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Market report

Premium fragrances rise and bloom in Europe
US market shrinks by 2.4%
page 6

Special focus

Global leader Brazil hits \$4bn, despite weakened economy
page 34

Profiles

Penhaligon's page 3
Nose page 5

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WOMEN'S FRAGRANCES

Prestige power

cosmetics business MARKETS

Year 32 issue 5 May 2015
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THE WOMEN'S FRAGRANCES ISSUE

Company profile

Penhaligon's 3-4
Acquired by Puig and celebrating its 145th anniversary: 2015 is smelling sweet for the luxury British perfume house

Retail profile

Nose 5
Parisian perfumery Nose has garnered critical acclaim for its unique diagnostic tool and wide selection of niche brands

MARKET REPORT

Summary 6-7
Report highlights, top 5 brands by country, usage data and key trends
France 8-11

Value growth returned to the prestige market for women's fragrances in 2014, inching up 1% to €1.256bn, according to NPD
Germany 12-16

IRI Germany reported a blooming year for women's fragrances, up 2.8% to €966.45m in 2014, with growth coming from eaux de parfum
Italy 16-20

Women's fragrances enjoyed sweet success in Italy, with Cosmetica Italia announcing a 2.3% rise in sales to €584.5m

Spain 20-21
IRI Spain noted a 4% fall to €390.5m, as consumers opt for cheaper brands

UK 22-26
Kantar Worldpanel announced an overall decline of 2.8% to £809.78m, but the prestige business continues to be a major positive for the UK market

Russia 26-28
Russia's fragrance market rose 1% to RUB72.21bn, according to Euromonitor
Global round up 29-32

Extended country coverage, reporting on the US, Austria and India



Special focus

Brazil 34-37
Brazil's women's fragrance market is the world's largest, but could the economic crisis threaten its position?



Product spotlight

38
Which women's scents shone at the French FiFi Awards?

Each year Cosmetics Business Markets publishes a market report on the following product categories:

January	Bathroom products
February	Facial skin care
March	Men's lines
April	Sun care
May	Women's fragrances
June	Body care
July	Deodorants
August	Hair care
September	Aesthetics
October	Spa products
November	Colour cosmetics
December	Hands & nails

PENHALIGON'S PRESTIGIOUS AND POISED

2015 is already proving to be a landmark year for Penhaligon's. The luxury British fragrance house was acquired by Spanish giant Puig in January, while it is also celebrating its 145th anniversary, as Katie Middleweek reports

When Cornish barber William Penhaligon first arrived on the hustle and bustle of London's streets in the late 1860s, few could have envisaged that the legacy he would create for himself would still be going strong 145 years later. Originally from Penzance, he took up employment cutting gentlemen's hair at the famous Piccadilly Turkish Baths on Jermyn Street, then the epicentre of the capital's flamboyance and excess, and was soon influenced by what he saw – or rather what he smelled – around him every day. His very first fragrance, Hammam Bouquet, launched in 1872, was directly influenced by the steam and sulphurous aromas of the baths themselves. Penhaligon's keen eye for business led to him to open a new salon just down the street a number of years later, and he started to create scents and lotions for his discerning clientele.

Scent of history

Hammam Bouquet is still on sale today, and sits within a portfolio of luxury fragrances which now totals almost 40. Penhaligon's fragrances (and the bath, body care and grooming collections which make up the rest of offering) are not exactly inexpensive, priced at approximately £85 for 50ml of EdP, but Penhaligon's attracts the discerning customer, as well as the discerning perfumer, having worked with such leading noses as Olivier Cresp and Alberto Morillas in the past.

Matthew Huband, Head of Global Marketing for Penhaligon's, says the brand's main achievement has been enduring 145 years of ups and downs, while all the while maintaining its quality and integrity. He says: "We have, throughout all the years, remained relevant, which has been vital to our success – we have adapted to the times and forged new paths while retaining who we are.

"For the past 145 years we have been an established authority within perfumery and our reputation has helped us maintain our position within the competitive landscape."

And on 23 January 2015, Penhaligon's, together with its sister company, French perfume house L'Artisan Parfumeur, forged a significant new path when they were acquired by Spanish fashion and fragrance company Puig. Previously owned by Californian private equity company Fox Paine & Company, Penhaligon's and L'Artisan Parfumeur are now owned by the parent of some of the



world's most successful perfume brands including Paco Rabanne, Nina Ricci, Carolina Herrera, Valentino Parfums, Prada Parfums and Comme Des Garçons Parfums. Huband declined to comment on the acquisition directly, but Marc Puig, Chairman and CEO of Puig spoke to **Cosmetics Business Markets** earlier this year and confirmed that the company is "planning to maintain [both companies'] distinct personality at the same time that we continue nurturing their development". No doubt, Penhaligon's will benefit from its new owner's strength and ongoing international success in the fragrance business.

Penhaligon's number one market is the UK, where it now has 13 standalone stores throughout the country, as well as being stocked in a number of boutiques nationwide and in Harrods, Selfridges and Harvey Nichols. There are plans to open a new UK store later this year as business continues to thrive.

Huband continues: "In the UK in the past year we have launched a men's grooming range (the Bayolea collection), three fragrances inspired by London's historic trade in luxury goods (the Trade Routes collection) and Ostara – an interpretation of the Narcissus' journey from bud to bloom which uses the daffodil as its inspiration."

In bloom

Ostara was created by master perfumer Bertrand Duchofour, taking inspiration from his childhood memories of sweet narcissus flowers in Auvergne, France, to capture the optimism and sunlight that spring brings. Indeed the floral fragrance is named after the Goddess of Spring herself and has been a huge hit for Penhaligon's garnering much excitement within beauty circles.

Huband says that every Penhaligon's launch starts as a moment of inspiration, from which the story evolves and the fragrance is built around that. The Trade Routes collection is a good



Penhaligon's holds two Royal Warrants, from HRH the Prince of Wales and HRH the Duke of Edinburgh

Fact file: Penhaligon's

Founded 1870, London, by William Penhaligon

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example of this – the inspiration of luxury, exoticism and surprise went all the way through from the juice through to the packaging. The line comprises Lothair, which takes inspiration from the famous Tea Clipper ships that brought exotic goods to British shores; Empressa, inspired by the precious silks and fine fabrics transported throughout London for women of power and influence; and Levantium, which evokes the rum, spices, woods and resins that found their way to London from across the globe to be stocked high in the capital's warehouses and wharves.

The Bayolea Collection, meanwhile, is billed by Penhaligon's as "male grooming for the modern gentleman" and comprises a plethora of products, from a facial wash and hair pomade to a quirky moustache wax and traditional aftershave splash. The fragrance used throughout the grooming range is actually a reformulation of a classic from the Penhaligon's archive and opens with mandarin and lemongrass, leading to a heart of cardamom and black pepper with a base of sandalwood musk and moss. Feedback has been effusive, with many saying that the scent puts them in mind of a Victorian gentleman and his grooming routine – which is apt as one looks back through the Penhaligon's history.

The American Dream

There is no doubt that things are going well for the brand internationally too. Huband says: "We are currently stocked in 48 countries in total, including Japan, South Korea, Canada and the Middle East, and the US and Central America are a very key focus for us. Italy and Germany are also incredibly strong markets for us."

Penhaligon's has also been consistently growing in Asia for the past three years, and has recently refurbished its Macau store near Hong Kong to much acclaim.

Although declining to talk about financial specifics, Huband does reveal that Penhaligon's has seen "over 25% growth year-on-year, for the past two years" and the US, especially, is firmly in the company's sights for the coming year.

Currently the brand is stocked through Saks department stores in the US, a well-known choice for the high end fragrance connoisseur, and several standalone stores are set to open in this year, giving American customers the chance to get to know the Penhaligon's story better.

A unique retail concept

Every Penhaligon's store is uniquely designed with the architecture and furnishings taking into account the locale. Each is filled with "antiques, nick-nacks and most importantly, personality – Penhaligon's is where the aristocratic luxuries of yesteryear become covetable necessities for a modern lifestyle," says the company. Store window displays are renowned for their beauty and the brand seems to really understand the concept of customer return, with many reportedly staying true from the first product they buy.

The scents are still made and bottled in England using the finest quality ingredients, and the bottles themselves are hand finished in the traditional

manner, with the signature flacon echoing William Penhaligon's original design, complete with its distinctive ribbon-wrapped stopper.

When asked about a potential hero Penhaligon's product, Huband muses: "Over the course of the past 145 years we have seen many iconic moments but one product stands out as our hero product – Blenheim Bouquet. Created as a commission for the Duke of Marlborough to celebrate his ancestral seat of Blenheim Palace, the fragrance was groundbreaking at the time. A fresh citrus in a landscape of heavy florals, the scent has devotees as diverse as the late Winston Churchill, and today designers Christopher Bailey and Tom Ford."

Coming back to the present moment, Huband emphasises that this year's focus is on the 145th anniversary and celebrating the brand's heritage as a provider of gentlemen's requisites as well as rolling out two new fragrances in September which he says are "inspired by the dramatic and idyllic landscape of Britain".

A numbers game

The point about focussing on gentlemen is especially relevant this year as, in collaboration with the 145th anniversary milestone, Penhaligon's will debut No.33 in July – an eau de cologne based around an aromatic composition of lavender and named after the Penhaligon's boutique at No.33 St James' Street. "This fragrance is a true celebration of our heritage" says Huband. "Our founder William Penhaligon arrived in London in the 1860s to begin what would become an illustrious career. In 1874 he opened his first boutique on Jermyn Street, followed shortly after by No.33 St James' Street. To this day we continue to create original and pioneering fragrances, building upon our founder's legacy. We will also launch a new skin care range for men in the same month, to accompany the edc. This extensive collection will consist of a Face and Beard Scrub, an Eye Cream, a Serum, a Moisturiser and a Cleanser."

Capitalising on the male links, Penhaligon's new skin care range will be the official skin care range of London Collections: Men, which is the male counterpart to London Fashion Week. It takes place from 12-15 June in London, and comes hot on the heels of London Fashion Week choosing Ostara as its official scent. Both events come under the stewardship of the British Fashion Council, another heritage British name.

Another recent partnership of note was the collaboration with the English National Ballet, which led to the creation of the scent Iris Prima by Alberto Morillas. Morillas was granted exclusive access to ballet rehearsals and worked with dancers Nathan Young and Laurretta Summerscales to capture a fragrance which encapsulated the world of tutus and pointed shoes.

As Penhaligon's moves further into 2015 and beyond, it is clearly an exciting time for the company. With its deep heritage and two Royal Warrants, own retail network and global presence already well established, and the added might and muscle of Puig, it would seem that the future smells sweet for the prestigious fragrance house.



“ We have, throughout all the years, remained relevant, which has been vital to our success ”

Matthew Huband,
Head of Global Marketing,
Penhaligon's

NOSE

SCENTS OF SENSIBILITY

Paris-based niche perfume store Nose, with its unique diagnostic tool, has won international acclaim. Annemarie Kruse finds out more

Niche perfumery Nose was founded by French-Canadian Nicolas Cloutier in 2012 together with six other partners, including perfumers Mark Buxton, Romano Ricci, Silvio Levi and Claire Delahaye de Villiers. The store is located in the elegant 2nd arrondissement of Paris, and at first glance, Nose looks like your average high end perfumery.

But what has garnered the retailer international press acclaim is not just the spectacular selection of niche and rare fragrance labels on offer, but also Nose's unique perfume diagnostic tool: a complicated algorithm-powered software to help narrow down fragrance preferences.

Customers fill in a three-step online questionnaire. The first screen asks them for basic information like name, age, gender and postcode. The second step requests individual perfume history – which three perfumes they have worn in recent years or, if the box “I've never worn perfume” is ticked, customers can list which fragrances or scent notes they are most drawn to. On the basis of this information, the software draws up an individual olfactory portrait and then gives a list of recommended fragrances.

If the questionnaire is filled in online, a sample kit of the five recommended fragrances can then be ordered for €10. After trying out the fragrance at home, clients then fill in the questionnaire again, narrowing down their preferences even further.

Retail store

Nose comprises some 1,800sqft of elegantly designed retail space. It carries over 45 international niche and super luxe brands; mostly perfume labels but also cosmetics and home fragrances.

Among the brands are well-known favourites like Acqua di Parma, Comme de Garçons, Costume National, Penhaligon's, L'Artisan Parfumeur, Floris, Etro and Miller Harris. However, Nose is listed in practically all international design and lifestyle shopping guides to Paris for its fantastic selection of lesser-known niche brands, including Biehl.Parfumkunstwerke, Atelier PMP and Friendly Fur from Germany; Juliette Has a Gun from France; Mark Buxton Perfumes from the



British-German nose; Italian brands Nu_Be and Calé Fragranze d'Autore; Heeley from the UK; and D.S. & Durga and Keiko Mecheri from the US.

Skin care brands include Malin + Goetz, Bloom & Blossom, REN, L:A Bruket and Zenology, while the home fragrances line-up includes Diptyque, The Laundress, Linari and Birch & Brook.

The store features a fragrance bar which doubles as a café counter, allowing the customer to order while filling in the fragrance diagnosis on iPads supplied by the store. After the questionnaire is finished and the olfactory portrait drawn up, fragrance consultants spray samples of the recommended fragrances on strips of paper and ask the client to rate them on a scale of one (best) to five (worst). This process is repeated until the selection has been narrowed down to two or three fragrances.

L'Air de Panache

Nose also organizes monthly events together with Parisian hair salon Monsieur-Dames, and partners with niche florist Baptist Fleurs. However, one of the things that really helped to put Nose on the international perfumery map was the launch of L'Air de Panache in early 2014. The fragrance, famously featured in last year's blockbuster film *The Grand Budapest Hotel*, was created by Nose's co-founder Mark Buxton, of Mark Buxton Perfumes

The retailer also offers a range of services including perfume workshops for companies and the Perfumed Apero, an evening which can be booked by individuals, couples or small groups and includes a bottle of champagne or wine, a presentation about the work of a professional nose, a fragrance diagnosis and a perfume, beauty and home fragrance consultation.

Nose also publishes an online fragrance news magazine, www.nose.fr, where customers can read interviews with perfumers and professional noses, and about new launches and other perfume news.

As Nose's founders include Mark Buxton and Romano Ricci, grandson of designer Nina Ricci and the founder of Juliette Has a Gun, Nose already has a high glamour factor. Its stylish retail environment, fragrance consultation software and spectacular selection of fragrance and beauty labels has ensured high profile press coverage: articles about Nose have appeared in the French and Italian versions of *Vanity Fair*; French and Japanese *Elle*; the UK's *GQ*; Italian, German and US *Vogue*; *USA Today*; and *Madame Figaro*, as well as many lifestyle, luxury and shopping guides to Paris.

Nose, co-founded by Nicolas Cloutier, above, has garnered critical acclaim for its unique perfume diagnostic tool, which narrows down fragrance preferences

Fact file: Nose

Founded 2012

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WOMEN'S FRAGRANCES

MARKET SUMMARY *The global women's fragrance market was smelling sweet in 2013-2014, with growth in France, Germany, Italy, Austria and India. However, value and volume sales sank in Spain and the UK, although prestige fragrances continued to perform well*

France The past year has seen a return to form for the women's fragrance market in France, with NPD recording a 1% rise in prestige fragrance sales to €1.256bn and growth being driven by sales of EdPs which increased by 4%. However, industry experts note that the growth was due to rising prices, as volume sales are still in decline. 2014 also saw a new number one women's fragrance in France – Lancôme's La Vie est Belle.

Germany Women's fragrance is one of the most consistently successful categories in the German C&T market and its performance in 2014 did not disappoint, climbing by 2.8% to €966.45m in value sales and 1.9% in volume to 37.15m units according to IRI Germany. The big international fragrance names, mass market and masstige fragrances all played an important role. Despite this, the number of new fragrance launches in 2014 actually declined to 241 from 289 in 2013.

Italy It was a blooming year for Italy's women's fragrance market too, which enjoyed an increase of 2.3% to €584.5m. The vast majority of sales came from the perfumery channel, which returned to



modest growth of 1.1% to €496.9m. Industry experts have also credited the turnaround to the distribution policies of specialist chains and the innovation of unisex perfumes in the country.

Spain Unfortunately the good fortune did not extend to Spain. Sales fell by 4% to €390.4m,

Europe: Top 5 women's fragrance brands by country

Global top 5

- Chanel
- Christian Dior
- Yves Rocher
- Avon
- Calvin Klein

UK

- Chanel
- Calvin Klein
- Estée Lauder
- Avon
- Christian Dior

Germany

- Jill Sander
- Yves Rocher
- Calvin Klein
- Hugo Boss
- Chanel

Russia

- Avon
- Yves Rocher
- Chanel
- Christian Dior
- Oriflame

Spain

- Adolfo Dominguez
- Yves Rocher
- Cacharel
- Calvin Klein
- Loewe

France

- Yves Rocher
- Christian Dior
- Guerlain
- Chanel
- Lancôme

Italy

- Christian Dior
- Dolce & Gabbana
- Chanel
- Armani
- Christian Dior J'Adore

Source: Kantar Worldpanel personal care usage panel. Rankings refer to weighted penetration (% using) among women using fragrance over the 12 months ended December 2014. For more information contact Benji Daaku (benji.daaku@kantarworldpanel.com) or the Kantar Worldpanel team at Camargue (kantarworldpanel@camarguepr.com)



Yves Rocher

reported IRI Spain, as consumers looked to purchase cheaper brands and own label ranges. The market is also suffering from fake products, losing €949m each year, according to Stanpa figures, to fakes. Still, brand owners are releasing new fragrances to tempt consumers.

UK Disappointment wafted into the UK market too, which declined by 2.8% to £809.78m according to Kantar Worldpanel, while volumes sank by 6.6% to 33.22m units. 2013 was always going to be tough to follow, due to the launch of boy band One Direction's *Our Moment* – the fastest-selling scent in history – and fewer launches in 2014. However, the prestige fragrance market remained the sweetest sector, climbing 3% thanks to premium juices and large sizes.

Russia Women's fragrances account for approximately 75% of the total Russian fragrance market, which rose 1% in 2014 according to Euromonitor to RUB72.21bn (US\$1.44bn). New launches now account for around a quarter of Russian sales each year, while mass market scents and niche perfumery are also growing rapidly.

Global round up This issue, the global round up focuses on the \$2.3bn US women's fragrance market and why it continues to struggle. According to Mintel, women's fragrance sales fell by 2.9% between 2012 and 2014. Meanwhile, two other interesting markets, Austria and India, have seen double digit sales in recent years. In 2014, Austria's women's fragrance market rocketed by 11.7% to \$158.02m in 2014 according to Canadean, while India's remains small at INR 3.5bn (\$57m) according to Mintel, but has recorded a CAGR of 25% over the last five years.

Trend watch: Sniffing out fresh growth in fragrance

Women are more facially attractive when they wear pleasant perfume, according to a study conducted by Monell Chemical Senses Center last year, and the latest figures would certainly reflect the continued, global popularity of fragrance among women.

The global women's fragrance market was worth US\$29.67bn in 2014, according to Statista, up 6.6% compared with 2013, with premium women's fragrances accounting for \$16,517.4m and mass scents notching up \$13,154.4m.

Brazil is currently the world's leading fragrance market. According to Canadean, Brazilians use, on average, three times more fragrance by volume than consumers in the US, the next most valuable market, while according to Mintel 90% own fragrance, and 84% wear it regularly. The market has certainly boomed over the past five years. João Carlos Basilio, President of ABIHPEC, the Brazilian Association of Toiletries, Perfumes and Cosmetics says: "From 2009 to 2014 the consumption of fragrances doubled in size. And we have room to grow more."

Other Latin American and Asian markets have also registered high CAGRS over the past five years, while Canadean predicts that India, Peru and the UAE will be among world's fastest growing markets to 2018. Meanwhile in Europe, Austria has been quietly booming – the country's fragrance category grew by 11.7% between 2013 and 2014 to a value to \$158.02m according to Canadean, with high disposable incomes and living standards fuelling growth.

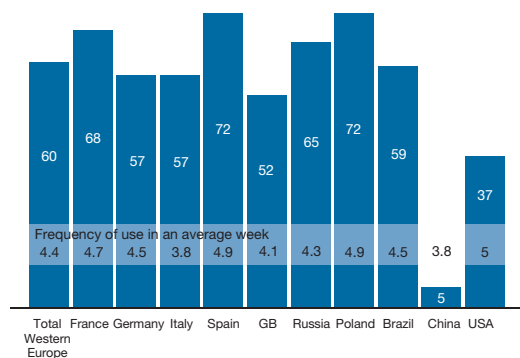
SPECIAL FOCUS
BRAZIL: THE LARGEST FRAGRANCE MARKET
turn to page 34

Women's fragrances: European usage facts

Each month **Cosmetics Business Markets** and **Kantar Worldpanel** present exclusive research into a product category. This month we look at women's fragrances

Q1 How many women use a fragrance and how often?

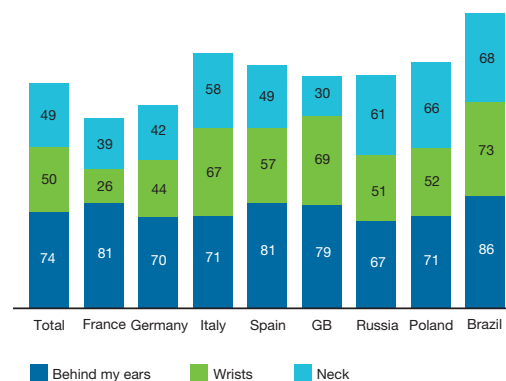
Over 60% of women use a fragrance in Western Europe. In Poland and Spain almost ¾ of all women use a fragrance and they also apply more frequently



% Penetration (women)

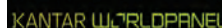
Q2 What body part are women most likely to apply fragrance to?

Women are most likely to apply fragrance to their neck and twice as many Spanish women apply it to their wrists compared to French women. Brazilians apply scent to more body parts than women elsewhere



% Penetration (women)

If you have any questions on European C&T, email CBM (cbm@hpcimedia.com) or Maya Zawislak at Kantar Worldpanel (maya.zawislak@kantarworldpanel.com)



France

Back into bloom

The women's fragrance market in France may have hit a stale note in recent years with sales in a state of constant decline, but in 2014 it burst into bloom once again. "After several negative years, the market has returned to positive growth. Feminine fragrances are driving the market up," say Catherine Bru, Scent Design Group Director and Micaela Braccini, Regional Marketing Director, Fine Fragrance at IFF. According to NPD, the prestige market for women's fragrances grew by 1% overall in 2014, valued at €1.256bn, with growth coming from EdP and EdT juices, which grew by 2% to €1.052bn overall. Mathilde Lion, Beauty Europe Industry Expert at NPD tells **Cosmetics Business Markets**: "This was a good improvement compared to the previous year. At the end of June 2014 the market was still negative, but in the second half there was strong dynamism in terms of retail activity and promotions and stronger, more powerful launches than in the first half of the year. This activity had a positive impact and the category returned to growth in value terms. In unit sales, however, it is still negative."

A closer look at the results reveals that it is edp sales that are driving the growth in this category: these increased by a rosy 4%, while edt sales in fact declined by 2%. "EdPs are more dynamic overall than edt, and it is also the largest of the two, representing two thirds of sales of juices, while edt represents one third." Gift sets experienced a weaker year, sliding by 3% to

France: Women's prestige fragrances, 2014

	€bn	% +/-
Total women's fragrances	1.256	1.0
EdP and EdT juices	1.052	2.0
Gift sets	0.158	3.0
Ancillaries	0.046	7.0

Source: NPD

France: Women's mass market edp and edt fragrances, 2014-2015

	Total	% +/-
Value €m	50.77	0.1
Volume (units m)	6.37	1.2

Sales through super/hypermarket outlets, 52 weeks to end of February 2015. Source: IRI France

France: Top 5 women's fragrances, 2014

Brand	Manufacturer
La Vie est Belle	Lancôme
J'Adore	Christian Dior
La Petite Robe Noire	Guerlain
Coco Mademoiselle	Chanel
Chanel No5	Chanel

Source: NPD, courtesy of IFF

€158m, and Lion explains that this was due to several factors: "Some brands chose to reduce their gift sets while retailers received the sets very early in the season, so went out of stock by December."

The prestige fragrance market also performed better than its smaller mass market counterpart in 2014 in value sales terms, which remained flat at 0.1% to €50.77m, according to IRI France, although the latter managed to post growth of 1.2% in volume terms to 6.37m units.

It is positive that the market has shown some recovery, but, as Bru and Braccini explain, it "is still challenged. If you look at the progression in volume, the market is still down by about 3% in 2014. The growth is mainly due to price evolution." On average, prices are said to be up 3.8%. Lion adds: "Price is growing a lot in fragrance – which is why the market is growing in value, and not in volume terms."

Launch power

In general growth in the fragrance market is mainly driven by new launches. Indeed, NPD states that revenue generated by new launches increased by 16% in France in 2014. "In 2013 the best launch was Armani Si, and in 2014 it was YSL's Black Opium. This was a very powerful, strong launch," says Lion. The glam rock scent, fronted by model Edie Campbell, is a gourmand floral with notes of black coffee, pink pepper, white florals and vanilla.

But other industry experts believe that 2014 was lacking in important launches. Olivier Aaron, Founder of Paris based perfume research company ROSAE believes that in general, "nothing emerged in 2014 in terms of notable new launches in the feminine market. For me, the stability of 2014 was due to the lack of key launches, and the market feeds itself on successful new launches and the good health of existing brands. Last year there was some success among existing products – the most successful ones enjoyed significant growth compared to the others."

One of the biggest successes in 2014 was Lancôme's La Vie est Belle (L'Oréal), which took a step up from its tremendous performance in 2013 – when it was the leading fragrance in terms of percentage growth – to become the number one fragrance in 2014, knocking perennial favourite J'Adore (Dior/LVMH) off the top spot, which it had held since 2011 (see *Trend watch*). Guerlain's La Petite Robe Noire (LVMH) retained its third place while Chanel (LVMH) held the fourth and fifth places with Coco

2%

Growth of prestige juices in France, 2014
Source: NPD

L'Extase by Nina Ricci (right) is set to be one of the biggest launches of 2015. Meanwhile a number of niche brands have been snapped up by large players: Estée Lauder acquired Frédéric Malle last year



sizes, and private or exclusive collections are very dynamic, as well as niche brands.”

Not so niche

A particularly interesting market development, or “key event” as Aaron describes it, has been the acquisition in January of artisanal fragrance brand Le Labo and Editions de Parfums Frédéric Malle, a collection of fragrances composed by the best perfumers in the world, by the Estée Lauder Companies. Speaking about the acquisition of Frédéric Malle, Aaron believes that Estée Lauder “will make something out of it, as they have proved they can with Tom Ford and Jo Malone, and very successfully too.”

Puig has also been on the niche trail, snapping up popular niche brands Penhaligon's and L'Artisan Parfumeur in January. And Shiseido has signed a “memorandum of understanding” to acquire Serge Lutens – one of the pioneers in the development of niche fragrance creation.

Aaron says that the movement by big groups to invest in niche brands “is a sign that this market that used to be a niche market is now going to become mainstream.”



Mademoiselle and No5 edging out Thierry Mugler's Angel (Clarins) from the top five.

According to Euromonitor, France is the largest European market of high end fragrance and beyond the noted heavyweight successes, the trend for very high end perfumes gathered momentum last year. Figures from NPD show that sales of bottles priced more than €100 each increased by a staggering 35% in 2014, in terms of value and volume. Such bottles represent approximately 8% of sales in the selective market. Lion tells **Cosmetics Business Markets**: “There is still a trend towards premium fragrances – Chanel, Dior and Tom Ford fragrances already sell at about €100 for large

The next big thing

The French fragrance industry is also buzzing with news of some prominent new launches which could be a key growth driver in 2015. The first major launch this year is L'Extase from Nina Ricci (Puig), a floral, musky and oriental fragrance which launched exclusively at the flagship Galeries Lafayette store on Boulevard Haussmann in Paris on 9 March. L'Extase – which means ecstasy or rapture in French – was rolled out throughout the rest of France from the end of March, and is designed to be a more erotic fragrance than Nina

Retail watch: Yves Rocher Concept Store

Last month Yves Rocher swung open the doors to its first concept store, situated in the same historic location at 43 Boulevard Haussmann, in Paris, as the brand's very first boutique which opened in 1969. Today the brand has over 650 stores in France, but the new 450m² zen-spirited concept store is an ode to botany, featuring some 250 plant species and a plant wall. The ground floor is devoted to skin care and make-up, featuring a Botanical Beauty Bar where customers can learn about the plants, while the second floor features an elegant perfume organ. The basement is dedicated to a spa. Véronique Gohmann, International Head of Marketing and Communication at Yves Rocher, speaks to **Cosmetics Business Markets** about the store's new fragrance area, Espace Parfum



What does the new Yves Rocher Concept Store offer fragrance consumers?

Unique to Paris, Espace Parfum showcases the extraordinary quality of raw materials used in the composition of Yves Rocher perfumes. There are endless olfactory experiences to feel and explore while discovering the fabulous saga of Yves Rocher perfumes that have marked the history of the brand.

In this vast 90m² area of faceted light, under the mythical portraits of perfumers who are behind Yves Rocher creations, there is a custom-designed perfume organ. Beyond the perfume organ, women can discover the brand's signature perfumes that are successful today. Inside the organ, women can smell the finest raw materials of perfumery that are used to compose the fragrances. In precious glass bottles, rose, tuberose or patchouli unfold and reveal their subtle scents, and their fragrance is captured and preserved under glass cloches, creating an original and different way of experiencing scent. The Espace Parfum in the concept store is a place for women to think about and discover the most precious juices from the brand.

How did you select the scents for the perfume organ?

We have chosen the most emblematic of the brand's perfumes to be featured in this organ such as Secrets d'Essences and the latest launch, Quelques Notes d'Amour, which has just won a prize at the Fifi awards. Customers can smell the scents at their freshest and most intense in order to discover which one suits them the best.

Ricci's previous creations. The scent was composed by Francis Kurkdjian, his first for Nina Ricci and comprises two main accords: Barely Rose, which combines white petals, natural roses and pink peppercorns; and Musky Shadow, formed of benzoin, cedar, musk and amber. The bottle was inspired by a Nina Ricci clutch and is curved and contemporary. The face of the fragrance is Laetitia Casta, who in the steamy advertising campaign depicts a strong independent woman who is control of her dreams, desires and fantasies, with a tagline 'Liberate Your Fantasies' reflecting the campaign's message.

Puig is also generating excitement and expectation with the imminent launch of a new Paco Rabanne fragrance, Olympéa. The feminine perfume is slated for release at the end of August in France, and Aaron believes that Olympéa could well be "the launch of the year". Billed as the women's equivalent of Paco Rabanne's smash hit for men, Invictus, Olympéa is also designed to evoke strength, dynamism and conquests and is based on the idea of a modern Cleopatra. The scent, developed by Loc Dong and Anne Flipo, includes marine accords, salted vanilla and water

jasmine with a sandalwood and ambergris base. The bottle is shaped like a laurel crown and the campaign is fronted by Brazilian model Luma Grothe.

"Every Paco Rabanne launch is an event," says Aaron. "We have witnessed the great success on the men's side with Invictus and 1 Million. The brand has become one of the key players on the global market – number four worldwide. Before the launch of 1 Million, Paco Rabanne was in 20th place. The market, and consumers, are waiting for new launches to come from them, as the stories and quality of the products are consistent."

The French feminine fragrance market has of course been brimming with further launches, particularly with new variants and limited editions of existing lines. Interparfums launched a flanker to the successful Repetto Le Parfum, which originally launched in 2013. L'Eau Florale, developed by perfumers Juliette Karagueuzoglu and Nicolas Beaulieu, features notes of grapefruit, plum, blossom, rose, violet, patchouli and cedar and offers a fresher take on the original scent.

The perfume house has also launched a summer 2015 limited edition of the original Jimmy Choo fragrance. Jimmy Choo Exotic is

“Major fragrance launches are forecast for the first half of this year. They may impact the market positively and drive some of the growth for 2015”

Catherine Bru, Scent Design Group Director and Micaela Braccacini, Regional Marketing Director Fine Fragrance at IFF

Brand watch: Why La Vie est Belle got to number one

Lancôme's La Vie est Belle knocked J'Adore off the top spot in 2014 as the number one selling fragrance in France. **Cosmetics Business Markets** speaks to Catherine Bru, Scent Design Group Director and Micaela Braccacini, Regional Marketing Director, Fine Fragrance at IFF why this scent has become so successful

"It is always very difficult to define the reasons for success but we can try. We think there are three key factors to the success of La Vie est Belle: the positioning, the fragrance and the investment.

The positioning

We are facing a very difficult time. The economy is dull, unemployment is high and more recently, the terrorist attacks have made people realise the hard way that security and freedom are not a given, as we might have thought. Launched in 2012, La Vie est Belle came in with messages resonating with people's needs, giving them an optimistic message: Life is beautiful! This is a message of hope. Life is indeed beautiful and you can define your own future, your own path.

The face of the fragrance, Julia Roberts, is an icon and very famous for her smile. In the advertisement she is luminous, she irradiates with her smile. It is pretty rare to have a smiling icon in fine fragrance advertising. The mix of Julia Roberts, the decision to have her smiling in the ad and the name of the fragrance made a very strong, positive statement.

The fragrance

The fragrance has certainly been a key factor of its success. We know that people can buy a fragrance for the brand or the image... but we also know that they only buy it a second time if

they like the fragrance. Since 2012, La Vie est Belle has certainly moved from the first purchase to the next stage. We believe there are three key factors that make a fragrance successful, and La Vie est Belle has all of them:

1 A signature: The fragrances having success over time on the market have a signature that can be identified and recognised. La Vie est Belle is a gourmand iris that you can memorise and recognise easily.

2 A trail: A successful fragrance has a trail, an identity remaining in the air, extending your presence for few seconds or minutes after you leave.

3 Power: A fragrance needs to have some power without being overwhelming. If you have tried La Vie est Belle, you certainly would agree on this point.

The investment

The investment is also an important factor of success, even if it is not always the most important one. Lancôme has clearly focused on quality for La Vie est Belle and has invested in the advertising, the bottle, the fragrance.

Advertising investment has also been a true asset but not the only one. Combined with all communication means (internet, events, innovation in advertising, point of sales staging...), it has certainly played a role in the success of the fragrance.

Animation on the brand will certainly maintain the interest as well. Lancôme has launched La Vie est Belle EdT Légère (2013), La Vie est Belle EdT (early 2014) and La Vie est Belle Absolu (third quarter of 2014)."

La Vie est Belle meets the three key factors that makes a fragrance successful



Flankers continue to drive much of the NPD in France, a recent example being Repetto L'Eau Florale (right)



inspired by the reputation of the shoe brand for working with high quality materials, particularly the python, while interpreting the colour block trend that is big this season. "Exotic is an refreshing and sparkling scent which is ideal in the summer," says Sandra Choi, Creative Director of Jimmy Choo. "It is for a woman who is both strong and playful and has a magnetic charm, stopping everyone in their path." The scent is composed with top notes of cassis sorbet and pink grapefruit, a heart of passion flower and tiger orchid and base notes of raspberry and patchouli.

Meanwhile, fine jewellery brand Van Cleef & Arpels brought out a new edition of its 2013 fragrance, Rêve. Rêve Enchanté follows last year's edition Rêve Elixir, bringing a fresher facet to the scent in what is described as a fruity floral fragrance, opening with juicy pear, neroli, clementine peel, water jasmine and peach blossoms with white amber at the base. The new scent is exclusive to Nocibé outlets.

French jewellery brand Boucheron launched a new fragrance, also in collaboration with Interparfums. Boucheron Quatre is named after the famous collection of Quatre rings, and takes a modern approach in a bid to attract a younger customer. The scent opens with bitter orange and red currant, leading to a rose-jasmine blend with unique Givaudan ingredient Pétalia, that releases a scent of rose flower powder with a touch of lychee. The base notes are formed of golden woods, Cedarwood Orpur, cashmeran and musk.

Lancôme introduced a further update for La Vie est Belle, following the launch of the L'Eau de Toilette version early last year. The new scent, La Vie est Belle L'Absolu de Parfum is an intense version of the original that amplifies the gourmand and iris facets of the scent. One of the fragrance's designers, Anne Flipo, comments: "To create an absolu de parfum, you have to beautify the notes – especially the middle and base notes, so they become even more powerful, present and bewitching; all the time retaining the original fragrance's character."

"Iris and the gourmand accord complement each other so well that, despite pushing them even further to create an absolu, their balance is naturally maintained. This perfect fusion of iris and mouthwatering notes, originally composed for L'Eau de Parfum, is now lifted to a new level for L'Absolu de Parfum. We are now offering the maximal quintessence of La Vie est Belle in a new version that's all the more powerful, while maintaining a perfect harmony."

But while there is plenty of new launch activity, the French fragrance market continues to face challenges, such as a slowdown in traffic in the selective circuit, with the market share of the three biggest perfumery chains Sephora (LVMH), Nocibé-Douglas and Marionnaud being eroded by drugstores and budget outlets. Then there is also the decline in sales of gift sets, even at key times of the year such as Mother's and Father's Day celebrations. These factors of course combine with a point that Bru and Braccini make: "The French market is pretty mature, allowing small room for progress."

2015 did not get off to a good start either, notes Lion, but by the end of February it was back on the flat with growth of 0.3%. "We had a good month in February, which compensates a difficult start of the year for the industry as a result of the terrorist attacks."

And there are hopes that the turnaround will continue throughout the rest of the year, buoyed by some exciting new scents joining the market. "Major launches are forecasted for the first half of the year. They may impact the market positively and drive some of the growth for 2015, especially on the feminine market," say Bru and Braccini.

Launch highlight: Yves Rocher Quelques Notes d'Amour

Yves Rocher's latest fragrance, which launched in September, was recently named Best women's perfume from a brand's own stores, at the French Fifi awards, as voted for online by the French public. The scent, which is said to encapsulate the feeling of falling in love, incorporates Damascus rose, guaiac wood and patchouli. Domitille Bertier, the IFF perfumer who created the scent, says: "On reflecting about love, I immediately thought of the rose. It is the floral emblem of the genre... but I did not want a rose on its own, without a partner. As in a real novel, I made it encounter a dark and mysterious wood called Gaïac... It is a sensational match: the two of them get along like two lovers, sweet and in tune with each other."



Germany

Good working odour

According to industry association

Industrieverband Körperpflege und Waschmittel (IKW), the women's fragrance market reached turnover of €1.049bn in 2014, an increase of 2.4%.

Market researcher IRI Germany came to a similar result. In 2014, the women's fragrance market grew 2.8% to €966.45m while volume climbed 1.9% to 37.15m units. Looking at the different fragrance formats, EdP was again the most popular fragrance category, putting on 5.8% to €530.25m and 6.2% to 16.32m units respectively. EdTs were next in line with value turnover of €401.70m, down 1.0%, and volume sales of 19.02m units, a dip of 2.1%.

EdCs came in third place, rising 10.8% to €18.82m and 7.9% to 1.42m units while perfumes slid 3.7% to €8.50m but climbed 6.4% to 0.18m units in volume. Finally, body fragrance, the smallest sector, actually turned out to be the most active category, with value sales growing 6.6% to €6.23m and volume shooting up 17.7% to 0.19m units.

Department developments

In a breakdown of the distribution channels for women's fragrances it is noticeable that in 2014, department stores registered the biggest growth rates in value and volume turnover.

In terms of market size, however, perfumeries were the largest distribution channel. This sector grew 2.6% to €659.80m in 2014 while volume only managed a slender increase of 0.2% to 14.50m units.

The second-biggest retail channel was drugstores. One of the reasons for this result is that mass market and masstige fragrances – especially celebrity and fashion brands – play an important role in the German fragrance market. These fragrances are usually sold and purchased in drugstores while premium fragrances are retailed through perfumeries and department stores.

In any case, drugstores grew 2.6% to €157.99m last year with volume climbing 2.4% to 17.19m units. Next in line were department stores with sales worth €119.24m, up 4.7%, and volume turnover of 2.93m units, an increase of 4.1%.

Finally, large supermarkets and hypermarkets (defined by IRI as stores with retail space of more than 800sqm) registered value sales of €27.67m, down 1%, and volume turnover of 2.31m units, up 1.1%.

Interestingly enough the number of new fragrance launches went down in 2014. According to figures by Fragrance Foundation Germany and IRI Germany, there were 43 mass market launches and 198 new premium fragrances. This total (241) is significantly less than the 289 fragrances that were launched in 2013. It is also the lowest number of new launches since 2010. Even so, it felt as if there were just as many new perfume launches as ever last year, especially in the masstige sector.

Masstige movements

Fashion brand Mexx's (P&G) big launch last year was Ice Touch, a duo fragrance introduced in summer 2014. Ice Touch is described as an invigorating fragrance that tickles the senses like melting ice on the skin. The female fragrance opens with aquatic notes, zesty pink pepper, citrus and blackberry which mingles with a heart of orange blossom, coriander and cool mint accords. The dry down features raspberry, amber and cedarwood.

And the brand's most recent launch is the twin fragrance Spring is Now. The female variant, packaged in bright orange, is a zesty floral which combines notes of juicy apple and delicate spring flowers with heart notes of soft, feminine floral including summer rose and lily of the valley and a base of Brazilian rose wood and peach blossoms.

Tom Tailor (P&G) is another young fashion brand which launches successful fragrances about twice a year. Last summer saw the introduction of Tom Tailor College Sport, a preppy-looking duo fragrance which is described as reflecting the sporty and relaxed American college feeling. The women's fragrance combines notes of fresh bergamot and orange in the top with softer heart notes of orris root and orange blossom and a sweet, aromatic dry down of vanilla, ambra and musk. The light pink juice is bottled in a flacon which features a purple and white bow.

5.8%

Growth of EDPs in Germany, 2014
Source: IRI Germany

Germany: Women's fragrances, market value and volume, 2014

	€m	%+/-	Units m	%+/-
Total market	966.45	2.8	37.15	1.9
EdPs	530.25	5.8	16.32	6.2
EdTs	401.70	-1.0	19.02	-2.1
EdCs	18.82	10.8	1.42	7.9
Perfume	8.50	-3.7	0.18	6.4
Body fragrance	6.23	6.6	0.19	17.7

Source: IRI Germany. Totals may not equal sector values due to rounding

Germany: Women's fragrances, sales by channel, 2014

	€m	%+/-	Units m	%+/-
Total market	966.45	2.8	37.15	1.9
Perfumeries	659.80	2.6	14.50	0.2
Drugstores	157.99	2.6	17.19	2.4
Department stores	119.24	4.7	2.93	4.1
Supermarkets (>800 sq m)	27.67	-1.0	2.31	1.1

Source: IRI Germany. Totals may not equal channel values due to rounding

Germany: Top 10 women's fragrances at Douglas, March 2014

1 La Vie est Belle, Lancôme
2 Alien, Thierry Mugler
3 Sì, Giorgio Armani
4 Lady Million, Paco Rabanne
5 Lacoste pour Femme, Lacoste
6 Coco Mademoiselle, Coco Chanel
7 That's Me! Helene Fischer
8 J'Adore, Dior
9 Love Story, Chloé
10 Sun, Jil Sander

Source: www.douglas.de

At around the same time s.Oliver launched a similar twin fragrance: Prime League was introduced in August 2014 and is claimed to combine a sporty flair with sensual elegance. Prime League Women opens with sparkling notes of pink pomelo, mango and green leaves which are wrapped around freesia, peony and a Cosmopolitan Cocktail accord. The base is composed of golden amber, vanilla and white musk.

Women's fashion brand Betty Barclay (Mäurer & Wirtz) tends to focus on soft, feminine fragrances and the brand's latest launch was no exception. Sheer Delight came out in March 2015 and is a sensual yet upbeat composition which opens with zesty accords of Italian citrus, mandarine and juicy pear, drying down to a heart of peony, lily of the valley and orange blossom and then a warm, sensual base of resin, musk and amber.

Esprit's (Coty) big launch last year was Feel Happy which hit the shelves in July 2014. The female variant is a bright, uplifting floral which features top notes of juicy mandarine, pear and zesty ginger, heart accords of peony, pink pepper and soft muguet and a dry down of sandalwood, cedar and musk.

And Puma's last major launch was Time to Play (P&G), a duo fragrance which was introduced in June 2014. Time to Play Woman is described as a refreshing and uplifting fragrance opening with juicy green mango, lime and red fruits which merge into a heart of tiare, lily and rose and then dry down to a base of sandalwood and amber.

Teen power

A few years ago bestselling colour cosmetics brand Essence (Cosnova) branched out into fragrances. Retailed in drugstores and priced at a pocket-friendly €5-€6 for 50ml, the brand's colourful and cute fragrances are very popular in Germany. Essence has a general fragrance line-up, the Like A... range, which is regularly extended with new variants, but the brand also launches limited edition perfumes as part of its colour cosmetics collections.

January's limited edition Like an Unforgettable Kiss is a case in point: in addition to spring-themed make-up colours like red, pink, orange and purple, Essence brought out a fruity floral which later joined the standard range. The most

recent Essence fragrance launch was #mymessage, a range of EdTs which hit the shelves in March 2015.

The line-up comprises five fragrances whose bottles are decorated with different emoticons: 'smile' is a fruity floral which combines notes of coconut and pineapple with musk and amber in the base, while 'love' features zesty notes of mandarin, grapefruit and pear with soft florals and a base of dry woods and creamy caramel. 'Luck' is fresh, green and woody, with notes of kiwi and green apple, a heart of peach blossom and white flowers and a dry down of cedarwood, vanilla and sandalwood. Meanwhile, 'kiss' combines fruity red and blackcurrants with creamy almond and sandalwood and 'wow' is an aquatic floral with bergamot, watermelon and musk.

Cat-ting edge

The fragrances of fashion label Pussy Deluxe are aimed at much the same target demographic as Essence's perfumes. The fashion brand has a young, hip, cheeky image and belongs to German company Nastrovje Potsdam (Napo). The fragrance license, on the other hand, is part of Mäurer & Wirtz's brand stable. The first Pussy Deluxe fragrance was launched in 2007 and since then, the range has been extended with various standalone edts.

In May 2014, the brand introduced a sub-range of three fragrances: the gourmand composition Cookie Cat which features liquorice and pear in the top, a heart of salted caramel and gardenia and a base of sandalwood, vanilla and tonka bean, Sugar Cat which, as the name suggests, is a sweetly scented fruity concoction of raspberry jam

Invigorating and uplifting scents were popular among masstige launches in 2014



Launch highlight: Frau Tonis Parfum

February 2014 saw the launch of a trio of very unusual fragrances: three of the most famous German luxury department stores Berlin-based KaDeWe, Alsterhaus from Hamburg and Oberpollinger in Munich each introduced a limited edition fragrance to commemorate their cities.

Berlin perfumery Frau Tonis Parfum developed the three fragrances for KaDeWe Group, the owner of the three stores. Each fragrance captures the vibe of the three very different German cities in an olfactory portrait. The Berlin fragrance combines vibrant, zesty notes of bergamot and citrus with seductive water lily and aromatic cardamom and cedarwood.

Hamburg, a port city in northern Germany, features clear and elegant maritime notes, fresh mint, warm sandalwood and spicy iris flower. And the olfactory image of Munich, one of Germany's most southern cities, opens with luminous notes of bergamot, rose and white tea which mingle with spicy coriander and aromatic amber and musk. The flacons bear the telephone prefix of the three cities – 030 for Berlin, 040 for Hamburg and 089 for Munich – and are decorated with the name of the respective store.



and orange juice, a heart of candied violet leaves and a dry down of vanilla and aromatic musk. The third fragrance is Cherry Cat, which features top notes of cherry and peach, accords of jasmine, rose and lychee and a dry-down of vanilla and cedarwood.

Pussy Deluxe's latest launch, from March 2015, is another 3-sku range. The fragrances and packaging are city-themed: The blue-tinted Pussy Deluxe Meets London is a modern, fresh fragrance of mandarin, citrus and juicy nectarine which are contrasted with a floral heart and slowly dry down to a base of heliotrope, sandalwood and musk. Pussy Deluxe Meets New York is a pink juice which opens with lively accords of Cosmopolitan cocktail, bergamot and apple which slowly melt into a heart of clove leaves, iris and violet leaves and a base of woods, patchouli and spun sugar. And Pussy Deluxe Meets Paris is a delicate peach-coloured fragrance which combines refined accents of apricot, ginger and bergamot with heart notes of rose and violet and a base of musk, vanilla and amber.

Famous fragrances

Celebrity fragrances are also very popular in Germany. Among the bestsellers in this sector are the fragrances of singer Katy Perry, whose fragrance Killer Queen (Coty) has seen several spin-offs since its initial launch in 2013. The most recent Perry fragrances were the July 2014 launch of Killer Queen Royal Revolution and last month's limited edition Killer Queen Spring Reign.

Fellow singer Christina Aguilera's fragrances are also very popular in Germany. Aguilera's most recent offering, the elegant floral Woman (P&G), hit the shelves in October 2014 and has already become a nominee at the 2015 Duftstars fragrance awards. And German TV presenter Daniela Katzenberger has just brought out her fifth

fragrance, the opulent fruity Magic Kiss which, like all of Katzenberger's fragrances, is packaged in a lot of pink and glitter.

However, one of the biggest celebrity launches of last year was That's Me! by Helene Fischer, a very successful German pop singer. The elegant floral is exclusively available at perfumery chain Douglas and opens with Sicilian tangerine and peach notes which are wrapped around a heart of lotus, rose and pink freesia. The dry-down is composed of vanilla, aromatic woods and musk. Since its launch in October 2014 That's Me! has been one of Douglas' Top Ten bestselling fragrances, received the Cosmopolitan Prix de Beauté 2015 and was nominated for the Duftstars 2015.

Mainstream luxury

Like other European core markets, the German luxury sector is dominated by the fragrance offerings of companies like LVMH, L'Oréal Luxe, P&G Prestige, Kering and Estée Lauder. However, in addition to popular international fragrance brands like Givenchy, Armani, YSL, Dior, Chanel and so on, consumers also love the perfumes of German designers like Jil Sander, Joop or Boss which tend to be among the fragrance bestsellers each year.

Legendary German designer Jil Sander has launched some 50-odd fragrances over the past 35 years, including the iconic Sun from 1989 and Pure in 2003. The brand's latest launch, last October's Simply, is an elegant, clean fragrance characterized by notes of mandarin and violets which are tempered by a sophisticated leather accord. And the original Sun has seen several limited editions and spin-offs, the most recent of which was Sun Bath, a floral maritime summer fragrance which was launched in April 2015.

Designer Jette Joop, daughter of the famous Wolfgang, launched her first fragrance in 2005. Over the last ten years her perfumes have become very popular and her newest fragrance, Jette My Love, hit the shelves in March 2015. Jette My Love is a floral with fruit and citrus notes in the top, a heart of rose and ylang ylang and a base of cedarwood and heliotrope.

Metzingen-based fashion designer Hugo Boss has several popular fragrance sub-ranges, including Hugo, Boss Orange and Boss Black. Amongst the most recent launches was Hugo Woman, described as a modern and unconventional fragrance. Top notes of juicy boysenberry, zesty citrus and aromatic Himalaya grass mingle with a heart of sambac jasmine, black tea and iris, while the dry down features sandalwood and amber.

Herbs & spices

The majority of fragrance launches in the German market are clearly divided into women's or men's products. And although a lot of women like to wear men's perfume every once in a while, not many fragrance brands include more than the occasional standalone unisex variant. Botanical-inspired fragrances can be a good alternative, however, and brands such as

“Women's fragrances are one of the most consistently successful sectors of the German C&T market”

Fragrance Foundation Germany: Deutscher Parfumpreis 2014

Each May, Fragrance Foundation Germany awards the German Fragrance Awards 'Duftstars'. There are eight different awards categories and in 2014 the winners included Christina Aguilera's Unforgettable (Women's Lifestyle), Sí by Giorgio Armani (Women's Prestige) and Bottega Veneta's Eau Légère (Women's Exclusive), while Narciso Rodriguez for Her received the award in the Women's Fragrance Classics category. Each year the Duftstars also include two public awards – Lifestyle and Prestige – in which German perfumery consumers vote for their favourite fragrance. The award for the women's Lifestyle fragrance last year went, yet again, to Unforgettable by Christina Aguilera, while Germany's favourite Prestige women's fragrance turned out to be Jour Pour Femme by Hugo Boss.



Florascent or Acqua Colonia offer an interesting range of fragrances that go beyond the usual male/female division.

Florascent is a small Karlsruhe-based perfumery manufacturer. The company's fragrances are well-known among organic consumers in Germany, and they're retailed in selected organic perfumeries and stores. Other than that, however, Florascent is keeping a fairly low-key profile.

Founded in 1996, the family-owned company manufactures fragrances and aroma sprays formulated with natural flower essences and herbal extracts. The brand portfolio comprises

around 100 fragrances; of these, some 40 variants are single-note EdC fragrance sprays (the Apothecary range) which can be worn individually or in combination, or can even be used as a room fragrance.

The Apothecary line includes florals such as jasmine, rose, magnolia or mimosa; citrus variants including bitter orange, yuzu, bergamot or lime; herb and spices such as basil, bay, ginger, cinnamon bark, cardamom and star anise; and resins like myrrh, opoponax or benzoe.

The regular fragrance line-up (Classic collection) is divided into several thematic ranges. The majority of the fragrances are unisex,

Brand watch: April Aromatics

German organic perfumery brand April Aromatics started out as a small, cottage-industry business in 2006. Less than ten years later, the company's exquisite and unusual fragrances are retailed in 18 countries worldwide and Founder Tanja Bochnig has just been named best organic perfumer by niche fragrance blog cafeurebon.com.

April Aromatics' portfolio includes 13 EdPs in addition to a range of fragrance sprays and blend. Prices range from €150-189 for 30ml EdP and fragrances are retailed in niche perfumeries, concept stores, luxury hotels and spas as well as online. In Germany, the company's POS include Berlin luxury department stores KaDeWe and Q206, Cologne's concept store Apropos and Munich's Oberpollinger store.

The brand's fragrance line-up includes Liquid Dreams, a green floral which features osmanthus blossom, citrus and narcissus and Unter den Linden (underneath the lindens), a combination of linden blossom and magnolia. Erdenstern (earth star) combines warm notes of ambergris and musk with sweet tonka bean and cocoa, while Ray of Light is a luminous composition of citrus, mint and bergamot tempered by galbanum, vetiver and blond tobacco. One of the brand's most popular fragrances is the frankincense-based Calling All Angels, which received an award for best fragrance at the Art & Olfaction indie fragrance awards in 2014.

Tanja Bochnig talks to **Cosmetics Business Markets** about the challenges of launching her own organic fragrance brand and about the German niche perfumery market

What was the inspiration behind the launch of April Aromatics?

April Aromatics was founded in 2006, when I was still living in New York City. I am passionate about natural fragrances and about nature in general and this was the inspiration behind starting my own perfume brand.

The actual company launch happened very slowly and rather unconventionally. I started making products for myself first. Then I gave some to my friends and they gave them to theirs, which started a snowball effect. After this I registered my company and began to make a proper

business out of it. In the beginning I did everything myself, the branding, packaging design, etc. Eight years ago I moved back to Germany and my husband relaunched the brand. He basically gave April Aromatics a huge facelift. Once it all fit together, the products started to sell really well, which shows that the 'look' of a product is as important as the content.

What made you decide to focus on organic ingredients?

I live a very holistic and natural lifestyle, and synthetic products and perfumes are a no go for me. I never liked synthetic fragrances and since I couldn't find anything that suited me, I started to create my own perfumes. And I believe that if you do what you love, you will be successful with it – which is what happened with April Aromatics.

Which country is your most successful market?

At the moment the US is our most successful market. I find that most people in the US are very open to niche perfumes, especially natural fragrances. Europe and Eastern Europe are also slowly catching on. Educating people about what is natural is very important. Once someone likes and truly 'feels' a natural perfume, they will always come back for the product.

What are your most recent launches and which fragrance is your bestseller in Germany?

I just launched Erdenstern and Ray of Light Eau de Parfums. Erdenstern is an earthy, musky perfume and Ray of Light the total opposite, a light, fresh citrus perfume.

Our bestsellers in Germany include Unter den Linden, Precious Woods and Rosenlust.

Looking at the German niche fragrance market, what are the main trends you see emerging here?

Natural is becoming more popular and people are starting to understand and accept the higher retail prices, which can be traced back to the higher costs associated with organic production and raw materials. Natural is also becoming more high end. The image of 'green' and 'organic' has changed over the last years: it has become a lot more classy. Organic perfumes still have a long way to go until they are completely accepted by the beauty industry. However, it also took a while for organic food and organic cosmetics to enter the mainstream. Eventually, so will organic perfumes.



Tanja Bochnig,
Founder, April
Aromatics



although the Aqua Floralis collection of floral fragrances is aimed more at women while Aqua Colonia comprises the woody and spicy variants more likely to appeal to men. Aqua Aromatica, on the other hand, focuses on unisex herbal compositions while Aqua Orientalis covers oriental-inspired fragrances. There are also smaller fragrance collections like the five sku Kyoto Edition of Japan-inspired EdPs and the Les Petits Fleurs, five intensely sweet floral edps for women.

In October 2014 Florascent brought out an entirely new fragrance range: the Edition de Parfum which, despite its name, is a collection of five EdTs. The range includes two women's fragrances, one men's variant and three unisex fragrances. And among the latest launches in the Classic collection is Citronnier, an aromatic unisex concoction of citrus fruits, bergamot, basil and petitgrain, which was introduced in early 2015.

Fragrant waters

Although it is not an organic brand, Acqua Colonia also specialises in botanical-inspired fragrances. The label was launched in 2009 as a younger sister to the classic 4711 Kölnisch Wasser brand. Based in the German city of Cologne, 4711 Kölnisch Wasser was the original 'eau de cologne'.

Acqua Colonia features fresh and unusual unisex fragrance blends which are structured around two main fragrance accords, such as Mandarine & Cardamom, Melissa & Verbena, Lemon & Ginger or Pink Pepper & Grapefruit. The standard range includes five fragrances and is regularly updated with new limited editions and standalone scents.

In November 2014, for example, Acqua Colonia introduced two winter-themed limited editions: the sweet and aromatic Plum & Honey and the slightly more spicy Hazel & Tonka. And the most recent fragrance was launched in March 2015: Lime & Nutmeg was created by perfumer Geza Schön and features a sparkling mélange of citrus notes and warm nutmeg.

As far as perfumes are concerned, consumers tend to be more on the conservative side: the average German perfume buyer prefers mainstream perfumes with familiar ingredients and fragrance notes. However, the increasing presence of indie fragrance houses on the market suggests a growing demand for unusual, high quality and niche fragrances.

Having said that, these niche brands only account for a small share of the fragrance market, and the majority of turnover will continue to be generated by the big international fragrance brands. And despite the decrease in launch frequency, women's fragrances are one of the most consistently successful sectors of the German C&T market.

Trend watch: Niche power

Over the past ten years the German fragrance market has seen the emergence of a real fine fragrance sector.

The number of German premium fragrance houses has been growing slowly but steadily. The big names include Biehl.Parfumkunstwerke from Hamburg, Humiecki & Graef from Cologne, Escentric Molecules, April Aromatics and Frau Tonis Parfum from Berlin and J. F. Schwarzlose & Söhne, another Berlin-based brand.

And every year, new niche labels are appearing on the market. Atelier PMP, for example, is a tiny fragrance house from Hamburg which launched its first fragrance Dreckig Bleiben! (stay dirty!) in 2013. Also from Hamburg comes the young perfume label Nasengold (nose gold), founded in 2012. The Nasengold portfolio includes three fragrances: #S, :P and G. And Munich-based jewellery designer Saskia Diez launched her first two fragrances, Silber (silver) and Gold (gold) in 2013. These brands all share the same characteristics: exquisite and unusual fragrance creations made in Germany, premium and luxe prices and a very selective distribution.

Aqua Colonia's interesting range of unisex fragrances go beyond the usual male/female division that is common in the German market



Italy Coming up roses

The scent was certainly sweeter in the Italian fragrance market in 2014 than it was in 2013. Total sales of men's and women's fragrances reached almost €940m, up 1.5% on the previous year and making up 7.3% of the total cosmetics market in Italy, according to figures published in April by Cosmetica Italia.

Women's fragrance led the way with a 2.3% rise in sales to €584.5m. The vast majority of women's fragrance sales (85%) were in the perfumery channel, which reversed the previous year's negative results with a 1.1% increase in sales to €496.9m. But the most significant increases were in the pharmacy channel, where sales of women's fragrances rose 15.3%, and other channels, which ended the year with a 9.3% sales rise. The only negative results were in hypermarkets and supermarkets where revenues dropped by 3.3% to €11.3m.

Cosmetica Italia attributes the positive results not only to the turnaround in perfumeries but also to the distribution policies of the specialist chains. "Italian women prefer innovative essences, without forgetting seasonality; in particular, trends related to the so-called evergreen perfumes remain positive," Gian Andrea Positano, Director of the Study and Corporate Enterprise Centre at Cosmetica Italia tells **Cosmetics Business Markets**. "Significant

2.3%

Rise in value of Italy's women's fragrance market, 2014.

Source: Cosmetica Italia

“Significant investments in innovation can be recorded in the field of unisex perfumes”

Gian Andrea Positano,
Director of the Study and
Corporate Enterprise
Centre, Cosmetica Italia

Italy: Women's fragrances, market value, 2014, €m

	Chemists	Perfumeries	Other channels	Of which mass distribution	Total	%+/-
Total alcohol based perfume products (men and women)	9.4	776.3	154.2	22.3	939.9	1.5
Toilet waters and perfumes for women	8.9	496.9	78.7	11.3	584.5	2.3

Source: Cosmetica Italia

investments in innovation can be recorded in the field of unisex perfumes.”

Smell the roses

Floral fragrances blossomed in their prominence over the year. Acqua di Parma (LVMH) continued to plant more blooms in its Nobile garden with the launch of Rosa Nobile in 2014, created from a variety of Centifolia rose grown near Alba in Italy. The eau de parfum opens with a citrusy scent of bergamot and mandarin. This leads into a heart in which the Italian rose is the star, enhanced by notes of violet, peony and lily of the valley and resting on a base of Virginia cedarwood and a grey amber and musk accord. The line also includes Velvety Body Cream, scented with notes of Rosa Nobile.

In early 2015, the rose also made its appearance in the brand's Acqua Nobile range of eaux de toilette. Acqua Nobile Rosa opens with a blend of bergamot, mandarin and blackcurrant. At its heart, black pepper dances with notes of Damask rose, cyclamen and freesia to enhance the rich scent of the Italian Centifolia rose. The scent closes with soft grey amber and musk accents.

The clear art deco-style bottles of the Rosa Nobile and Acqua Nobile Rosa fragrances reveal a pale pink juice that reflects the colour of the rose.

Pink roses also form the centrepiece for Valentino's (Puig) new fragrance for women, Valentina Pink, which launched in April. The new edition to the Valentina collection opens with accords of strawberry and blackberry opens with the floral heart features May rose, Centifolia rose, rose buds and peony. It rests on a luxurious base of cashmere, amber and pralines. The EdP comes in a matte pink bottle embellished with an ornamental rose.

Peony power

Gandini (Eurocosmesi/Coswell) is celebrating the appeal of flowers in spring with the launch of Peonia Rosa, a scent dedicated to the romantic woman and the femininity and sensuality of both the peony and the colour pink. The EdT opens with notes of bergamot and mandarin, combined with fruity notes of pear and lychee. At its heart, refined notes of white peony are enhanced by lily of the valley and hints of osmanthus. The foundation of the fragrance provides a sensual blend of creamy wood, soft musk and sweet vanilla. The Peonia Rosa comes in 30ml and 100ml flacons, as well as shower gel and body lotion.

Giorgio Armani (L'Oréal) says it has captured the perfection of the peony in its new EdT, Privé

Pivoine Suzhou, which it launched in December. The fragrance was inspired by the gardens of Asia and celebrates the peony as the symbol of the ancient Chinese empire, representing happiness, grace and prosperity. It opens with notes of mandarin, pink pepper and raspberry, leading to a floral heart of peony, enhanced with essences of rose and May rose absolute, and a base of amber, musk and patchouli.

The peony was also the flower of choice for La Perla's (Perfume Holdings) new fragrance for autumn 2014. Recreating the soft silkiness of the brand's luxury lingerie, Peony Blossom opens with fruity notes of pear, white peach, blackberry and orange blossom. The heart of the fragrance underlines its femininity with peony, enhanced by jasmine blossom and violet, while sensuality fills the foundation with notes of patchouli blended with vanilla and musk.

Bottega Verde, on the other hand, took inspiration from the fragrance and beauty of the gardenia for its new autumn-launched Eau de Toilette, Gardenia Reale. The brand aims to bring

Floral notes were the focus for many Italian fragrance launches over the past year



Launch highlight: Blumarine Ninfea

Blumarine (ITF) has bottled the scent of water lilies in the new fragrance from Anna Molinari, Ninfea. “For Ninfea I imagined the myriad facets of a woman's personality as the subtle brush strokes of a Monet watercolour, for a delicate, timeless fragrance dedicated to romantic, dreamy, spontaneous, sensuous women in tune with nature and with themselves,” said the designer for the launch of the fragrance. The pale pink liquid features head notes of orange, gardenia leaves, lotus blossom flower and Melegueta pepper paradise seeds; heart notes of solar jasmine, lavender, Nymphaea flower and orchid; and base notes of musk, sandalwood, ambergris and vanilla. In addition to the eau de parfum (available in 30ml, 50ml and 100ml natural spray formats), the range also includes a body lotion.



together both purity and sensuality with its crisp top notes of lemon, apple blossom and apple; sweet middle notes of iris and caramel; and its base of cedarwood, musk and gourmand notes.

Following on from the launch of Dolce & Gabbana Fragrances' (Procter & Gamble) first fresh floral fragrance in early 2014, the Dolce Eau de Parfum, this spring the brand is unveiling a corresponding eau de toilette, Dolce Floral Drops. The scent features crisp green top notes of neroli leaves and papaya flower, while its heart promotes harmony with amaryllis, white daffodil and white water lily. The base balances out the fragrance with warm musky notes, cashmeran and sandalwood. The range also includes Perfumed Shower Gel and Perfumed Body Lotion.

Gardens of harmony

The harmony that flowers bring to the soul has been encapsulated in Collistar's (Bolton Group) Profumo di Armonia, with a scent the brand says brings an immediate sense of wellbeing. It opens with orange and bergamot, leading to middle notes that are inspired by the scents of an Italian garden – noble iris and velvety rose petals. It rests on a delicate but seductive base of vanilla and almond notes blended with musk. The Benessere dell'Armonia collection also includes a bath and shower cream and a body butter cream.

Stirring up the passion of the garden is Italian fashion house Luciano Soprani – but this time it is the garden of Eden. Fico Pesca (Fig-Peach) is described by the brand as “a modern Adam and Eve, in an idyllic paradise, which first of all welcomes the innocent encounter between two souls and then nurtures real passion”. An eau de toilette, it starts off with bergamot from Calabria, fig leaves and nectarine peach from Romagna, before revealing a heart of fig from Salento, cyclamen, jasmine, violet and pear. It rests on a base of musk, sandalwood and cedarwood.

Roberto Cavalli's (Coty) take on paradise came in the form of Paradiso, launched in February and designed to be an ‘ode to sensuality and seduction’. The floral-woody scent brings together the aromas of the Mediterranean, opening with citrus notes of bergamot and mandarin, followed by a heart of jasmine and a base of cypress, parasol pine and pink laurel.

Italian fragrance brands love to celebrate the sun, sand, flavours and smells of the Mediterranean nation – and Dolce & Gabbana Fragrances is no exception. For summer 2015, it is launching Light Blue Sunset in Salina, a flanker to 2001's Light Blue fragrance. The limited edition fresh, floral scent opens with vine leaves and violet leaves. At its heart is yellow freesia, jasmine and orange blossom, sitting on a foundation of amber, cedar and white musk. There is also a male version of the EdT, enticingly called Light Blue Pour Homme Swimming in Lipari, described as an aromatic aquatic scent.

The aroma of peonies and clementines wafts in through the window on a saltwater breeze from the Italian Riviera in Bottega Veneta's (Coty) Knot, launched in September 2014. The

fragrance opens with a bright clementine tree accord, based on mandarin, limette, neroli and orange flower. At its heart are intense notes of lavender, introducing a sense of green hills and freshly laundered linen, alongside rich floral notes of rose and peony. Musk and tonka bean sit at the base to provide the scent with a lingering texture and earthiness. The design of the Knot bottle was inspired by Venetian glasswork and the traditional Italian carafe, combining soft rounded curves and powerful lines. Its cap reflects the knot shaped closure of the brand's iconic Knot clutch bag.

Gems of elegance

The emotion of precious stones was what Daniela Andrier, master perfumer for Bulgari (LVMH),



Event watch: Esxence 2015, Milan

The seventh edition of Esxence, the art perfumery event, took place in Milan on 26-29 March. Co-Founder and Technical Committee President Silvio Levi speaks to **Cosmetics Business Markets** about the niche fragrance business



Silvio Levi, Co-Founder of Esxence

What are Italian women looking for in an artistic fragrance?

Artistic perfumery grants them a huge opportunity to complete their ‘different and unique’ style. They are proud when someone tells them “this fragrance is so fitting for you”; they usually prefer not to disclose what the fragrance's name is, in order to avoid someone else smelling like them.

How important is Esxence for Italian niche fragrance brands?

Some Italian brands are more known abroad than in Italy. But this is changing fast and now Italian brands have quite an interesting audience at home too. I think Esxence makes it possible, letting Italian brands be promoted close to other brands at the same level and prestige. The appearance in Italy, as in France, of an Association of Artistic Perfumery is also a signal of this development.

What is the state of the Italian niche fragrance market?

Italy is one of the more mature markets with more than 200-250 doors welcoming artistic perfumery – a huge number, but much less than 5% of perfumery doors in Italy. Artistic perfumery distribution achieved a turnover in Italy close to €180m, representing 1.87% of the general beauty business – and no less than 12.5% of the total perfumery sales in Italy.



Bulgari's Le Gemme collection is inspired by luxury jewels, with Amarena, right, representing pink tourmaline, a symbol of love

aimed to encapsulate in the Le Gemme collection, inspired by six luxury jewels. Ashlemah, the amethyst, is crafted with lavender, iris and violet to provide a feeling of harmony. Noorah, the turquoise, features notes of galbanum, cardamom, iris, benzoin resin, tobacco and oak, with hints of patchouli oil and vanilla, to evoke the richness and refinement of Persia. Amarena, the tourmaline, offers notes of violet, tuberose and Centifolia rose for a sense of fertility and love. Lilaia, the peridot, blends the aromatic Mediterranean plant mastic with the woody resinous notes of galbanum, as well as peppermint, bitter orange, mate with a hint of mandarin and orange leaves. Maravilla, the citrine, is described as a 'hymn to light', blending the citrus notes of chypre with peach, jasmine and patchouli, enhanced with acetyvenol which is produced from vetiver acetate. Finally, Calaluna, the moonstone, reflects the mystery of femininity with its notes of sandalwood, cardamom and heliotrope. The fragrances' black, curved bottles are crowned with caps inspired by the cabochon cut of a gemstone, each in the colour of the stones they represent.

Gifts from the sea

Aqva Divina is Bulgari's new jewel 'born from the wonders of the Mediterranean sea' – bringing to mind a pearl in a shell. Its head notes of bergamot and pink ginger provide a wave of freshness, while middle notes of magnolia and sunlit quince give off radiant charm. They sit on a base of nude amber and beeswax for a foundation of sensuality. The seashell styled bottle pays tribute to the beauty of Botticelli's Venus. The Aqva Divina range includes 65ml, 40ml and 25ml eaux de toilette, as well as a bath line



consisting of Bath and Shower Gel and Scintillating Body Lotion.

Following last year's release of Signorina Eleganza (launched in February 2014), Salvatore Ferragamo has moved on from a woman's elegance to her emotion with February 2015's launch of Emozione, an eau de parfum that 'encodes the pleasure of emotions and fulfilment of life'. The fragrance opens with notes of white peach, bergamot and iris, leading to a floral heart of peony, heliotrope and Bulgarian rose. At the base, patchouli and suede notes are surrounded by a veil of white musk to create harmony and richness. The cream and gold design of the bottle encasing the peach juice is embellished with an iconic double Gancino chain to add a hint of classy lightheartedness to the packaging.

Yamamay Beauty (Pianoforte Holding) launched two eaux de toilette for Christmas 2014.

Yamamay Red was created for a woman with a sweet and bubbly, passionate and dynamic personality.

The fragrance blends notes of ylang ylang, ginger and vanilla to create a sense of effervescent femininity. Yamamay Black, on the other hand, is aimed at the confident woman who has a mysterious charm. The warm fragrance is said to caress the senses with hot and soft notes of fleshy fruits, precious woods and caramel.

Both fragrances were also released with an accompanying body cream.

The brand also released three scented body waters for the 2014 World Cup: Acqua Profumata – Brasile with fruity, gourmand notes; Acqua Profumata – Italia, which sported floral-fruity notes; and Acqua Profumata – Inghilterra with fresh, green

Retail watch: la Rinascente

La Rinascente is a high end department store with 11 points of sale in the historical centres of Italy's most important cities. Cinzia Baldelli, Head of Beauty, Childrenswear and Toys at la Rinascente, talks to **Cosmetics Business Markets** about the fragrance trends she and the rest of the cosmetics team have noticed over the past year

What fragrance trends have you noticed in the past 12 months?

The strongest trend is florals: rose, orange blossom, frangipani, jasmine, gardenia, peony, white flower, water lilies and water evoke the scent of tropical or botanic gardens, sunny or rainy, Oriental or Italian.

How much of a priority is fragrance for Italian women?

Perfume for Italian women is an important accessory for dressing for any occasion. For this reason, they are attuned to the best deal. Whether it be travel size or giant, they are looking for the best quality-price ratio.

How do you effectively retail fragrance?

La Rinascente offers a wide range of luxury fragrance and celebrates the fragrance business by offering the best visibility and quality service. National premieres, events that include personal appearances, windows with the wow factor, screen-printed bottles and special wrapping all contribute to the success of la Rinascente.

Has la Rinascente secured any fragrance exclusives?

We have launched premieres in the Italian market but we don't believe that exclusivity is the road to success.

What were the most popular fragrances in la Rinascente stores in the past 12 months?

Dior's J'adore, Chanel No.5 and Coco Mademoiselle from Chanel, Narciso Rodriguez for Her, Dolce by Dolce & Gabbana, La Vie est Belle by Lancôme, Giorgio Armani's Si, Light Blue by Dolce & Gabbana, Guerlain's La Petit Robe Noire, and Burberry's My Burberry.



notes. The packaging for each of the sprays featured the colours and flags of the three teams (Brazil, Italy and England).

Byblos (Eurocosmesi/Coswell) has targeted the rock and roll woman with its 'rockmantic' fragrance Byblos Butterfly. The brand says its notes create "a wake as delicate as a butterfly and as energetic as rock music". White peach and redcurrant dominate the top notes of the fragrance, while the middle notes make a floral statement with a blend of freesia, magnolia, crocus, neroli and jasmine. A delicate base of musk, white wood, patchouli and cashmere wood help to complete the sense of passion. The nude and black packaging sports geometric butterfly designs, encasing a multi-faceted luminous bottle, designed to reflect the different sides of the Byblos woman. The range also includes a body lotion infused with the Byblos Butterfly scent.

Giorgio Armani says it is paying tribute to the modern woman's grace, strength and independent spirit with its Si line of fragrances, fronted by

Cate Blanchett, and this year it expanded the line with Si Eau de Toilette. The perfume features three notes: blackcurrant nectar, modern chypre and blonde wood musk, with hints of freesia and May rose.

Finally, perfume's role in seduction is played out in Versace's (EuroItalia) new fragrance for women, Eros Pour Femme, launched in December. A feminine version of the brand's flagship Eros perfume for men – named for the Greek god of love – the EdP opens with notes of Sicilian lemon, Calabrian bergamot and pomegranate grains, building to a heart of jasmine, peony and lemon flower and resting on a base of sandalwood, ambrox and musk. It is packaged in a round, gold bottle with Versace's Medusa symbol embossed in relief on the front and on the cap.

Italian fragrances continue to seduce women both in Italy and around the world, bottling the scents and romance of the Mediterranean. And they are likely to do so for some time to come.

Spain Counterfeit calamity

Given the state of the Spanish economy in recent years it is perhaps not surprising that low cost perfumes have gained in popularity. A bigger concern for big name brands, however, comes from fake alternatives. According to Stanpa, the Spanish national perfumery and cosmetics association, the sector loses some 17% of sales or €949m each year, giving it the undesirable title of European leader in the matter. "The sector suffers a lot because of the fake products," says Val Díez, Director General of Stanpa. "In the last three years, more than 1000 specialist perfume outlets have closed – some 9% – with the subsequent loss of jobs. This has not happened by accident. Rather, it is the result of unfair competition from other operators." As well as the economic losses, Stanpa also highlights the potential health risk from fake products that are not subjected the "advanced and exhaustive" European legislation covering the manufacturing of cosmetics and perfumes.

Fakes notwithstanding, the retail environment for women's perfumes remains difficult in Spain, particularly when it comes to major brands. Recent figures from IRI Spain highlight that the trend towards cheaper alternatives is strong. Sales in the 52 weeks to 25 January fell by 4% to €390.4m continuing the downward direction of recent years.

Spain: Women's fragrances, market value and volume, 2014-2015*

	Total	% +/-
Value (€m)	390.4	-4.35
Volume (units m)	2.0	6.9

* 52 weeks to 25 February 2015. Source: IRI Spain

Spain: Women's fragrances, market value and volume by channel, 2014-2015*

	2015	2014
Hypermarkets/ Supermarkets		
Value (€m)	80.8	77.7
Volume (million units)	1.13	0.97
Perfumeries/Modern drugstores		
Value (m)	309.6	330.5
Volume (thousand units)	0.87	0.90

* 52 weeks to 25 February 2015. Source: IRI Spain

However, this reduction in revenues comes despite a 7% increase in volumes to more than 2m units. The IRI data divides the category into selectivo (select) and consumo (consumer), the latter covering the lower-cost and retailer own label ranges. The selectivo represents more than three quarters of sales, but less than one in three products bought. Here, sales fell by 6% to €295.6m and by 4% to 551,004 units. The consumer category, on the other hand, saw flat sales (-0.2%) at €94.8m on the back of a 12% increase in volumes to 1.5m units. The pattern towards less exclusive products is mirrored in the figures by outlet type. All the growth in women's perfumes market came via supermarkets and hypermarkets. The larger stores recorded a 4% increase in sales to €80.8m as volumes rose by 17% to 1.1m units. On the other hand, sales in the specialist perfumeries and modern drugstores fell

-4%

Decline in value sales of women's fragrances in Spain in 2014-2015.
Source: IRI Spain

“The sector suffers a lot because of the fake products. In the last three years, more than 1000 specialist perfume outlets have closed – some 9% – with the subsequent loss of jobs”

Val Díez, Director General of Stanpa

by 6% to €309.6m as volumes fell by 4% to 867,602 units.

The fact that big names maintain a large market share points to continued opportunities to tempt Spanish women with new products. The past year has been no exception on that front and Spanish and international brands have released a number of new perfumes. Yves Rocher, for example, has launched Quelques Notes d'Amour, which is said to offer a sensual aroma with a sweet, intense perfume. It uses a mixture of Damascus rose and fruity notes combined with Guaiacum wood and Benjoin extract. Yves Rocher has also created a shower gel and body milk with the new fragrance.

In September, YSL (L'Oréal) introduced a new addition to its classic Opium collection. Black Opium represents a darker, more mysterious offering aimed at a younger audience. The fragrance contains a hint of café and floral notes that aim to awaken the senses, while the base of vanilla and cedarwood provide an opulent elegance.

Guerlain (LVMH), meanwhile, has updated its La Petite Robe Noire line with a fresher version for the spring. La Petite Robe Noire Ma Robe Pétales uses notes of Sicilian mandarin, lemon, rose, jasmine, pistachio and bitter almond that help distinguish it from the other products in the collection. The brand has also revamped the bottle so that the petals form part of the shape.

Marc Jacobs (Coty) has opted for gardenias as the main ingredient of Mod Noir, launched as a summery fragrance. For Mod Noir, perfumer Jean-Claude Delville has selected notes of magnolia, water lily, musk and orange blossom in developing a perfume that stands out for its freshness. The fresh theme is continued in the new launch from Balenciaga Paris (Coty), L'Édition Mer. The sea-inspired perfume uses bergamot, yuzu and shiso leaves as the top notes followed by lily of the valley and marine notes. The base is a mixture of sandalwood, dry woods and seashells. The bottle uses blue-green shades to reflect the maritime theme.

Puig power

The Spanish domestic market is dominated by Catalan manufacturer Puig, which is behind many leading names that have made a number of launches in the last year. Agatha Ruiz de la Prada has expanded the Love Love Love collection with Love Diamonds Love that uses a fruity, floral aroma to emulate the happy character of the other perfumes. That atmosphere is carried into the advertising campaigns by using gold and blue hues to help transmit energy and fun. The top notes include champagne and raspberry, followed by peony and rose with an amber, patchouli and benjoin finish.

Adolfo Dominguez, meanwhile, has been inspired by the island nation of Sri Lanka to create Viaje a Ceylan Mujer. The exotic fragrance starts with fresh, marine top notes made up of grapefruit, lemon and green leaves, followed by a floral centre combining jasmine and rose. The base includes patchouli, amber and musk.

Loewe has added Atardecer (dusk) to its Aire Loewe collection. The newest fragrance is said to

be aimed at hedonistic, self-confident women who come alive as the sun goes down. The container maintains the shape of the range so as not to deter existing fans. Atardecer opens with orange blossom, passion fruit and bergamot and has a body that uses jasmine. The base notes offer hints of sandalwood, vanilla and musk.

The freshness theme that emanates through many of this year's launches is also to be found in a Spanish retailer perfume: Eroski has launched Jade Sublime that is said to “concentrate the beauty and authenticity of jade into a fresh, sparkling fragrance for women”.

Finally, if the trend towards economising is maintained, Thierry Mugler (Clarins) has perhaps hit on a winning formula. The firm has enabled customers to refill their container with one of four of its perfumes: Angel Eau de Parfum or Eau de Toilette, Alien Eau de Parfum or Womanity Eau de Parfum. Available in El Corte Inglés perfume departments, the system is also good for the environment and could save an estimated two million containers a year. It remains to be seen how other brands might follow this example, but it is perhaps this kind of innovation that will help revert the declining sales trend in the more exclusive perfumes.

It is sometimes reported that the economic recovery in Spain is not being felt across the country. As a luxury product, perfume sales – and the growth in more consumer-type products – is perhaps indicative of that, as is the vast amount of fake perfumes used across the country. Recovering the market share lost to these products would certainly be a useful boost in revenues. It is therefore crucial that the industry continues in its efforts to stamp out this black market.

Launch highlight: Agatha Paris eaux de toilette

In late May 2014, three new eaux de toilette from French house Agatha Paris hit Spanish stores. Billed as “three touches of glamour to enable every woman to find her own”, the perfumes are designed to be used at any time of day. Via Agatha aims for a seductive aroma with a combination of jasmine and orange flower and head notes of raspberry and tangerine. Rue Agatha, meanwhile, uses gardenia and peach with a sandalwood, caramel and vanilla base. Finally, Agatha Street offers a delicate, romantic fragrance associated with a bunch of roses, whose aroma it contains alongside blackcurrant buds, peach and white musk. The 50ml container is said to be inspired by Agatha's iconic necklace in order to create a new fashion accessory.



UK

A mixed bouquet

Fragrance is a fickle market. What flies off the shelves one year might gather dust the next, and market growth ebbs and flows due to the popularity of that particular year's launches.

So while 2013 was a year blessed with the launch of the fastest selling scent in history, One Direction's *Our Moment* (Eden Parfums), it was also going to be a tough year to follow. And sure enough, 2014 was a mixed bouquet. It was by no means awful – in fact some perfume brands enjoyed a high level of success – but in terms of overall market value, women's fragrances declined by 2.8% to £809.78m according to Kantar Worldpanel's data. The decline in volume was more drastic, falling by 6.6% to 33.22m units. So, after One Direction's major hit, has the UK women's fragrance market lost its own direction?

Celebrity slump or success?

Reports in the national newspapers last August did indeed pick up on a celebrity scent slump after Elizabeth Arden reported a 28% revenue drop and declared its £48m quarterly pre-tax loss to be the worst in its 104-year history. It was due to losses by its Justin Bieber and Taylor Swift fragrance brands, it said.

Yet other celebrity fragrance brands have continued to perform well, including Britney Spears, which, according to a *Daily Mail* article, has been outselling DKNY by three to one and Hugo Boss by two to one at Superdrug, and has

UK: Women's fragrances, sector share by value, 2014-2015

	52 w/e 19 Jan 14	52 w/e 18 Jan 15	%+/-
Female fine fragrance	89.6	90.1	-2.3
Female mass fragrance	10.4	9.9	-6.6

Source: Kantar Worldpanel

UK: Women's fragrances, sector share by volume (packs), 2014-2015

	52 w/e 19 Jan 14	52 w/e 18 Jan 15	%+/-
Female fine fragrance	72.5	73	-5.9
Female mass fragrance	27.5	27	-8.2

Source: Kantar Worldpanel

sold more than two million bottles in total since 2004.

There was also plenty of excitement as new celebrity scents launched, including *StormFlower* by Cheryl (SAS & Company), the sale date of which was brought forward a week by UK retailer Superdrug. The fragrance, which according to SAS & Company has achieved "immense success since the launch" has also been named *Nose of the Year* within the women's fragrance category at the *Love Perfume Awards* hosted by The Perfume Shop and has been nominated as *Best New Celebrity Fragrance* for the *Fragrance Foundation Awards 2015*. The floral fruity scent opens with top notes of mandarin and nectarine with a heart of freesia and peach blossom, leading to base notes of vanilla, white musk and sandalwood.

2014 also saw new scents from American rapper Nicki Minaj (Elizabeth Arden): *Onika Tanya Maraj* (after Minaj's real name), described as a fiery fruity floral with notes of mango, organic, tiger lilies, lavender, musk and cedar; and *Minajesty Exotic*, with pear starfruit, water lily, orchid and osmanthus.

Meanwhile Coty extended the *Killer Queen* line from singer Katy Perry with *Killer Queen's Royal Revolution*, a floral fragrance with pink freesia, jasmine and orange flower combined with pomegranate, a sandalwood heart and a base of "unusual mystical blackthorn", musk and soft vanilla in a blue, diamond-shaped bottle.

Beyoncé is another of Coty's successful fragrance licenses – the singer's *Rise* scent outsold Gucci's *Envy* by three to one at Superdrug in 2014 according to the retailer – and last year launched a new flanker to the *Heat* line, the original scent of which was launched in 2010. *Beyoncé Heat Wild Orchid*, centred around the butterfly orchid which is believed to have aphrodisiac qualities. The edt, which also includes pomegranate as a top note, combined with coconut water and boysenberry, with butterfly orchid, honeysuckle and magnolia in the middle and bottom notes of blonde woods, skin musks and gilded amber, is said to emit a fierce, feminine energy.

UK: Women's fragrances, market value and volume, 2014-2015

	52 w/e 19 Jan 14	52 w/e 8 Jan 15	%+/-
Value (£m)	833.43	809.78	-2.8
Volume (units m)	35.56	33.22	-6.6

Source: Kantar Worldpanel

UK: Women's prestige fragrance, 2014

	£m	%+/-
Total women's fragrances	810.9	3.0
EdP and EdT juices	623.0	4.0
Gift sets	160.5	3.0
Ancillaries	27.3	6.0

Source: NPD

-2.8%

Decline in value sales of women's fragrances in the UK, 2014

Source: Kantar Worldpanel

“Consumers are being more adventurous and buying into different fragrance directions or experimenting with new scents”

Lisa Hipgrave,
Director of IFRA UK

And in January this year, Marks and Spencer introduced the first fragrance from British model Rosie Huntington-Whiteley under its Autograph brand, launched alongside her new lingerie collection for the retailer. Rosie for Autograph is described as an elegant floral fragrance, with natural centifolia rose essence as its main ingredient.

Some celebrity scents – like any other juices on the market – miss the mark while others sniff out sweet success, but what is sure is that as a category in the UK women's fragrance market, they are still here to stay. Lisa Hipgrave, Director of IFRA UK and perfumer, says: “I think that in terms of finished goods, the younger consumer market continues to embrace celebrity fragrances. They enjoy the of-the-moment fashion appeal that accrues from products linked to their fashion or music icons and want to emulate those celebrities.”

So where does that leave the more mature female customer? Hipgrave adds: “For older consumers, from what I have seen, the pattern in fragrance buying reflects the trends in fashions. High end, longer lasting, more ‘couture’ products are what appeals most to older women who have already established their personal fashion style.” And as the latest figures from NPD show, such high end fragrances have performed particularly well in the UK over the past year.

Premium passion

The ongoing success of the premium business is a major positive for the fragrance business in the UK. In 2014 the prestige women's fragrance category grew by 3%, according to NPD, to what the market researcher places at a value of £810.9m. Sales of juices exceeded overall market growth, up 4% to £623m, while gift sets proved less popular with consumers, falling 3% to £160.5m. Mathilde Lion, Beauty Industry Expert at NPD tells **Cosmetics Business Markets**: “The first half of the year was even more dynamic. At the end of June the prestige market was up 4.5% and then it slowed down towards the end of the year.” The growth, which has been in terms of value sales, is due to “a mixture of a move towards premium and also large sizes which are growing,” says Lion. “In terms of value they are much more attractive and there have been lots of promotions on large sizes. These are still growing very fast for both men and women.”

Lion notes that the number of new launches was lower in 2014 compared to 2013 – indeed, this was a likely factor for the overall mixed market performance last year – however, she says, “what is growing is existing lines... The best launch was Daisy Dream from Marc Jacobs.” The Coty-owned Marc Jacobs fragrance is the latest flanker in the Daisy brand, which has been an ongoing success for Coty – in fact it was credited with tripling sales of Marc Jacobs' fragrance business in a *Wall Street Journal* article that ran two years before this latest launch. And Daisy Dream, a feminine floral fruity fragrance, was the number one hit of 2014 at UK fragrance retailer The Perfume Shop (see *Retail watch*). The scent

PR watch: Chloé Love Story secures most press coverage

Phoebe Rilot, Client Coordinator at Mymarketmonitor.com, tells **Cosmetics Business Markets** which women's fragrances have secured the most PR coverage so far in 2015

“The first quarter of 2015 has seen some big new female fragrance launches. Valentine's and Mother's Day are two of the year's key dates for perfume sales, and fragrance houses have been competing to ensure vital PR coverage leading up to each holiday. French fashion label Chloé (Coty) launched its new parfum Love Story at the beginning of the year, and interviews with the face of the fragrance, actress Clémence Poésy, have secured them a high AVE. Out of the top five, four are new to the market this year. The exception is Clarins' legendary Eau Dynamisante, which was launched in 1987!”



mymarketmonitor.com

UK: Top women's fragrance launches in the press

Product	Value £ 1 Jan '15- 30 Apr '15-
Total	2,566,615
1 Chloé Love Story edp	265,684
2 Marks & Spencer Rosie For Autograph	211,631
3 Clarins Eau Dynamisante Fragrance	115,993
4 Jimmy Choo Blossom edp	46,185
5 Juicy Couture Hollywood Royal edt	43,749

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combines top notes of blackberry, grapefruit and pear with a heart of jasmine, lychee and blue wisteria and a dry down of white woods, musks and coconut water in an attractive bottle design.

The fragrance was also launched with some unique digital marketing activity. In World Duty Free stores in the UK, for example, an in-store Dream Capsule competition enabled passengers to explore themes of inspiration and select images to create their own Daisy Dream Capsule using iPads in the promotional sites and customise it using personal messages. The winners received Marc Jacobs fashion accessories or a trip worth €10,000.

And further existing lines that grew with the help of successful new flankers or limited editions were Gucci's Guilty (P&G) with Guilty Diamond Limited Edition and YSL's Opium (L'Oréal) with Black Opium, according to Lion. Gucci's limited edition fragrance, launched for the Christmas holiday season, was given a glamorous new flacon, adorned with 60 diamond-cut crystals, while the amber-hued juice remained unchanged.

YSL's Black Opium was another major launch

Certain celebrity scents continue to go from strength to strength, such as Katy Perry's range, the latest being Killer Queen's Royal Revolution (below)



last year, a “glam rock” fragrance with a kick of black coffee combined with white florals and vanilla, contributing to what parent company L'Oréal UK said in its 2014 annual report “was a great year for women's fragrances, with the high-profile arrival of Black Opium by Yves Saint Laurent and Bonbon, which confirmed the success of the Viktor & Rolf brand in the UK. Si by Giorgio Armani and La Vie est Belle by Lancôme continued to accelerate and drive the growth of L'Oréal Luxe.

The company refreshed interest in its bestselling Giorgio Armani Si range with two new flankers. Si Eau de Parfum Intense launched last September in a black-hued flacon and a chypre accord with ‘blackcurrant neo jungle essence’ and a hint of freesia. And last month, the brand introduced Si Eau de Toilette, a more delicate and lighter interpretation of the original, a floral chypre that opens with green pear with Italian bergamot, mandarin and neroli combined with some of the original elements, and packaged in a chic bottle with a nude, lacquered cap.

Last September Lancôme introduced a more powerful and sensual version of gourmand iris fragrance La Vie est Belle with L'Absolu de



Parfum with notes of iris pallida, jasmine sambac, orange blossom and patchouli essence.

Meanwhile, Burberry introduced a new EdT to the Brit Rhythm for Women family. The new Burberry Brit Rhythm for Women – Floral Eau de Toilette is billed as a sensual, floral fragrance with an “unexpected fruity twist”, with fresh top notes of orchard fruit, Sicilian lemon and orange upon a heart of Egyptian jasmine, lotus blossom and lilac. Like the original scent, which launched in January 2014, it is said to be inspired by the energy and anticipation of live music.

EdPs account for the majority of fragrance sales in the UK, representing 64% of the total, according to NPD, but Lion says that EdTs are actually in better shape, and growing quicker than edps. “EdPs grew by 3% in 2014 but EdTs were up 6%,” says Lion.

However, one segment that has taken a tumble is gift sets. Back in 2012 manufacturers and retailers responded to the recession by increasing the number of gift sets containing smaller fragrance sizes to make them more affordable – however, in 2014, says Lion: “Sales of gift sets decreased despite being very strongly promoted, especially on Boxing Day.” Most likely, this is also linked to the improved economy. “Coming out of the economic recession has of course led to more disposable income and some women are purchasing more fragrances than they were,” explains Hipgrave. This is, she adds “either to offer variety and in some cases experimentation with layering different fragrances to effectively make a bespoke scent that is personal to them. Consumers used to stay loyal to one brand or one fragrance theme – for example, fresh citrus scents. Now they are being more adventurous and buying into different fragrance directions or experimenting with new scents.”

New directions

Consumers who are feeling more adventurous and experimental will feel no disappointment by the niche fragrance brands that are offered in the UK. Available in Harrods, Salon de Parfums and Selfridges is French brand Liquides Imaginaires. Founded by Philippe Di Méo and David Frossard,

EdTs are growing faster than EdPs, and there have been numerous new launches including Burberry Brit Rhythm for Women Floral Eau de Toilette (above)

Launch highlight: Valeur Absolue

An interesting new niche brand to launch in the UK last year was Valeur Absolue (Valeur Absolue Group). Exclusively available to House of Fraser, Valeur Absolue claims to have created a brand new concept called “more than perfume”. According to President and General Director Bénédicte Foucart, Valeur Absolue “gives a new meaning to wearing perfume, by creating an element of wellbeing”.

The range of five fragrances contain essential oils that stimulate the release of beta-endorphins to enhance mood and wellbeing. Each fragrance communicates a different emotion and contains a different precious ingredient, with one of the latest being Sérénitude, a floral-spicy-woody fragrance with bergamot, pink pepper, cardamom, nutmeg, rose, coriander, patchouli and sandalwood. Each bottle contains pieces of amazonite, a mineral that is said to protect against negative waves and promote a sensation of happiness. The second recently launched fragrance is Confiance which incorporates vanilla at its heart to offer reassurance, along with clove, cinnamon, candied peach, amber, cedar wood and Siam benzoin, while including carnelian stones to convey the positive aura of the perfume.



UK: Women's fragrances, top 5 retailers*

- Boots
- Debenhams
- The Perfume Shop
- Amazon
- Superdrug

* based on value sales.
Source Kantar Worldpanel

Premium fragrances, such as Tom Ford's Private Blend collection, are performing well in the UK



Liquides Imaginaires was created in order to “revive the perfume ceremony and ritual by developing new objects and alternative habits”. The fragrances are designed to be like puzzles used to interpret thoughts, intentions and confessions, while the bottles are said to be mysterious and enclose the genius of perfume within it, like an amphora. Six fragrances have been introduced to the UK, all unisex, and they are presented as trilogies. The first, Les Eau Delà, are said to be symbolic fragrances with a great emotional and sacred power: Sancti, a spirit opening, energy-giving ‘heavenly fragrance’; Fortis, a ‘fragrance for reincarnation’ to drive out evil spirits and face the future with strength; and Tumultu, a sensual and carnal fragrance for wild abandon. The second trilogy, Les Eau Sanguines, draws its inspiration from holy wines with scents called Dom Rosa (a perfume for passion), Bloody Wood (a perfume for challenges) and Bello Rabelo (a perfume of adventure).

Meanwhile, French perfume and cognac house Frapin's launch last year was Nevermore, a fragrance again for both men and women that is inspired by the Edgar Allen Poe poem The Raven, which is narrated by a figure who calls for his lost

love, only to be taunted by a raven who repeatedly chimes the response “Nevermore”. Described as a spicy woody metallic rose, the notes include aldehydes, florazone, nutmeg, black pepper, rose, amber, Atlas cedar and saffron.

Cult perfumery The House of Creed introduced a collection of five fragrances based on sixth-generation perfumer Olivier Creed's globe-trotting travels. The Acqua Originale Collection is said to capture the finest raw materials from around the world, with each juice presented in a bottle that evokes the wingspan of a transient bird – a symbol of discovery. The scents include Asian Green Tea, Cedre Blanc, Aberdeen Lavender, Vetiver Geranium and Iris Tubereuse.

Tom Ford's Private Blend collection continues to appeal to UK consumers and the latest launch is Fleur de Portofino, the fourth fragrance in a series that also includes Neroli Portofino, Mandarinino di Amalfi and Costa Azzurra. The scent is said to explore the hypnotic effect of Mediterranean coastal flowers, combining crisp, citrus essences with an accord constructed around the white acacia blossom and a dry down with an acacia honey accord.

The fragrance line from luxury car manufacturer Ferrari (Perfume Holding) has also

Trend watch: Top three fragrance trends in 2015-2016

Using 20 years of industry expertise, UK fragrance retailer The Perfume Shop has predicted three key trends for 2015/16 as highlighted in its new Trends Report. Michelle D'Vaz, Brand and Marketing Manager at The Perfume Shop, and Michael Edwards, independent fragrance expert and industry ambassador, describe these emerging scent trends, which also reflect global fashion movements

1 Empowering women

Symbolising independence, strength and desire; this empowering movement is for women who are unafraid to break the mould, a trait that is symbolic of the mythological nation of female warriors, the Amazons. With the emergence of more artisanal scents on the market, women are exploring collections of fragrances that can radiate an image of empowerment as scent is used as an individual expression of personal identity.

Commenting on this trend, Michael Edwards says: “This collection of scents are intense yet wearable, image-provoking perfumes infused with dominant woody notes and rich floral tones, namely patchouli. A large player in new emerging floral oriental perfumes; patchouli is an empowering note that brings a deeper, darker dimension to fragrances entering the market.”

Examples of scents within this trend are Versace Eros Pour Femme and Diesel Loverdose Red Kiss (which is exclusive to The Perfume Shop).

2 Majestic bloom

Quintessentially feminine, light and highly fragrant; these are botanical-infused juices that have increased in popularity through consumers' desire for natural and pure compositions. Majestic in their appearance, these scents are luminous, elegant and romantic.



The enduring popularity of regal blooms such as the rose, distinguished by its eternal femininity, continues to charm, alongside British garden bouquets of iris, gardenia, peony, freesia, lilac, jasmine and the extremely rare to find honeysuckle.

Adding vibrant ingredients such as cool mint or the tart fruitiness of rhubarb, raspberry and the reappearance of aromatic tea notes add charm and a new dimension to this year's summer launches.

Examples of scents within this trend are Jimmy Choo Blossom and Giorgio Armani Si EDT.

3 Candy boutique

Feminine sweet confectionary hues and candy pastel tones are trending on the runway and in beauty products across the globe. And in fragrance we have seen a prominent introduction of fruit hints and berry nuances to create collections of scents laced with vibrancy to enchant the senses. Evolving from chocolate and vanilla, which are abundant in gourmand scents, we are now seeing tangy citrus sherbets and sweet jellies which bring a playful and evocative edge to the perfume category.

Edwards comments: “Led by the launch of Thierry Mugler's Angel fragrance in 1992, heavy gourmand notes of chocolate, honey, vanilla and rums have steadily grown in popularity. Today's evolution of gourmand scents bring sparkle and intrigue as top notes of edibles such as blackcurrant cassis, mandarin and fruit sorbets are blended with delicate musk and trending patchouli to create what are described as olfactory desserts.”

Examples of scents within this trend are Marc Jacobs Daisy Sorbet and DKNY Delicious Delights.

made the experimental move to launch its first unisex Eau de Toilette range which will appeal to women, as well as its traditional male customer. There are three new Ferrari Essence fragrances, Noble Fig, Bright Neroli and Pure Lavender. Lucas Sieuzac, Perfumer for Noble Fig and Bright Neroli tells **Cosmetics Business Markets**: "The Ferrari Essence EDT Collection is an homage to the 'belle parfumerie' and Ferrari Italian heritage. Each fragrance explores iconic Mediterranean ingredients that are of the best quality." Sieuzac adds that in fact the focus of these fragrances goes beyond attracting any specific gender: "It's all about excellence and Italianism above any gender. When composing them, we had in mind consumers who are searching for fragrances with an exceptional quality, no matter if they are women or men. That's why the fragrances can be suitable for both."

Online on the up

Just as consumers are becoming more experimental with fragrances, statistics show that they are increasingly embracing non-traditional methods of purchasing it. "There is strong dynamism in online sales, which are a growing market," says Lion. "In 2014, sales were up 28% online, versus 1.5% growth for brick-and-mortar – a huge impact for fragrances, especially in December, where it achieves very strong growth." NPD's figures cover multi-channel retailers (but not pure players) and with click and collect being popular people are still being driven into stores while taking advantage of promotions that might be on the web.

In fact, December is not the only month that provides a welcome boost to fragrance sales. Lion says that in the year to the end of February 2015, women's fragrances grew by a staggering 9%, due to "a strong effect of the January sales that boosted growth." So while last year's overall results fell a little flat, there is much to be optimistic about.

UK consumers continue to be captivated by prestige fragrance. And despite that fact that prestige colour cosmetics has been pushing ahead to gain more market share, while the share of

fragrances has declined from 55% in 2012 to 53% in 2014 (NPD), fragrance was still the strongest performer in terms of average price in 2014, rising by a rosy 4.7%. Hipgrave concludes: "I think it's an exciting and buoyant market at present. Fragrance, along with fashion, mirrors the interest in boho chic, denims, exotic leafy and textured patterns and complexity. Heady exotics have made a comeback – patchouli, amber, exotic woods, leather notes and heavier floral scents along with a continuing interest in exotic green scents all reflect the current fashions and an upturn in the economy."

Retail watch: The Perfume Shop

The Perfume Shop is one of the country's leading women's fragrance retailers with a network of 269 shops across the UK and Ireland. **Cosmetics Business Markets** talks to Michelle D'Vaz, Brand and Marketing Manager at The Perfume Shop about its bestselling fragrances over the past year

Which women's fragrances were bestsellers at The Perfume Shop in 2014?

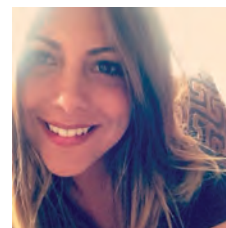
A combination of new launches and classic scents contributed to our top sellers in 2014. Classics such as Thierry Mugler's Angel and Chanel Coco Mademoiselle continued to be popular with our customers and new launches like YSL Black Opium and Marc Jacobs Daisy Dream performed well in the second half of 2014, helping customers in finding the perfect gift for their partners and family.

Which new launches in women's fragrance have been most successful for The Perfume Shop?

Marc Jacobs Daisy Dream was the most popular new women's launch of 2014 and so far in 2015 we have seen a strong performance of our exclusive launch of Gucci Guilty Diamond.

How would you describe the women's fragrance market today?

The women's fragrance market is bursting with new scents and invigorated classics which offer consumers a wide variety of categories and trends to choose from.



Michelle D'Vaz,
Brand and Marketing
Manager



Russia Mass appeal

According to Euromonitor, Russia's fragrance market was valued at RUB72.21bn (US\$1.44bn) in 2014, up 1% on 2013, and women's fragrances account for approximately 75% of the overall total. The market continues to develop well, with fragrance shoppers seeking ever more exclusive scents as consumers strive for individuality. Niche perfumery is developing rapidly, as are mass market scents, while another strong trend in Russia is the extreme popularity of new launches. If ten years ago new fragrances accounted for 10% in turnover, today this figure reaches 25%.

Three overseas players – L'Oréal, LVMH and Procter & Gamble – lead sales in volume terms, while in value terms, Estée Lauder Companies, Coty, Puig, Shiseido and Chanel are in the vanguard. The leading domestic producer is Novaya Zarya – Nouvelle Etoile, the oldest

\$1.44bn

Value of Russia's
fragrance market, 2014
Source: Euromonitor

“The most significant development over the past ten years has been the increased proportion of people who buy their fragrances in supermarkets and hypermarkets”

perfume manufacturer in Russia, dating back to the 19th century.

The most popular channels of distribution have not changed over the last decade. Consumers buy perfume in specialist stores (20.7%), or super/hypermarkets (14.6%), a distribution channel which has become increasingly popular. In fact over the past ten years, the proportion of perfume customers in super/hypermarkets has nearly doubled. Department stores sell 7.3% of total perfume sales, while the share of sales through individual distributors/consultants declined slightly to 6.8% in 2014. Kiosks and markets account for just 1.1% of sales.

Who's buying?

According to the Synovate Comcon 2014 survey, 38.3% of Russian girls and women aged over 16 years use perfume, an increase on the percentage in 2014, when the figure was 37%. In Moscow this is considerably higher at 45.1%, while in St Petersburg the figure increased from 34% in 2013 to 35.6 in 2014. Eau de toilette is a more affordable product and thus has significantly more users in Russia in general – 58.4% in 2014, compared to 57% in 2013.

Eau de parfum is bought by girls aged 16-24 years and mature women aged 45-54 years, while EdT is more popular among women aged 25-44 years and consumers in these groups tend to be qualified professionals, or those with higher education. Those who prefer EdT tend to be married while users of EdP are generally single, and their income is higher than consumers of EdT – they are also less focused on price, and pay more attention to the brand and quality of the fragrance, while they are also more likely to buy imported products. Consumers of toilet water, on the other hand, tend to be more cautious than edp consumers – they plan their purchases. Unlike consumers of EdP, who pay great attention to their appearance, they are less focused on fashion.

Niche perfume passion

About five years ago, Russian consumers started to become passionate about buying niche fragrances. Many Russian fashionistas are crazy about Kilian Hennessy and Geza Schönau, creators of the brands By Kilian and Escentric Molecules. Some stores don't even offer testers of these fragrances since they are gone in seconds.

However, the most significant development over the past ten years, has been the increased proportion of people who buy their fragrances in super/hypermarkets. This has grown from 8.2% to 14.6%, according to Synovate Comcon, and has also come at the expense of department stores or small self-service shops which have seen their shares drop from 14.6% to 7.3%, and kiosks or open markets which have declined from

Russia: Top 5 fragrance companies, 2014

Category	% share
LVHM	15.90
Avon Products	13.20
Procter & Gamble	8.20
Oriflame Cosmetics	7.60
Puig	6.50

Source: Euromonitor

Russia: Fragrance market value, 2014

2013 RUB bn	2014 RUB bn	%+/-
71.60	72.20	1.0

Source: Euromonitor

7.1% to 1.1%. But online sales are gradually increasing. In 2014, they accounted for 1.3%. One advantage of online stores is that they tend to be first with new launches and limited collections.

Mass masters

Mass perfumery has a wide audience. It is in great demand in the Russian regions, especially in small towns. Part of the appeal of mass scents is their affordable pricing and bright eye-catching packaging, but another advantage of mass fragrances – and a reason for the successful development of this segment of the market – is the huge range of scents, which are constantly updated. If luxury brands launch two or three new products every year, the mass market perfume can release ten, 20 or 30 new products per year with different directions, notes and packaging. Industry experts believe that today, the mass market is gravitating towards higher prices. Of course, in absolute value terms, low cost products are sold more, but there is also a clear upward trend in the demand for expensive luxury products.

The leaders of the mass segment are direct sales companies Avon, Oriflame and Mary Kay, while the leading Russian players are Novaya Zarya – Nouvelle Etoile, Faberlic and Ciel Perfume. These companies regularly update their offer with a wide range of both women's and men's fragrances. Alexey Nechaev, CEO of Faberlic says: “Thanks to the innovations of the past two years, our company has doubled its turnover.”

Indeed, the FiFi Russian Fragrance Awards 2014, in coordination with The Fragrance Foundation, introduced a special nomination for local perfume companies developing creative projects in the field of fragrance and design. In this Local Premium category the main prizes were awarded to Faberlic's Intemporel and Ciel's male perfume, Alter Ego.



Faberlic is one of Russia's leading fragrance players. The brand's Intemporel scent (right) was a winner at the 2014 Russian FiFi Awards

Russian perfumery production has been developing rapidly since 2000, replacing imported products primarily in the mass segment. By the beginning of 2011, this sector of the Russian FMCG market achieved one of the most impressive results in the domestic economy – more than 80% of import substitution. In the mass market the leading positions are occupied by Novaya Zarya – Nouvelle Etoile, Triumph, Parade of Stars, Klas Holding, Ciel Perfume, Aroma, Perfumery of the XXI Century, Perfume Prestige M.

The company Parade of Stars released more than 300 units of products: perfumes; eaux de toilette; colognes; toilet perfume; eaux de parfum; and gift sets, including brands named after popular Russian TV series like *Brigade* and *Ranetki*, rock bands such as Lube and The Time Machine as well as singer Christina Aguilera.

The company also rebranded a number of existing products, such as Cleopatra, Bon Jour, Angel Eyes and the Boomer X5 series of toilet waters. The new packaging for Boomer X5 is more vibrant and dynamic, while the bottles for Cleopatra, Bon Jour and Angel Eyes are sleeker, more feminine and keep up with urban fashion trends.

Sgt Pepper's scent

Another interesting new product from the past year is Eau de Toilette Beatles. The name speaks for itself and the fragrance is designed to capture music lovers and fans of British style. It comprises top notes of bergamot and mandarin, heart notes of coriander, pepper and tonka bean and a base of vetiver and sandalwood.

Perfumery of the XXI Century is a company that has been in the market for over ten years and is one of the largest Russian manufacturers of mass and middle market perfumery. The company's products have repeatedly won trade show awards, including Best Fragrance of the



Year at the Russian FiFi Awards three times – in 2004 for Phantom, in 2007 for Aviator and in 2010 for the brand Patron Silver.

The product range includes over 200 fragrances, with notable launches including Matryoshka, Ladymatic, Goddess of Love, Capital Trick, Grandiose and Perfect Men.

Russian mass market brands are sold in all supermarkets and chains of drogerie O! Gud, Yuzhny Dvor, Perfume Paradise and Goodwin, as well as many one-door retail outlets. The main segments where domestic perfumery dominates are the low and medium mass markets, but many players have actively started development of upper price segments. There is no aggressive advertising in mass market perfumery, with customer loyalty being based instead on quality and originality. And in today's Russian fragrance market one thing is certain: manufacturers of mass fragrances have found their niche – and their customers.

More and more scents named after rock bands, singers and TV series have been joining the Russian market

Trend watch: Russian women seek fragrances that convey power

A recent report from Canadean shows that one of the main motivators for Russian women to wear fragrances is the desire to express their aspired gender identity, says Veronika Zhupanova, Analyst at Canadean

What do Russian women want from fragrance today, and how has this changed?

Women's attention is no longer only centred on family, but divided between home, professional and personal achievements. This means that women will look for fragrances that communicate a story beyond pure femininity and convey characteristics that were previously seen as exclusively masculine, such as power and stamina.

What sort of fragrance notes and packaging will win through with women?

Fragrance notes previously associated with men, such as wood and leather, will be successful in the female fragrance market in Russia, as will

packaging that features modern designs with clear lines as opposed to overly feminised and decorative packaging. However, as image is strongly associated with status in Russia, fragrances should look like premium products. Manufacturers can achieve this 'luxury look' via high end packaging with a matte glass finish, an elegant shape or lush colours.

What other fragrance innovations could appeal to the female consumer in Russia?

Russian women apply fragrances 19.4 billion times per year, almost twice as much as men who apply fragrances 10.3 billion times. To fit into modern women's busy lifestyles, manufacturers have to launch travel-size fragrances. Travel-sized packaging allows Russian working women to refresh their scents during busy days, after a shower in the gym or before after-work social events. This is especially important for big urban areas, where consumers often don't have time to go home after work and reapply their fragrances.

Global round up

*From the largest to the smallest fragrance markets, women's use of scent varies considerably around the world. Here, **Cosmetics Business Markets** looks at what is motivating high growth in Austria and India, and why US sales have slowed*

US

American motivational speaker Leo Buscaglia once said, "I have a very strong feeling that the opposite of love is not hate – it's apathy. It's not giving a damn." The quote might well describe the way some US consumers feel about fragrance: apathetic, overwhelmed and more than a little confused by the saturated market environment.

Mintel's *Fragrances – US – August 2014* report reveals that the fragrance category in the US is struggling. Worth \$3.7bn in 2014 (including both women's and men's fragrances) sales have declined by 3% between 2012 and 2014. The women's fragrance segment, which accounts for a larger percentage of total category sales, in fact slipped further than the men's, falling 2.9% to \$2.3bn while men's fragrances dipped 1.7% to \$1.3bn. Mintel's Senior Beauty and Personal Care Analyst Shannon Romanowski explains that this was "potentially driven by the highly saturated and competitive nature of women's fragrances".

The decline of the US fragrance market is a relatively recent occurrence, notes Romanowski: "The fragrance category rebounded after the recession, posting solid gains between 2009 and 2011. However, sales have started to slow, with the category posting declines across both segments between 2012 and 2014. The occasional use status associated with fragrances combined with waning consumer interest, a saturated marketplace and competition from scented products in functional categories such as personal care and household are all contributing to sales declines."

Data from Euromonitor reveals that sales of mass fragrances have dropped by half since 2000 to approximately \$600m in 2014, and an article in the *Washington Post* entitled 'Modern life smells so good it's killing the cheap perfume' presented a convincing explanation: the fast growth of specialised scents in fabric softeners, household cleaners and body sprays has made Americans smell fresher and cleaner than ever, it stated, reducing the requirement for cheap colognes and perfumes. It also notes how Coty responded to the

decline in demand for its mass brands, which include Adidas and Stetson, by placing a greater focus on more prestige and celebrity fragrances, including Beyoncé, Katy Perry and Marc Jacobs. And it seems to have paid off: in fiscal 2014 Coty's fragrance business grew 1% like-for-like with "positive performance on its Calvin Klein, Marc Jacobs, Davidoff and Chloé power brands", it stated in its last financial report.

However, figures from NPD reveal that the prestige market in the US is also struggling. In 2014 the prestige fragrance market experienced a 4% dollar decline and in fact, fine fragrance consumption has been in decline since around 2009, according to previous usage studies from NPD. Mintel data confirms that while over half of adults say they use fine fragrance – specifically perfume and cologne – only a minority use these items on a regular basis. "The occasional use status associated with fine fragrance continues to plague category growth," says Romanowski, "especially as fine fragrance faces increased competition from scented personal care items."

The American way

Further studies have indicated the significant role that scented personal care items play in women's use of fragrance. Data from NPD's 2014 *FragranceTrack Report* found that just 1% of American women use only fine fragrances. It is far more common for women to use fine fragrance as well as a scented body product: 60% of women aged 16 and over use both, regardless of their age or race. Such findings are of major importance to perfume brands in the US market, who should consider the use of varying formats to satisfy the ways in which women like to use scent.

Karen Grant, Vice President and Global Beauty Industry Analyst at NPD, comments: "The wide usage of scented products in the US is an outstanding opportunity for the fragrance industry; the fact that so many women are using more than one type of scented product indicates that the fragrance industry's audience has a variety of scent needs and desires that they are looking to fulfill. The scent preferences of yesterday are not the same today. Understanding how fine fragrance now coexist with, and complement, personal ancillaries will help create new and exciting ways to engage the consumer."

Niche excitement

However, one sector of the market that has continued to thrive is niche fragrances, which have been stealing market share from some of the

The US fragrance category is struggling due to market saturation and consumer apathy

US
-2.9%
Decline in value sales of women's fragrances in the US between 2012 and 2014.
Source: Mintel

US: Fragrance market value, 2012 - 2014, by type

	2012	2014 \$m (est)	2012-14 % +/-
Total	3765	3673	-3.0
Women's fragrances	2417	2348	-2.9
Men's fragrances	1348	1325	-1.7

Source: Kantar Worldpanel



“Affluent consumers are seeking hard-to-find scents, helping to drive sales of niche fragrances”

Shannon Romanowski,
Senior Beauty and
Personal Care Analyst,
Mintel

major fragrance brands. While there are no official figures as to the size of this market, estimates have said that niche fragrances may account for up to 10% of total high end fragrance sales each year due to their price premium.

In a crowded market environment, brands such as Maison Francis Kurkdjian, Roja Parfums, Clive Christian and Creed are seen to offer something different and exciting, and are exclusive for those who can afford them, as Romanowski says: “Affluent consumers are seeking hard-to-find scents, helping to drive sales of niche fragrances.” Min in New York, for example, offers a wide range of niche brands including Floris London, Frapin Perfumes, Etat Libre D’Orange, Juliette Has a Gun and many more, while retailers such as Bergdorf Goodman have assigned more shelf space to niche fragrances, such as the Diana Vreeland Parfums collection, which launched last August with five fragrances: Extravagance Russe, Absolutely Vital, Perfectly Marvelous, Simply Divine and Outrageously Vibrant, each named after a quote from the legendary 20th century editor-in-chief of *Vogue*.

Maison Francis Kurkdjian, from the master perfumer who created Jean Paul Gaultier’s *Le Mâle*, which is also available in Bergdorf Goodman in New York and Neiman Marcus countrywide, also released a new women’s fragrance last year. *À la rose* Eau de Parfum, a floral woody fragrance inspired by Marie Antoinette’s love of roses that uses two variety of roses – 250 Centifolia roses from Grasse (May Rose) in the form of an absolute, for a floral base note, used with a woody cedar and musk; and 150 Damascena roses from Bulgaria to create a top note with a blend of pear and lychee.

Atelier Cologne is another niche fragrance brand that is stocked more widely, in Sephora and Neiman Marcus stores as well as having its own standalone store in New York. A new launch, *Oud Saphir*, is a fresh, light and original take on Oud, featuring citrus notes such as bergamot from Calabria, which together with Amber from the Indian Peninsula balance the notes of oud and birchwood. The scent is slated for release in September this year.

And recent moves by some major fragrance houses have illustrated how important the role of niche brands is in today’s perfume market: Estée Lauder recently acquired Le Labo and Editions de Parfums Frédéric Malle, while Puig snapped up Penhaligons and L’Artisan Parfumeur.

The US fragrance category may not be facing its sweetest era, as it seeks both recovery and prevention of further decline, but, as Romanowski says, “there are opportunities to improve the value perception of fragrances and consumer engagement.” Grant believes that: “The fine fragrance market can expand its loyal customer base through new, complementary products and messaging.” For some brands this might mean focusing on combining functional benefits with scent. Addressing consumer apathy is also vital, and brands that can bring mystique and fascination back to fragrance could be the real scent saviours.

AUSTRIA

It may not be the most obvious contender on a list of the world’s highest growth markets for women’s fragrances, but Austria has been forging ahead with double digit sales increases over the past few years. According to personal care association

Austria: Women's fragrances, market value, \$m, 2012-2014

2012	%+/-	2013	%+/-	2014	%+/-
125.82	11.0	141.45	10.5	158.02	11.7

Source: Canadean

Austria: Women's fragrance forecast, \$m, 2013-2018

2013 \$m	2018 \$m	%+/-
141.45	260.63	13.0

Source: Canadean

Cosmetics Europe, the Austrian fragrance market in total (including both women's and men's fragrances) grew by 9% to €178.9m in 2013, while Canadean, looking at specifically women's fragrances, places this category's growth at 10.5% to \$141.45 (€126.4m). And in 2014, the category climbed even higher, shooting up by an impressive 11.7% to \$158.02m (€141.2m).

Austria's fragrance market might be small compared to the might of its €1bn German neighbour, but it is in an enviable position with consumers enjoying higher disposable incomes and living standards than many European countries. According to the OECD's Better Life Index, the average household net-adjusted disposable income per capita is \$29,256 a year – higher than the OECD average of \$23,938. Spending on appearance is regarded as an integral part of the lifestyle of an Austrian consumer, and the use of fragrances have become one of the ways in which to express personality and character. Euromonitor says that this has been “further accentuated by the rise of celebrity and youth culture, and the extensive coverage of these topics in the Austrian media. The high profile advertising campaigns which are conducted by Austria's leading fragrance companies featuring celebrities and socialites have also had a major influence on the collective imagination of Austrian consumers.”

The most popular women's fragrances tend to be similar to the key international perfume

players, both in terms of prestige and masstige juices. Douglas Austria is an important retailer in this category, and in March 2015 its top ten women's fragrances consisted entirely of international brands. The best seller was Tommy Hilfiger Flower, followed by Lancôme La Nuit Trésor, Chanel Coco Mademoiselle, Escada Turquoise, Lancôme La Vie est Belle, Thierry Mugler Alien, Michael Kors Sexy Amber, Chanel No5, Paco Rabanne Lady Million, and in at number ten is the debut perfume from German singer Helene Fischer, That's Me!

According to Euromonitor, Procter & Gamble accounted for the largest value share of the Austrian fragrance market in 2013 at 20% with its Escada, Gucci, Hugo, Lacoste and Dolce & Gabbana brands, followed by Coty at 18% with power brands Calvin Klein, Marc Jacobs, Chloé and Davidoff.

Vienna's scent scene

However, the country does have a historic fragrance industry of its own – Vienna – and like many other European cities, it has a vibrant and blossoming niche scent scene. Independent fragrance house WienerBlut, for example, founded in 2009, develops perfumes that revisit and remix 19th century recipes from Imperial Vienna that use luxurious raw materials. Its latest creation is Ex Voto, a unisex oriental spicy fragrance that features notes of pink pepper, mastix, chamomile romaine, ashes of olibanum, nutmeg, melilot, bois de gaiac, santal and ambergris.

A notable perfumer in Vienna is Yogesh Kumar who creates bespoke fragrances, specialising in developing individual perfumes that fit the customer's personality. Meanwhile, fashion house Wendy & Jim entered the world of fragrance with Drop No. 01 Eau de Parfum, a complex composition that is declared to be “challenging, optimistic and unique in the world of today's perfumes”. Blended in Austria, it is billed as the first natural designer perfume worldwide: it contains 99% natural ingredients, 95% of which are of certified organic origin. The fragrance has top notes of bitter and sweet citrus and a heart of blossoms and rosewater and myrrh, in addition to a “surprisingly high dimensional base note of amyris wood”.

Austria's women's fragrance market is forecast to remain dynamic to 2018, with Canadean predicting growth of 13% to \$260.63m (€232.46m) as Austrian consumers continue to be lured by new perfume launches, both from the leading manufacturers and some enticing new developments in the domestic scent scene.

INDIA

Within the APAC region, India actually has the second smallest fragrance market according to Mintel, but it is also one of the fastest growing. Valued at INR 3.5bn (\$57m) in 2014, the country recorded a CAGR of 25% over the last five years, exceeding China at 9%, Vietnam at 15% and South Korea at 12%. China's sales, however, are nearly ten times that of India's fragrance market, which

International scents such as Coco Mademoiselle from Chanel, remain Austria's most popular fragrances

AUSTRIA

11.7%

Growth of Austria's women's fragrance market, 2014

Source: Canadean



remains small compared with the size of the population – which amounted to over 1.2 billion inhabitants in 2014.

Another defining characteristic of India's fragrance market when compared to other countries is that sales of men's scents outweigh that of women's. In 2013, women's fragrances were worth INR1.2bn (\$19m) compared to men's which totalled INR1.8bn (\$28m).

Scents of difference

But the most striking difference that sets India's fragrance market apart is that body sprays are by far the most popular way for consumers to apply scent, rather than using perfume itself. "Perfumes are perceived to be expensive and therefore are not popular among the masses," says Emmanuelle Moeglin, Global Fragrance and Colour Cosmetics Analyst at Mintel. "India has a strong cultural connection with fragrance as scented deodorants and body sprays are the most important products in the country."

A 2012 study by industry body the Associated Chambers of Commerce and Industry of India (ASSOCHAM) called *Domestic Fragrance Industry: The way ahead* found that half of the aggregate sales of deodorants and perfumes take place between March and September when people spend more to help counteract sweat and body odour. Perfume brands could perhaps use this to their advantage by focusing on the perception that fragrances will last longer than deodorants, which could help to enhance their appeal with consumers who are attracted to the functional benefits of fragrance, particularly during the hot summer months.

Another way to grow usage is by introducing masstige brands that are more affordable than the many international brands on the market, such as Chanel, Hugo Boss, Burberry and Estée Lauder, to encourage consumers to start using perfume on a daily basis.

Titan Industries Ltd, the jewellery and watch manufacturer, made its foray into fragrance market precisely for this reason in 2013, lured by the growth potential of the market and the opportunity to bring an Indian brand name into the mix. The company introduced a line of six fragrances (three for women and three for men) under the brand Skinn which are composed by perfumers in France and positioned as promising international quality at affordable prices. The fragrances, which are available in World of Titan outlets and multi-brand lifestyle and accessory stores across the country, are priced at INR990 for the 50ml variants and INR1790 for the 100ml. Skinn Nude is a fruity floral, featuring notes of lychee, raspberry, rose petal, violet, peach rose, musk and sandalwood; Skinn Imera is said to be an alluring and intriguing scent, with notes of bergamot, pear, lemon, rose, jasmine, geranium, patchouli and cedarwood; and Skinn Celeste, created by award-winning perfumer Harry Fremont, is said to evoke a sense of mystery and desire with a mix of fruit and floral essences including mandarin, pear, ginger, grapefruit and blood orange at the top; orange floral, jasmine, waterlily and floral nectar at the



heart; and a base of patchouli, amber, apricot nectar, sandalwood and musk. Titan Industries is looking to launch further variants later this year.

The fragrances are said to target young adults aged between 23-27, and the launch was supported by a television, print and digital campaign. "Worn every day, the perfume transforms from an accessory that completes one's ensemble to a signature scent that completes one's identity," says the brand. "So, the perfume ritual becomes second nature and the fragrance becomes one's second skin."

Perfume use may not yet be part of the average consumer's daily routine in India, but according to Canadean, its perfume market is still expected to enjoy growth at a CAGR of 26% between 2013 and 2018 and Mintel's forecast places forecast growth at 17% over the next five years.

However, Moeglin adds that for the majority of consumers, scented products that offer added value will remain central to the growth of this market. She observes that: "India's fragrance market is small and despite strong predicted growth [perfume] is still perceived as a luxury product, and this is why body sprays are seen as the way forward to overcome the price issue."

Titan Industries spotted an opportunity to launch Skinn, a domestic Indian brand that offers international quality at affordable prices

INDIA
25%

CAGR of India's fragrance market over the past five years
Source: Mintel

India: Fragrance market value, 2014, \$m

	2010	2014	2017	'14-'17 % +/-
Total	36	57	97	42

Source: Mintel



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Brazil

Mass masters

Dominated by mass scents, Brazil is the largest fragrance market in the world, and even the country's looming recession is not enough to suppress sales of women's fragrances, reports Mauricio Savarese from São Paulo

Sales of women's fragrances in Brazil generated a staggering US\$4bn in retail in 2014, according to market research company Euromonitor. The figure is even more impressive since doubts on the continued growth of the segment were voiced when the country's economy began to decline two years ago. And now, those pressures have increased due to planned government spending cuts that could tip the country into a recession in 2015 and 2016.

Despite this, optimism remains strong in Brazil's personal care products industry. Euromonitor forecasts sales for the women's fragrance segment to grow by more than 32% by 2019 from 2015. Most of this projected expansion comes from Brazilian women refusing to cut personal care expenses, even when times are tough.

Research firm Mintel has estimated that Brazilian women are likely to buy 6% more scents in 2015 than they did in 2014, outgrowing the country's overall economic growth by 7%. The Brazilian Association of Toiletries, Perfumes and Cosmetics (Associação Brasileira da Indústria de Higiene Pessoal, Perfumaria e Cosméticos – ABIHPEC) is "cautiously agreeing" with this projection, despite a steep drop in consumer confidence nationwide.

"Last year we had estimated growth of 12.8%. That was more than Brazil's overall 11% consumption growth," President João Carlos Basilio tells **Cosmetics Business Markets**. "From 2009 to 2014 the consumption of fragrances doubled in size. And we have some room to grow more."

Economic pressures

However, maintaining such a positive outlook grows trickier by the day. Brazil's currency – the real (BRL) – has melted in exchange rate value during the first months of President Dilma Rousseff's second term following her 27 October election. It went from BRL2.40 against the American dollar then, to BRL3.30 in March. Market specialists say that fragrance makers in



Brazil who import raw materials and bottles are not passing that burden on to consumers, which is likely to shrink profit margins. Government spending cuts and possible tax increases that are still under discussion could further dampen what has been a far highly profitable industry.

Olegário Araújo, the São Paulo-based Head of Retail Services at market research company Nielsen, still believes Brazil's women's fragrance market will remain in decent shape. Speaking to **Cosmetics Business Markets**, he says: "If history means anything, this year looks like 2009. In that year 86% of female shoppers kept their habits. Only 14% decided to buy cheaper brands. It wasn't the same for other industries – people mostly cut down expenses during that time. Cosmetics were the exception: they have only grown since then." Women's fragrances still

32%

Estimated forecast sales of women's fragrances in Brazil, between 2015-2019

Source: Euromonitor

Brazil: Fragrance market value and breakdown by segment, 2013 (BRL bn)

	2012	2013	% +/-	% share of market
Total	6.835	6.9992	2.4	100
Women's fragrances	3.8043	3.9564	4.0	56.5
Men's fragrances	3.0307	3.0428	0.4	43.5

Source: Mintel



“The market rocketed by 11% between 2009 to 2013, and although the country’s economic situation has dampened results, the category has maintained positive growth”

accounted for most of Brazil’s US\$7.3bn scent industry last year, with male consumers being far less inclined to spritz.

Euromonitor expects Brazil’s mass fragrances market for women to grow 32.2% in revenue over the next four years, to around US\$5bn, and the premium industry to expand by 36.4%, to US\$386m. The fact that high end products would still equate to less than 10% of Brazil’s market is a clear hindrance on generating handsome profits. Adding men’s products to the tab, the overall sales figures for fragrances in Brazil are predicted to rise from US\$7.3bn in 2014 to almost \$9bn in

2019, according to Euromonitor, which should ensure that the market remains one of the world’s most exciting places to sell scent.

It’s a mass world

In mass women’s fragrances alone, Brazil is the largest market in the world, ABIHPEC says. No other country sells more lower-priced eau de toilette, eau de parfum, perfume and eau de cologne, typically made available to consumers through in outlets.

In Brazil, the distinction between mass market and premium fragrances is wide, in terms of price, label, market positioning (mass scents rarely carry a designer label) and distribution. The mass fragrance segment also incorporates some hair fragrances that offer a primary function of making hair smell good, which differs from hair oil and other styling and conditioning products, whose primary function is to either condition or style, rather than provide fragrance.

Premium fragrance products for women, including all prestige or premium-positioned women’s eau de toilette, eau de parfum, perfume and eau de cologne, are still a challenge, and Brazil is not even within the world’s top ten markets – it is in fact at number 13. Still, this is set against a general economy that grew a miserly 0.1% in 2014 and is expected to grow just 1% this year.

So who are the women buying fragrances in Brazil today? “Their ages range from 25 to 50, they are in all social classes and they go to perfume shops once a month,” says Nielsen’s Araújo. “Women in our new middle class buy fragrances more often and in a more sophisticated manner. Many women make self-indulgent purchases. Other goods are not selling as well and that allows them to spend more on beauty products.”

Indeed, if Brazil’s economy was performing better, beauty product sales could be significantly healthier, notes Araújo: “There is stagnation. People are in debt and income has been affected. That has hit performance.” However, some winners remain throughout, as Aline Rego, Manager of O Boticario’s Central Plaza Shopping Plaza store in São Paulo would agree. “Women are still spending a lot on beauty products,” she

Brazil’s C&T market: the broader picture

As a whole, ABIHPEC estimates that the Brazilian personal care market grew by 11% in 2014 compared to 2013, generating revenues of around US\$38bn. Overall, it is the third biggest personal care market in the world, just behind market leaders US and China. According to ABIHPEC the industry generated 1.8% of Brazil’s US\$1.73 trillion Gross Domestic Product (GDP) last year.

Business experts believe that cosmetics and hygiene products create about 4.8 million jobs in Brazil – including manufacturing, distribution and retail – of which 80% are held by women. Women’s fragrances are a critical element of that labour market performance.

Brazil: Fragrance market forecast to 2018 (BRL bn)

	2012	2013	2014	2015	2016	2017	2018
Value	6.935	6.9992	7.3142	7.7586	8.1066	8.5077	8.8752
% +/-	14	2.4	4.5	6.1	4.5	4.9	4.3

Source: Mintel

says: “This store has been here for ten years and we have rarely had a month in which we sold less than in the previous month. People talk about the economic crisis, but nothing has reached us yet.

New launches

New launches are an important way to generate growth in any fragrance market, and ABIHPEC's Basilio confirms that innovation and advertising have made an important contribution to helping scent sales stay buoyant in Brazil.

“About 30% of the annual revenue in the industry comes from releases, including women's fragrances. In Brazil today we are the industry that most invests in communication, and women are paying attention,” he says.

The fragrance market is certainly in a good position and a comparison with figures from six years ago shows how much it has grown. Back then, Brazil's fragrance industry, for both men and women, was estimated at US\$4.3bn, with mass fragrances for females worth US\$2bn and premium products estimated at US\$187m. Basilio confirms: “The improvement is self-evident, but now is not the time to be too confident.”

Mintel also agrees that “despite a slowdown in its economy, Brazil has experienced strong growth [in fragrance] over the last five years”. The market research company says that the almost universal usage of fragrance and the strong penetration of local brands make Brazil a unique market.

“However, international premium brands are slowly appearing among Brazilians' fragrance preferences and this will change the market landscape over the next coming years.” But that was before the real fell against the dollar, customers and managers of import shops argue, stressing their lines will inevitably rise in price.

Scents of success

Brazilian companies understand this difficult market better than anyone. O Boticário and Natura dominate the fragrance market, each representing roughly one third. On average, they release 20 new products a year, including lines and limited editions. Avon Brazil, which has been selling in Brazil since 1959, commands about 8% of sales from female Brazilian consumers. Other companies based outside the country find such locally entrenched competition tough to tackle. Denise Coutinho, Global Marketing Manager at Natura believes that “Brazilian-ness is a key for success” here.

“Our brands have to be more humorous, we invite our shoppers to see things more lightly, take themselves less seriously. That is very Brazilian,” says Coutinho. In Natura's case, the battle for Brazilian-ness involves the use of an exclusive perfumist ‘nose’ who really understands Brazilian tastes.

“She works with some of the world's greatest perfume makers to co-create. That means, for example, using oils that are only found here, so we can innovate.” The taste of Brazilian women is also important to know: they like their fragrances with a floral or citrus odour profile with a sweet touch.



Launch highlight: Natura Luna

Released in late September, Luna is Natura's first Brazilian chypre. It is big news for a market that is mad about citrus and floral perfumes.

“This is what innovation smells like for Brazilian shoppers,” explains Tatiane Rizzio, Consultant at Natura. “Luna has a rich floral top note scent that is combined with a light patchouli base note.” It lasts up to nine hours, and the bottle, which is designed to be shaped like a woman's body, is made of 96.43% recycled materials – to reach a challenging target that Natura has set itself.

Denise Coutinho, Natura's Global Director for Perfume Marketing, says that the Luna deodorant cologne is the brand's interpretation of classic chypre perfumes, with modernity and Brazilian-ness. “Being so Brazilian, it was key to allow some of the world's greatest perfumists to co-create it with our exclusive perfumist. We used oils only found in Brazil,” she says.

Renata Ashcar, an author, university professor and perfume museum owner in São Paulo, believes that Brazilian brands dominate because they have developed their own personality over the last decade. “They are not afraid of trying. Last year O Boticário released Malbec, which is as good as many imported perfumes. There is also Luna, by Natura [see *Launch highlight*], which is a refined chypre. Both went on the opposite direction of what trendsetters believed would work and both did great,” she explains.

Indeed, experts say that local definition is necessary, describing Brazil's market as a cosmetic ‘jabuticaba’, meaning it has its own characteristics that companies ignore at their peril – the jabuticaba is a berry found only in the southeastern states of Brazil.

Another route to success here, she said, is to use flankers in marketing, so that companies spend less on brand new advertisements.

Foreign attraction

However, this is not to say that Brazilian women dislike foreign brands. The 2014 FIFA World Cup demonstrated quite the opposite, with sales figures indicating a boost in foreign fragrance sales at this time, including Adidas and Christian Dior brands, according to Guido Schmitt, Managing Director at Ars Parfum, a German manufacturer that partnered with FIFA for the Brazilian sporting fiesta. But doing business in Brazil in the long run “...is very difficult,” Schmitt tells **Cosmetics Business Markets**, “We couldn't find a way to stay. It went well in terms of creation, support,

O Boticário and Natura dominate the fragrance market in Brazil





“Brazil is an attractive market, but the country has big brands and it is hard to decide when it is time to step in”

Guido Schmitt, Managing Director, Ars Parfum

marketing. But there is a totally different retail system, which involves more of drugstores, less of shops. We were open to do more, but we needed partners we didn't find,” he explains.

And while Ars Parfum managed to make a deal with Brazilian duty-free shop Dufry, its scope was too small to succeed, despite the fact so many Brazilian women “crave international perfumes and buy a lot of them when they travel,” as Schmitt claims. “There needs to be production in Brazil, good distribution in that gigantic country to do well. It is an attractive market, but the country has big brands there and it is hard to decide when it is time to step in. There are also political and economic difficulties at the moment. It doesn't allow us to explore the existing potential there,” he says.

This means that any challenges to Natura and O Boticário may remain small in the near future. Today, Brazil's highest selling imported women's fragrances, according to one of the industry's most popular website, perfumes.blog.br, are: Lady Million (Paco Rabanne/Puig); 212 VIP, 212 VIP Sexy and 212 Sexy Body Spray (all Carolina Herrera/Puig); Britney Spears Fantasy (Elizabeth Arden); Gabriela Sabatini (Muelhens); Escape

(Calvin Klein/Coty); Jennifer Lopez L.A. Glow (Coty); La Petite Robe Noire (Guerlain/LVMH) and Hypnôse (Lancôme/L'Oréal). All of these lines are likely to become more expensive because of the weakness of the real.

But this is no problem for a few bold investors. US company Parlux has signed an agreement with local brand Jequiti (Silvio Santos Group), a specialist in direct sales, to release its Rihanna line this year in Brazil. And Coty has made a deal with Avon Brazil to sell some of its fragrances, while in 2013, L'Oréal bought beauty chain Empório Body Store, which could develop into a tropical version of The Body Shop this year. Yves Rocher has also got in on the act and announced plans to open ten stores in Brazil. Meanwhile, L'Occitane has gained traction because of a few popular products, such as Ambre and Jenipapo.

So what is next for Brazil? Ashcar agrees that 2015 will not be easy, but is confident the economic crisis will not stop shoppers or international brands from settling in. “We have a huge number of avid consumers that are still to be educated on perfumes,” she says. “I refuse to believe that the industry that grew so much in Brazil in the last 15 years is going back to where it was. There are many opportunities for women's fragrances, but to do well here you have to embrace Brazilian-ness. And you have to embrace it fully.”



Sector watch: Imported fragrances offer scents of appeal

Cosmetics Business Markets speaks to Souheil Haddad, Managing Director of Paris Perfumes, one of Brazil's newest fragrance import businesses

To what extent are wealthier consumers prepared to pay more for imported products?

Exchange rates are currently discouraging. But there is a market of well-informed people that won't stop buying what they like. It will be tough to get new clients, especially for some luxury brands. In our case, we are working with that category of perfumes that is neither mass nor too fancy. Our consumers seem happy.

You are the newest of the importers operating in Brazil. How do you attract consumers?

Generally, consumers are impressed by the look of the products. Beyond the packaging, we work

on our fragrances which are made in France in compliance with the best practices.

On the other hand, retailers are offering good payment terms which helps to keep imported products accessible. When consumers can't afford a 100ml bottle of a high fashion perfume, they buy a smaller 50ml or choose one of ours [own brand products].

What kind of consumers like imported products?

People who have sufficient purchasing power really go for the best.

As far as our perfumes are concerned, since they don't have the benefit of much advertisement, people choose them after going beyond the appearance of the packaging and experimenting with the fragrance itself. So, appearance really matters as a way to encourage people to try the product and experiment with it.

Imported fragrances such as Lady Million (above, right) are likely to become more expensive for consumers because of the weak Brazilian real

SCENTS OF PERFECTION

The Fragrance Foundation Awards – the FiFis – are a major event in the perfumery world. The winners of 23rd French FiFi Awards were announced on 7 April, while the UK and US awards will take place over the coming month. So which women's scents shone in France?

1 Corsica Furiosa by Parfum d'Empire was voted best niche perfume sold in less than 100 points of sale, by a jury of 25 experts. The French brand, which is founded and run by Marc-Antoine Corticchiato, won 29.3% of votes in this category for its 2014 launch. Corsica Furiosa is a tribute to Corticchiato's native home, Corsica, and was inspired by the green, faceted fragrance of lentiscus, an evergreen shrub that grows on the sunny slopes. The fragrance is described by Parfum d'Empire as a "verdant blast" built around this key note, alongside accents of wood, moss, earth, hay, honey, resin and leather. **PRICE €120 (100ML)**

2 La Panthère by Cartier won the best bottle design for a women's fragrance in selective distribution. The regal bottle shows the stylised face of a panther – a symbol of the Cartier brand – carved in glass from within, which according to the brand is "an incredible feat employed for the first time in perfumery." The minimalist bottle has a golden hue and features simple, geometric lines, while the juice itself is a bold floral-chypre formed from central notes of gardenia, Ketone musk and oak moss. **PRICE €58 (30ML)**

3 Black Opium by Yves Saint Laurent (L'Oréal) stood neck and flacon above other female fragrances at the French FiFis as it scooped two awards: best women's fragrance and best advertising campaign for women. The gourmand floral fragrance is composed of black coffee, white floral and vanilla notes and is designed to be both energetic and mysterious. The dark, glam rock-style bottle is decorated with sequins, while the campaign, designed to attract a younger clientele, features British model Edie Campbell, chosen for her rock'n'roll look with messy dark hair and black eyeliner. **PRICE €59.50 (30ML)**

4 My Burberry by Burberry picked up the new FiFi d'Or award for women, which singles out the best ensemble of bottle, scent and campaign. My Burberry was selected by a jury made up of leading figures in arts and culture, including

photographers, artists, directors and musicians, and presided over by Jean Paul Gaultier. Inspired by Burberry's iconic trenchcoat, the fragrance is said to capture the scent of a London garden after the rain, with top notes of sweet pea and bergamot; a heart of geranium leaf, golden quince and freesia; and a base of patchouli, damask and centifolia roses. **PRICE €50.90 (30ML)**

5 Cuir d'Ange by Hermès was named best perfume by a luxury brand, also in less than 100 points of sale. This scent won 29.8% of votes, and before the FiFi Awards took place it has attracted highly positive awards across the board from fragrance critics and bloggers, including one, leading niche perfume blog *ÇaFleurBon*, which described it as providing "a wonderfully expensive and coy peek into the Hermès atelier". The soft leather scent was developed by French perfumer Jean-Claude Ellena, incorporating notes of heliotrope, hawthorn, violet, narcissus, musk and leather. **PRICE €310 (200ML)**

6 La Petite Robe Noire Eau de Parfum Couture by Guerlain (LVMH) is the 2014 flanker to the hugely successful La Petite Robe Noire brand and is described as being more glamorous, depicting a strapless long evening dress on the bottle. Awarded best women's fragrance in selective distribution, the fragrance is said to combine fresh floral notes with woody facets and opens with notes of raspberry and bergamot, leading to a heart of rose essence and rose absolute and base notes of patchouli, moss, vetiver and tonka bean. **PRICE €59.50 (30ML)**





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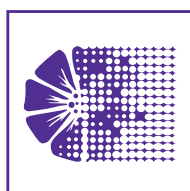
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