

France

Making scents of a crisis

Coco Chanel once said: "A woman who doesn't wear perfume has no future." If she was right, then things are looking good for the 24m French women – that is over 90% of the female population in France – who use fragrance. Certainly the French are not as indebted as the English, the Spanish, the Americans or the Japanese. Their purchasing power has increased steadily for ten years and, although money may be tight for many, research by Mintel reveals that in tough economic times, "women tend to use fragrance more sparingly rather than not use it at all".

Recent figures indicate that this has continued to be the case through the economic crisis. Fragrance sales in France have clearly been hit, but the situation is far from grave. Women's fragrances have declined by just 0.6% in value and 2.8% in volume terms over the past year, according to NPD France, and the overall perfume market shrank by 1.4% in value, despite retailers' margins being squeezed as a result of the 2.5% price increase slapped on perfume in 2008. Put into context, the French fragrance market, currently valued at around €2bn at retail, remains relatively stable compared with the global fragrance market which fell 5%.

IFF's Catherine Bru, director FDG fine fragrance and beauty care and Micaela Braccini, senior marketing manager, fine fragrance Europe comment: "The French beauty and perfume market did resist pretty well the economic recession. Where the forecasts were showing a very dark picture, the reality has in fact been a little bit lighter."

Olivier Aron, founder and ceo of Rosae, a Paris-based research and analysis company for the perfume, beauty and spa market adds: "The market has been relatively stable taking into account the recent crisis. This is not the case in the US or Russia and in certain other countries, but in France the market is relatively sound because fragrance usage is so high. In France women use 2.3 bottles per year, compared to 1.2-1.3 in the UK per

France: Top five women's fragrances, value sales, 2008

Brand	Manufacturer
Chanel No5	Chanel
J'Adore	Christian Dior
Angel	Thierry Mugler
Coco Mademoiselle	Chanel
Flower by Kenzo	Kenzo

Source: NPD France

France: Top five women's perfume coffrets, value sales, 2008

Brand	Manufacturer
J'Adore	Christian Dior
Amor Amor	Cacharel
Trésor	Lancôme
Classique	Jean Paul Gaultier
Angel	Thierry Mugler

Source: NPD France

year. As much as 70% of the revenue from beauty and perfume stores is through perfume, 56% of which is women's fragrance. And in luxury retail generally, women's fragrance accounts for 35% of the market." The two giant chain stores Marionnaud and Sephora continue to take 50% of the fragrance market, which is 90% dominated by the selective perfumery channel.

So why is fragrance usage among women so high in France compared to other countries? Aron remarks: "Perfume in France has become a must have, must wear, must consume item. It has become an accessory item, like a toothbrush. That's not to say it's become a commodity, but the trade has been transformed and perfumes are more available to the public, not just women but also men. The advertising investment has also doubled over the past ten years."

Perfume may be a must even in times of crisis, but the economic downturn of late has nevertheless impacted the number of new launches. "The effect of the crisis was not immediate, as most of the projects we work on take several years between first briefing and launching onto the market, but certainly launches were revised in terms of potential. Some were even cancelled or postponed," say Bru and Braccini.

Significantly for the industry, there has also been a marked change in the type of fragrances that consumers desire. They explain: "Some consumers may be looking for more value for money, reassurance or to revisit the classics such as Paris with Parisienne (L'Oréal) or Trésor with Trésor in Love (L'Oréal) while some opt for more provocative scents."



L'Eau Ambrée, the new fragrance by Prada, combines amber accords with top notes of citron and rose

Jean Paul Gaultier's Classique X Collection Eau de Toilette (BPI) would certainly fall into the latter category. In a nod to the designer's winter 2009 ready to wear collection, where models wore provocative masks, fishnets, sheath dresses and leather skirts, the fragrance is billed as being "as sensual as a second skin". Opening with bright top notes of mandarin orange and bergamot before opening to a bouquet of orange blossoms and peony, the base is composed of vanilla and powdery iris giving an impression of the powders of the boudoir. The bottle further illustrates the seductive nature with the emblematic bust dressed in a frosted glass corset, crossed by an opaque X and featuring a necklace wrapped around the bottle laying a black X upon the décolletage.

L'Eau Serge Lutens is provocative in a less obvious way. "I wanted to create an anti-fragrance whose notes and impressions would create a lasting sensation of wearing a clean scent, not a perfume," says Lutens. "My intention was not to have it supplant perfume, but to help restore the original pleasure of wearing fragrance. This creation is my response to a world that is overscented." The fresh scent includes notes of clary sage, white mint and white magnolia.

All about value

"The brands that have succeeded over the past year are the ones that are giving good value for money to consumers," says Aron. And the most successful fragrance launch during the crisis has been Paco Rabanne's 1 Million (Puig) which, with its high quality bottle, is an example of the pure perceived value that is currently winning over consumers. It may be a men's fragrance, but according to Aron, whose company Rosae carried out the consumer testing for this launch, "women buy it for themselves too, as they do Le Male (BPI). Normally the number one in the men's market is used also by women".

Another example is Hermès, which according to Aron has experienced "clear success with incredible growth rates", with Eau de Hermès, and its quality bottle and packaging, encapsulating the value for money trend. "With Eau de Hermès the quality is recognised by the consumer so they are willing to pay that extra £10," says Aron. The brand has followed through with a major new unisex launch, Voyage. Again, the novel and extremely high quality bottle is of the utmost importance for this launch. Modelled on a portable vintage magnifying glass, its outer

aluminium casing swings on an axis to cover the atomiser. It has also been designed to be refillable, enhancing its value as an objet. The juice itself is described as a woody fresh musky scent.

PureDKNY (Estée Lauder) delivers value and quality in a different way, tapping into the consumer desire for responsible living. Billed as "more than a fragrance", PureDKNY strives to be responsible, conscious and environmentally aware, being created in partnership with leading humanitarian organisation CARE, and sourcing the drop of vanilla in water – the fragrance's signature note – from vanilla bean farmers in Uganda, the majority of whom are women. The soft floral scent also features a dew-drop petal accord, lotus flower and Bulgarian rose and a floral heart of transparent jasmine, freesia and lush orchid before moving onto a warm white amber, sandalwood finish, highlighted by the signature note. Bru and Braccacini comment: "The influence we see growing is more on green/bio/ethical/sustainability issues. This in a way is also linked to the recent credit crisis."

It could also be seen as a sign of the times that Givenchy (LVMH) has revisited its couture spirit with Eudemoiselle. Maximised by the bottle's classic, vintage style the brand is seeking to reclaim its aristocratic haute couture roots, almost as if Givenchy is seeking reassurance from its heritage in these unpredictable times. The fragrance is dominated by Turkish rose, blended with mandarin, Italian lemon and Japanese basil for a floral and musky effect. The advertising further depicts the brand's aristocratic values by featuring the face of the fragrance, model Magdalena Frackowiak, wearing a striking, floor length black cape in the garden of a French château.

Keep it simple

One trend that has persisted for several years in the French fragrance market and is showing no signs of abating is, as Bru and Braccacini call it, "the green trend". This, they say, "is illustrated by the continuous launch of simple notes and

France: Women's fragrances, breakdown of formats, 2009*

	€m	% +/-	Units m	% +/-
Total eau de toilette and parfum	111.90	-0.5	12.27	-2.8
Women's eaux de toilette and parfum	48.14	-5.4	5.65	-7.6
Total coffrets	54.12	-0.9	4.75	1.1
Women's coffrets	17.83	-3.5	1.61	0.9
Total eaux de cologne	34.45	2.0	9.83	1.6

*Sales through super/hypermarkets, year to 31 January 2010
Source: IRI France



fragrances based on one ingredient". Guerlain's (LVMH) Aqua Allegoria collection features simple yet sophisticated scents, and the perfume house is celebrating its fifth anniversary of the first edition of the collection with the launch of Floral Nymphéa. The scent is based around orange blossom, with a hint of honey and notes of syringa flower.

Chloé's (Coty Prestige) Eau de Fleurs collection of three fragrances, said to "unite the noblest raw materials in perfumery", focuses on single, high quality ingredients. Lavande, Capucine and Néroli pay homage to three essences - lavender, nasturtium and neroli - and are housed in a luxurious glass bottle with minimal lines and a metal cube stopper, echoing the fragrances' balance of simplicity and sophistication.

Darling of the single note fragrance, Prada (Puig) introduced the critically acclaimed L'Eau Ambrée last August. In this scent, amber has been balanced with a top note of citron and rose at the heart for a modern interpretation of the classic scent. Prada has also added a new limited edition women's fragrance to its annual Ephemeral Infusion collection which was launched last year with the introduction of Infusion de Fleur d'Oranger. Infusion de Tubéreuse mixes Indian tuberose, petitgrain bigarade, Italian blood orange and dynamone.

Going green

While the green trend continues to inspire many fragrance houses in their creations, green notes are proving particularly popular in many of the biggest fragrance launches so far this year.

One of the most awaited scents of the season, according to the French edition of *Marie Claire* was the first fragrance from fashion designer Maison Martin Margiela (L'Oréal), Untitled, which was inspired by "the forgotten green fragrances that symbolised the femininity of the 1970s". Featuring an overdose of galbanum at the spine, the woody green floral scent is boosted with the bitterness of box green, while middle notes combine lentiscus, incense and bitter orange.

Galbanum extract is also at the heart of A Scent by Issey Miyake (BPI), which works with jasmine and hyacinth to create a transparent green floral fragrance. The second instalment, which launched recently, is the Eau de Parfum Florale, a more feminine and floral take on the original, adding rose, peony and ylang ylang and accentuating jasmine and hyacinth, while at the same time resting on a note of galbanum, like the original. The appearance of the jus is pale pink in this variant, highlighting its move into a more floral arena than the pale green original.

Galbanum also appears in Ninfo Mio, the new fragrance from Annick Goutal (Taittinger Group). Inspired by the Giardino

A firm favourite in fragrance

Chanel, Christian Dior, Estée Lauder, Annick Goutal, Marc Jacobs, Thierry Mugler and many more have all been enticed by the creative opportunities that the solid fragrance format presents, and its popularity is on the rise.

Converts to the solid fragrance say that it is at once a more intimate gesture, and a practical one - the solid perfume is after all a mess-free way to apply fragrance on the move. It can appear as a ring as at Marc Jacobs, hidden in a pendant at Jean Paul Gaultier or more traditionally in a compact at Chanel. French company Crazy Libellule and the Poppies specialise in creating solid perfume in a stick format and if proof were needed that there is a growing market for such fragrance products it can be found in this company's sales, which have doubled each year of late and in 2009 reached €4m.

The company's founder, Isabelle Masson-Mandonnaud, who co-founded Sephora, is planning to multiply its turnover four-fold this year, and will open her first shop in Paris, a shop devoted to solid perfume, soon. "In fragrance we have seen the same old perfumes being launched, yet it's a marvellous market for creating something new," Masson-Mandonnaud tells ECM. "With our Crazy Sticks or Bâtons de Parfum we provide a very new gesture because they look like a lipstick and are so easy to apply, on your way to work, in the car, wherever.

"Crazy Libellule and the Poppies has also found success in Asia, particularly in Japan and Hong Kong, where it is also now opening an office. The company also has many new product launches in the pipeline. Voyou, its first fragrance line for men will be available from next month, and Biologique Poppies, a line of three alcohol and paraben-free organic fragrances will launch this October. And at Christmas, the company will launch a new gesture with L'Oréal's direct sales retail arm, Le Club des Créateurs de Beauté called La Fer de Poudre. This small collection of three fragrances will spray perfume in powder form. "Consumers need a very new way to use perfume, and our goal is always to create new gestures. My ex-husband who I worked with at Sephora advised me to create a new market by creating a new gesture. I think this is the real reason for our success."

di Ninfa near Rome, the fragrance is very green and very fresh, opening with sharp green citrus in the form of Italian lemon and citron. Essences of petitgrain and bitter orange are revealed, then lively galbanum extract and lentisque absolute while lavender adds a herbal undertone to the scent and warmth is provided by fig leaf and lemon tree wood.

Balenciaga Paris, the label's first significant perfume since the creation of Cristobal in 1998, and its first effort under its new licensing arrangements with Coty Prestige, also picks a green note as its main focus (violet leaves) but strikes out on its own. There is no clean freshness here, it is a musky violet scent, with both light and sensual tones. Bergamot, spices, pepper and carnation, with the musky woody base provided by oakmoss, cedar, vetiver, patchouli and labdanum also feature in the creation which, according to industry sources polled by website *Women's Wear Daily*, is estimated to reach first year retail sales in excess of \$90m worldwide.

Raising the bar

The true measure of success in fragrance, however, is not a perfume's first year sales but how

Untitled, the new scent from French fashion designer Maison Martin Margiela, is inspired by the greenness and simplicity of nature



long it stays around. In France, says Aron: "a lot of fragrances over the past two years have appeared and disappeared just as quickly. A perfume makes money when it is still there after two years. There is a need to focus more on the product and less on the advertising. That way you will get a better return on investment in the long run. In order to last, the perfume needs a story, personality and quality."

The secret for a scent's longevity sounds simple on paper but the good news is that more brands are paying greater attention to the quality of their

launches than the quantity. "There is always something positive from the crisis," says Aron, "and the result is hopefully more high quality launches." Bru and Braccacini forecast a similar outlook: "We will probably see a reduction of launches and products with more soul will emerge in order to better connect with the consumers. The challenging market forces us to have a different take on our business." It is a sentiment reminiscent of another of Coco Chanel's famous quotes: "In order to be irreplaceable one must always be different."

Germany Smelling sweeter

After a fairly lacklustre 2008, where the women's fragrance market (including sets) grew by only 0.3%, 2009 came up smelling of roses, as the market put on 2.3% to grow from €1.09bn in 2008 to €1.11bn last year. Volume sales also increased, although not as much, rising by 0.4% to 51.31m units, according to data from IRI Germany.

Looking at this more closely it is clear that rather than the traditional German drugstore accounting for the majority of sales, it is in fact perfumeries which come up trumps in 2009. German perfumeries garnered €736.45m worth of business, the overwhelming majority, putting on 3.0%. Drugstores were the next most popular channel in value terms, putting on an even better 3.3% in 2009 to total €202.26m. In third place were department stores, which took €138.59m worth of sales but these were hit hard seeing a drop of 3.8%. Lastly came hypermarkets accounting for €36.07m last year.

A selective business

German consumers are still a selective bunch when it comes to choosing women's fragrance. The vast majority of sales are still in the selective market as this area attracts a turnover of €875.05m and this is growing – last year saw a 1.9% growth on 2008. Meanwhile the mass sector grew by an even more encouraging 3.4% from €234.7m in 2008 to €242.77m in 2009. Volume-wise it was a different story however with a much more even split. Mass unit sales stood at 25.93m units while selective unit sales were 25.30m units.

Of the total of €1.11bn, actual women's fragrance sales accounted for €846.07m, up 1.0% in 2009, while sets took €144.68m, up a massive 12.3%, and body care products came just behind

Germany: Women's fragrances, market value, €bn

	Value	%+/-
2008	1.09	0.3
2009	1.11	2.3

Source: IRI Germany

Germany: Women's fragrances, market volume, units m

	Volume	%+/-
2008	51.11	1.5
2009	51.31	0.4

Source: IRI Germany

Germany: Women's fragrances, retail channel sales, €m

	2008	2009	%+/-
Perfumeries	715.01	736.45	3.0
Department stores	144.02	138.59	-3.8
Hypermarkets	36.18	36.07	-0.3
Drugstores	195.81	202.26	3.3

Source: IRI Germany

taking €128.67m. Interestingly the body care segment made a loss in value sales of 3.8% giving truth to the myth that in times of crisis people concentrate on buying actual fragrances rather than the corresponding body cream, body lotion, shower or bath products.

Format-wise, edt versions of fragrances were still the most popular with German ladies totalling €407.26m, a rise of 4.6%. Next in line were the very popular edp scents which amounted to value sales of €398.17m. One area which took a real hit however was that of body fragrances which dropped by 14.7% to €9.38m in 2009. Aside from this, the vast majority of women's fragrance formats in Germany followed a positive trajectory and showed much welcomed healthy growth which was encouraging after a couple of years of uncertainty.

Domestic debuts

Cologne-based fragrance manufacturer and distributor Mäurer & Wirtz kept itself busy over the past year and has launched some new scents to tempt its female customers. The latest and most high profile of these have been its two new