

## **The Future of Fragrances: Capitalizing On Emerging Trends and Changing Preferences**

Consumers are highly aware of the need to look and smell good in a society which is dominated by Visual Culture. Indeed, consumers tend to feel happier and more confident if they like the way they smell. The marketplace is becoming increasingly saturated with fragrance products, and the added pressure of a recession presents a challenge to industry players--that this report seeks to tackle.

The report covers France, Germany, Italy, Netherlands, Spain, Sweden, UK, US, Australia, Japan, South Korea, China, India, Brazil, Russia, UAE and Saudi Arabia.

### **Scope**

- Detailed insights and analysis documenting the drivers and inhibitors within the fragrance market.
- Analysis documenting the relative importance consumers place on appearance and data sizing the fragrance market.
- Strategic conclusions combined with actionable recommendations for all industry players seeking to fully capitalize on this segment.

### **Research and analysis highlights**

Consumers of both genders feel increasingly under pressure as a result of today's Visual Culture. These consumers believe that appearance can positively or negatively affect their social standing, their ability to form relationships and even their career success

Traditionally, fragrances (i.e. perfumes) have been more popular with women than men.

However, men are becoming increasingly disposed to spending more time on their appearances and paying more attention to the products that they use. Capitalizing on this is a key opportunity for fragrance manufacturers going forwards

Market saturation means that industry players are constantly striving for innovation.

Unique aromas are being blended to provide consumers with new experiences, and concepts such as exclusivity and hedonism are being pushed to new levels. In addition,

the use of natural ingredients and proving ethical credentials are becoming key differentiators

## **Key reasons to purchase this research**

- Consumer understanding: obtain a detailed understanding of consumer attitudes and behaviors towards fragrance product
- Market understanding: identify the key fragrance markets and product innovation trends in 17 countries across four territories
- Ideation: find inspiration for innovative formulations and positioning that takes advantage of consumers' desires for high quality prestige fragrances

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- OVERVIEW

- Catalyst
- Summary

- THE FUTURE DECODED

- INTRODUCTION: Fragrances are a major component of the overall personal care market
  - /// This report is one in a series of five category focused reports outlining the future of personal care trends
  - /// Fragrance preference induces a strong emotional attachment for consumers
  - /// Consumers view their scent as an important aspect of their personal hygiene, therefore making fragrance usage one of the most significant parts of their daily personal care regimes
  - /// The overall global fragrance market is subject to a number of drivers and inhibitors
- TREND: 'Visual Culture' and an associated pre-occupation with appearance is the defining trend in the personal care space across product categories
  - /// Image is important to consumers even if they do not significantly feel societal pressure to look good (at least consciously that is)
  - /// There is scope for consumers to feel happier about their appearance, given the pressure to conform to demanding beauty ideals associated with contemporary society
  - /// Key takeouts and implications: Visual Culture is the core macro-trend influencing personal care habits
- TREND: Fragrance sales have been negatively impacted by the global economic crisis, but the future still holds promise
  - /// Fragrances have not suffered as much as other personal care products in the recession, and have even thrived in some markets
  - /// Key takeouts and implications: industry players in the fragrances space have faced inevitable recessionary pressures, but have been successful to a certain degree, particularly in emerging markets
- TREND: Most consumers are spending longer on their beauty regimes
  - /// Key takeouts and implications: the most significant growth in fragrance usage occasions going forward will occur in the high growth emerging markets
- INSIGHT: Fragrances are used by a majority of consumers, with a wide range of purchase motivators contributing to product choice
  - /// Using fragrances is something which a majority of consumers deem important to do on a daily basis

- ⌘ Sensory and value considerations are driving fragrance purchases in the majority of markets worldwide
  - ⌘ Key takeouts and implications: consumers are motivated to purchase and wear fragrances for a number of reasons, including improving desirability, personal happiness and professional advancement
- INSIGHT: More importance is placed on branding than efficacy when choosing fragrances
  - ⌘ Being both quality and brand conscious typically characterizes fragrance consumers, but there are notable variations by country and gender
  - ⌘ Fragrance manufacturers need to recognize the ‘experience economy’
  - ⌘ Key takeouts and implications: frequent fragrance users typically seek products that are both high quality and of a reputable brand, with the two rarely seen as being mutually exclusive
- INSIGHT: Fragrances, despite being associated with prestige and luxury, are not immune to consumers’ intensifying value-for-money considerations
  - ⌘ Value-for-money considerations heavily influence fragrance choice
  - ⌘ Key takeouts and implications: with value-for-money considerations influencing fragrance product choice just like other beauty categories, industry players can not simply rely on the allure of the brand image to generate appeal
- INSIGHT: Ethicality and the use of natural ingredients are both somewhat important to fragrance consumers, but are typically regarded as secondary considerations
  - ⌘ Key takeouts and implications: as the marketplace becomes more saturated with fragrance products, being able to champion ingredient, ethical or environmental benefits will grow in importance
- INSIGHT: Consumers value customization benefits so their fragrances feel more personal
  - ⌘ Key takeouts and implications: customized benefits enhance consumers’ perceptions that their fragrances match their personalities
- INSIGHT: Recent fragrance product marketing efforts have focused on appealing to the male demographic and embracing prestige
  - ⌘ Key takeouts and implications: marketing in the fragrance category typically looks to embrace the prestigious nature of fragrances, but industry players should be wary of being too reliant on celebrities to create brand allure
- INSIGHT: More fragrances are incorporating active ingredients which provide consumers with additional benefits

⚡ Key takeouts and implications: the number of functional fragrance products is relatively low, but innovations will keep on occurring and igniting interest in the industry

#### • ACTION POINTS

- ACTION: Continually inflate the prestige and cache of core fragrance brands
  - ⚡ Marketing must justify the price premium and the prestigious aura of the brand
- ACTION: Utilize the internet and social media to create brand awareness and easier shopping options
  - ⚡ There are several advantages to ensuring that consumers have access to a brand over the internet
- ACTION: Use natural/organic ingredients and promote ethicality to appeal to consumers
  - ⚡ There are a multitude of reasons why natural and organic reasons can be beneficial to manufacturers
- ACTION: Use celebrities as a means of strengthening brand reputation rather than relying on them to sell individual products
  - ⚡ Famous figures and ‘brand ambassadors’ must be used carefully to enhance the brand

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