrance blended with flowers,” adds professeur de parfums, Roja Dove. “They are a modern interpretation of the ubiquitous 1980s scents, but reworked to be fresher, not as rich, and therefore more contemporary in style. There is also an increased demand for scents based on much higher proportions of natural materials than have been used in



the past which give an inherent complexity and individuality to the creation.”

Dove, who launched his Roja Parfums collection in Harrods’ Black Perfumery Hall earlier this year, has tapped into this trend with the launch of Reckless, an oriental floral featuring notes of jasmine, ylang ylang, rose, violet, vetiver, sandalwood, mosses, leather notes and tonka bean.

Fellow niche brand Juliette Has a Gun has reworked its classic Lady Vengeance scent to create Vengeance Extreme, a stronger scent with an overdose of patchouli in the base.

Similarly irreverent make-up brand Illamasqua’s first foray into scent has a nod to the dark side. Freak blends black davana and opium flower to create a dark, brooding scent. And Diesel’s latest feminine fragrance Loverdose, described as a woody oriental, contains an addictive blend of star anise, mandarin, liquorice, sambac jasmine

**A new generation of oriental scents are flooding the market, taking advantage of consumers’ desire for quality and reassurance [Diesel]**

and gardenia. The dry down features vanilla and ambrox.

“The woody aspects of these scents have also been enhanced which makes the scents very warm,” continues Dove. “It is this blend of vanilla, balsams, musks and powder notes that make us think of the sensuality of human skin.” He cites Estée Lauder’s Sensuous Nude fragrance as an example: “It has all the elements of an oriental but worked in a new way.”

“There is a continuation of the trend towards vintage floral notes,” adds Creecy. “Olfactively we are seeing scents with a more complex voice. In economic times we go back to reassuring scents – so florals for women and fougères for men. There are a lot of classical floral notes such as rose, iris, lilac and orange blossom in fragrances right now but they are being looked at in a new way to try and infuse newness into the structures.”

#### **FORM & FUNCTION**

As well as updating classical olfactive structures, brands are looking at ways to refresh their packaging. Jean Paul Gaultier’s new male chapter, Kokorico, is housed in a

black flacon shaped like a man's head – however his iconic Le Mâle fragrance has not been forgotten as when the flacon is turned to the side the form of the famous Le Mâle muscular arm can be seen on the bottle.

The fragrance industry has been at the forefront of criticism over its environmental credentials but some brands are making inroads into creating more sustainable packaging solutions. The packaging for Thierry Mugler's new Angel edt and Swarovski's debut fragrance both feature refillable flacons, which Palix believes is a win win situation for brands, consumers and the environment.

"It's a good business model," he tells **SPC**. "It's less expensive for the consumer, the retailer has a captive audience and we can put more money into the original



bottles as well as creating strong incentive to build lines over time. At Clarins we are doing more refills than ever. On our Womanity line, 30% of the alcoholic fragrance

**Environmentally friendly packaging have been a key focus for Clarins, whose Swarovski and Thierry Mugler brands both feature refillable flacons**

business comes from refills. It shows consumers are ready for this concept now."

Looking ahead, the olfactive outlook for the market is steady with brands consolidating their recent big launches with edts and range extensions.

"2011 goes up against a very strong comeback the previous year so this year is a year of consolidation after the big gains of 2010," predicts Mayr-Harting.

But with major feminine launches from Lancôme, Guerlain and Giorgio Armani slated for the second half of 2012, brands are continuing to embrace the blockbuster scent. However, Euromonitor's Rob Walker warns that as the threat of another global recession looms, creating fragrances that focus on the quality and uniqueness that consumers are demanding is more imperative than ever.

"As consumers brace themselves for the prospect of a double-dip global recession and as discretionary spending gets squeezed by rising food prices, even in fast growing emerging markets such as China, points of differentiation between products will become ever more important if companies are to protect their bottom lines." **cb**