

Fragrance, Remixed: New Context for the Category

Fragrance, the category widely claimed to be impossible to sell online, is making inroads digitally. Powered by innovations, consumer curiosity, new formats, and interest in customization, **the world of fragrance is entering a new era.** Successful trends in particular are clean, niche, home, and unisex fragrances, while a notable new behavior is the layering of scents to create a more personalized experience. Regarding overcoming the challenge of fragrance online, industry experts point to the maturity of e-commerce in U.S. and the revitalized ways in which DTC brands are creating physical touch experiences through sampling and discovery sets.



OVERALL SIZE OF THE MARKET

\$8.4B: Size of the U.S. fragrance market value currently, with predictions to reach \$10.17B by 2023



While 2019 is forecasted to see **4.3% YoY** growth, that rate is expected to slow to 3.7% by 2023

10%: Fragrance's share of sales in the 2019 U.S. beauty market

YOUNG AND CURIOUS

Gen Z and Millennials show, in each category, the highest levels of interest in trying the following new formats:

In-Shower fragrance



Perfume pen



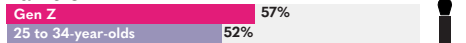
Solid fragrance bar



Cushion compact fragrance



Paint-on



Gen Z and Millennials are also very interested in custom-blended fragrances, with **26%** wanting their own bespoke scent

FRESHEN UP THE CONVERSATION



Scents offer a relaxing, high-touch, and calming escape from the highly digital lives of Millennials. Fragrance brands would be wise to tap into those emotions—with connections to clean beauty and wellness—rather than the now outdated focus on desire



WHAT'S WORKING IN FRAGRANCE



+13%
YoY growth in niche perfumes



+3%
YoY growth in designer fragrance

WHICH FACTORS ENCOURAGE PURCHASES?

- 45%** Familiar Scents
- 40%** Recommended by family & friends
- 37%** A known brand
- 22%** Reviews
- 20%** Contains natural ingredients
- 17%** Packaging
- 15%** Added benefits
- 13%** Advertising
- 6%** Influencer marketing

E-COMMERCE: ALL ROSES?

72% of fragrance study respondents said they need to **smell a product prior to purchase**

That said, a flurry of new DTC fragrance brands, often by celebrities, are seeking to change consumer behavior. New brands include Lily Aldridge Perfumes, CHER Eau de Couture, Henry Rose (Michelle Pfeiffer), Lovely by SJP, Potion 54 from QVC, Phlur, and Pinrose

Sample packets and free shipping and returns are tactics to encourage at-home trials

BRING IT HOME

50% of U.S. consumers scent their homes to create an inviting, comfortable atmosphere

84% of women are more likely to use home scents when expecting guests

Source: Mintel, *The Future of Fragrances 2018*; *The Beauty Consumer U.S. 2018*; *Ingredient Trends in Beauty, US, October 2019*; *Luxury Beauty Consumer, US, September 2019*, *The New York Times*, "Why Does Everything Smell, So Peacefully, of Lavender?" 14 September 2019, *Glossy*, "Inter Parfums Launches First Online-Only Fragrance with Model Lily Aldridge," 4 September 2019; *Beauty and Wellness Briefing: Ralph Lauren Wants Its Fragrances to be Lifestyle Brands*, 5 June 2019, *Euromonitor*, *Fragrances in the U.S.*, June 2019, *Glimmer 2019 Survey*