

In a market where image is entwined with success, the fragrance industry has turned the mirror back on itself, taken a good, long look, and come to some sober conclusions. Where once a fragrance would be seen as luxury in a bottle, today's prodigious launch program (over 700 new fragrances have been released so far this year), the wide distribution of designer scents and price cutting has commoditised fragrance. Luxe has been lost.

Roja Dove, professeur des parfums says: "A bottle of Chanel No5 is sold every 15 seconds. This can't be luxury. And so many fragrances are spewed out every year that the industry itself doesn't value what it launches. And if the industry doesn't value its launches why should the consumer?" Catherine Bru, director FDG fine fragrance at IFF observes: "The industry launched so many fragrances with so many flankers (light, summer, intense editions) that it has become a crowded market offering the best bargain, the new launch, the famous celebrity. Luxury is not abundance, versions, multitude. Luxury is expensive, rarity, authenticity. Luxury is secret."

But it's not just fragrance that is suffering, rather the entire luxury industry. "I think one of the things that has happened is that the concept of designer is so debased. There is luxury everything - even luxury toilet paper," says Dove. "Once

people would have aspired to own something from a brand such as Yves Saint Laurent. But today luxury is two a penny. People have muddled up luxury with expensive." Dana Thomas airs a rather fiery view of the problem in her recently published book *Deluxe: How Luxury Lost Its Luster*. "The luxury industry," she says, "has sacrificed its integrity, undermined its products, tarnished its history and hoodwinked its consumers. In order to make luxury 'accessible,' tycoons have stripped away all that has made it special".

Fortunately, within perfumery at least, the crisis is subsiding, and the consumer is instigating change. Bru adds: "I think we're at a turning point in the market because people want a return to luxury.

Jill Hill, md of Aspects Beauty, believes that there is a group of consumers "who are

prepared to pay quite high price points for a perfume that individually suits them. We are finding that there is no price resistance among those consumers. People are much more knowledgeable now. There is a return in the prestige market to scarcity and exclusivity."

The perfumery industry has responded to demands for real luxury with gusto, with niche companies such as Jo Malone and Miller Harris "reinstalling a luxurious category to fragrance," according to Hill, with such fragrances marking the move away from the one-scent-suits-all approach of many modern perfumes.

According to Lyn Harris, founder of Miller Harris, this is inspiring the larger designer houses: "Larger companies are drawing their inspiration from the smaller brands and independent companies in order to be luxurious. I think this is because they see that it is these smaller, niche perfumers who have succeeded in retailing that element of luxury, which is so lacking in many commercial fragrance houses." Pamela Roberts, creative director for L'Artisan Parfumeur adds: "The great perfume houses have almost all created their own selective or niche fragrances. They are directly inspired by the niche trends. They want to create more exclusive fragrances within their own brands and thereby have created a parallel niche trend."

SELECTIVE AND BEYOND

More and more truly qualitative and creative fragrances have started appearing from prestige designer houses, commanding a high price point and very selective distribution. "There is a trend towards VIP fragrances, opening the way to outstanding, exceptional perfumery," explains Bru.

The good luxe club

The fragrance market is welcoming the return of the luxe factor with an aristocracy of scents that are redefining luxury, reports Jo Allen

TABLE 1: FRAGRANCE MARKET SIZES BY REGION (US\$m)*

	2005	2006
World	28,886.60	30,529.00
Western Europe	10,701.80	11,080.70
North America	6,486.60	6,413.50
Latin America	4,988.50	5,649.90
Eastern Europe	2,733.10	3,901.80
Asia Pacific	1,828.90	1,936.60
Middle East & Africa	1,680.40	1,872.00
Australasia	467.40	484.60

*Fixed exchange rate

Source: Euromonitor International

TABLE 2: FRAGRANCE MARKET SIZES BY COUNTRY (US\$m)*

	2005	2006
US	6,003.40	5,915.70
Brazil	2,539.70	3,019.20
Germany	2,251.80	2,292.00
France	2,102.90	2,176.10
Russia	1,447.00	1,676.40
Spain	1,524.30	1,581.60
UK	1,227.90	1,228.70
Italy	1,186.70	1,251.00

*Fixed exchange rate

Source: Euromonitor International

TABLE 3: TOP 10 GLOBAL BRANDS IN PREMIUM FRAGRANCE 2006

Brand	Company name	Value (US\$m)	% share
Elizabeth Arden	Elizabeth Arden Inc	460.7	2.6
Chanel No5	Chanel SA	328.6	1.8
Acqua di Giò pour Homme	L'Oréal Groupe	215.1	1.2
J'Adore	LVMH	192.3	1.1
Arabian Oud	Arabian Oud Co	167.1	0.9
Angel	Clarins SA	161.4	0.9
Jean Paul Gaultier Le Mâle	Shiseido Co Ltd	160.3	0.9
cK one	Coty Inc	156.5	0.9
Allure	Chanel SA	145.5	0.8
Davidoff Cool Water	Coty Inc	143.2	0.8

Source: Euromonitor International



The Armani Collection Privé and Hermès Hermessence lines, now well established in their respective boutiques, have led the way for the expansion of this exclusive top end of the market. Chanel entered this arena earlier this year with Les Exclusifs, a collection of ten scents, six of which are completely new and created by Chanel's in-house perfumer Jacques Polge while the other four are new editions of previous Chanel fragrances - No22, Bois des Illes, Cuir de Russie and Gardénia. The new scents include: 31 Rue Cambon, a chypre fragrance; No.18, a scent rich in Ambrette flower; Coromandel, described as an oriental journey; iris-based La Pausa; and Bel Respiro, a fresh, green scent. The compositions mark key dates and places from the life of Coco Chanel and are each designed to reflect her famous words: "To be irreplaceable, you have to be different" - words that reflect the core requirements for perfumes in the luxury league.

Lifting financial restraints has certainly led to the development of some very individual perfumes that, rather than being commercially-led creations, are developed out of passion, and created for their own sake. Tom Ford's innovative Private Blend collection is, according to Ford: "My own scent laboratory; it's where I have the ability to create very special, original fragrances that are unconstrained by the conventions of mainstream scent-making." It features 12 unisex fragrances that are unusual in their construction, focusing on a single top note complemented by a small selection of secondary notes. Tuscan Leather, for example,

A new breed of qualitative, creative fragrances are hitting the market in a drive to inject luxury back into fragrance



is a chypre blend that features leather as its top note, while black suede, amberwood and night-blooming jasmine enhance the scent. "Some of these scents are so unconventional as to be untrue," comments Dove. The bottles are inspired by traditional apothecary bottles used in perfumer's workrooms.

Zerjoff International created XJ 17/17 Elle and XJ 17/17 Homme earlier this year. Described as "luxury from nature" the perfume bottles are sculpted from quartz or hand blown Murano glass and mounted on a carved ebony base, with the XJ motif being set in 18 karat gold with a ruby and

each bottle being individually numbered. The fragrances were created by perfumers from Robertet who were given license to experiment with their creativity without constraints. The result was the use of different methods of distillation and extraction such as co-distillation and fractional distillation together with modern technology. The female scent belongs to the floral family and features woody and amber notes together with Siamese benzoin and Somali opoponax. The male version is woody with a strong leather note, exotic spices and a vetiver heart. Dove describes the fragrances as "the most esoteric thing I have ever seen".

Dove created his first fragrance range this year too, and his process for development was also far removed from the status quo in modern perfume creation. Developed without either financial compromise or a marketing brief, the fragrances are designed to reflect real quality, artistry and individuality. The Roja Dove Trilogy includes a fragrance for each of the classic families - floral, chypre and oriental. Scandal is a white floral accord based around tuberose and jasmine,

Unspoken is from the chypre family, fusing ginger and neroli with ylang ylang and vanilla, while the oriental Enslaved is created from bergamot, orange, lemon, carnation and oakmoss.

Thierry Mugler's daring interpretation of the 15 olfactory themes in Patrick Süskind's novel *Perfume* takes creativity to a new, and at times uncomfortable, level. The fragrances are said to transcend the habitual notions of a 'good' or 'bad' smell being, for example, disorientating, disturbing, divine, sensual or icy, and are guaranteed to leave nobody feeling indifferent. The boxed set was a limited edition when it launched in October 2006 with only 1,300 available worldwide. It contains 14 compositions such as Baby, Paris 1738, Atelier Grimal, Virgin Number One, Nuit Napolitaine, Ermite, Salon Rouge, Human Existence, Absolu Jasmin, Sea, Noblesse and Orgie. The fifteenth is the elixir, Aura, which is composed of 84 ingredients and is an interpretation of the bewitching spell cast by the book's hero, murderer Grenouille.

John Ayres, chairman of the Fragrance Foundation UK and director of Pandora

believes that fragrances such as these: “that are based on a perfumer’s creative ability rather than commercial viability could easily lead to a creative new direction in perfumery, with new types of accords emerging, and maybe new materials being used. Thierry Mugler’s 15 scents could well be forming the basis of new perfume accords in the market as we speak.”

VINTAGE EDITIONS

Luxury is working its way back into perfumery in many guises and one of the ways is by using exceptional vintage harvests to create limited edition perfumes. L’Artisan Parfumeur’s 2007 harvest is *Iris pallida* from Terres de Toscane, Italy. The ingredient is rare as it is difficult to harvest and very expensive; one tonne of fresh roots produces just 600g – 700g of extract. The niche brand has also used an extraordinary harvest of orange blossom from Tunisia to create a new limited edition Fleur d’Oranger, following in the footsteps of the original 2005 harvest of the crop. And Givenchy uses three vintage harvests each year to create limited editions for Amarige, Organza and Very Irresistible. The 2007 harvests are, respectively, mimosa from India, jasmine from Egypt and Damascena rose from Morocco.

Similarly the quality of the raw materials and their application as single or double floral concepts in a perfume continues to lend a luxurious quality. Miller Harris has chosen the raw material Geranium Bourbon from Réunion for its latest edp, carrying the name of the material, which is a deep and rosy blend of cassis berries, lemon geranium and Turkish rose, said to be reminiscent of the scents of an English garden after the rain. And Jo Malone has also taken inspiration for its latest cologne from an English country garden with White Jasmine & Mint. The influence of single or double floral concepts is apparent in launches from the bigger fragrance companies too. Iris has inspired a few recent launches, including Prada’s second fragrance for women, Infusion d’Iris. *Iris pallida* provides the predominant olfactory note while Sicilian mandarin provides the warm top note. Galbanum and lentisc add freshness, while benzoin and incense provide a sensuality and the combination of vetiver and cedarwood are said to prevent the scent from becoming stereotypically feminine.

Aerin Lauder used the double flower concept for the launch of her own fragrance line, Private Collection Tuberose Gardenia. The scent was developed as a tribute to her grandmother’s original Private Collection, developed in 1973. The scent includes neroli, tuberose, gardenia, jasmine and white lily.

Past luxury is also being remembered through the revival of classic and authentic

TABLE 4: TOP 10 GLOBAL BRANDS IN MASS FRAGRANCE 2006

Brand	Company name	Value (US\$m)	% share
Avon	Avon Products Inc	2,004.10	16.0
Natura	Natura Cosméticos SA	1,088.20	8.7
O Boticário	Botica Comercial Farmacêutica Ltda	661.8	5.3
Jafra	Vorwerk & Co KG	290.8	2.3
Adidas	Coty Inc	264.1	2.1
Oriflame	Oriflame Cosmetics AB	257.0	2.1
Mary Kay	Mary Kay Inc	239.2	1.9
Yves Rocher	Yves Rocher SA	234.9	1.9
Charlie	Revlon Inc	100.3	0.8
Bath & Body Works	Limited Brands Inc	99.4	0.8

Source: Euromonitor International

fragrances. This trend has gathered pace in 2007 with several leading perfume houses reinterpreting or relaunching scents of the past. Chanel is this month launching a new interpretation of No5 with Eau Première. Created by Jacques Polge, the new scent retains much of the flavour of the original but tweaks the top notes to include ylang-ylang and jasmine to give a fresher, rounder, more delicate fragrance.

Givenchy is celebrating its 50th anniversary by launching The Mythical Fragrance Collection, seven fragrances that are either rare or have disappeared. Four female fragrances have been relaunched: L’Interdit, the floral aldehydic fragrance created by Hubert de Givenchy for Audrey Hepburn; Le De, a rare, floral fragrance which was adored in fashion circles; Givenchy III, a green chypre which promised to “make men remember the wearer”; and Eau de Givenchy, a fruity floral fragrance created by Hubert de Givenchy in 1980. There are three men’s fragrances in the collection too - Vetyver, Monsieur de Givenchy and Xeryus. The collection is being launched exclusively in Harrods to coincide with the store’s Timeless Luxury promotion.

Lancôme has continued the expansion of La Collection with a third fragrance, Cuir de Lancôme, a modern reinterpretation of a vintage fragrance created by Armand Petitjean in 1936. The leather base of the fragrance is blended with purified syrax, birch and saffron with a contrasting citrus head, essence of bergamot and mandarin and a heart of white flowers with iris root extract. The brand has also relaunched Trésor, keeping the original scent but introducing Kate Winslet as the new face of the fragrance, which first launched in 1990. Such relaunches hope to capture the wave of consumers who are looking to past scents to reminisce or find something different in style to what is generally found in a department store or a perfume retailer today.

CALL FOR CHYPRES

While the pockets of luxury in the fragrance industry are getting deeper, it is no coincidence that there has been a move back into the world of chypres.

Harris says: “Floral, ‘pretty pretty’ is out. It’s all about chypres.” Ayres adds: “Last year we had a huge explosion of floral orientals, which is in a way a very safe area. Its emotional triggers are femininity, sensuality and refinement which led to a wide variety of interpretations, but the mainstream scents at the centre of the market are beginning to smell the same.” Bru agrees: “People got bored of nice fruity, floral transparent fragrances. Chypres give volume and nobility to a fragrance. It goes with the quest for luxury, quality and beautiful things.”

Chypre elements have started reappearing over the past couple of years, for example with Narciso Rodriguez’ For Her, Perles de Lalique and Sisley’s Soire de Lune, but chypres have been the defining fragrance notes in 2007. Black Orchid by Tom Ford was one of the first this year, opening with black truffle and ylang, bergamot and blackcurrant, moving to a heart of custom-made Tom Ford black orchid, dark florals, rich fruit accords and lotus wood and a noir gourmand accord at the base. Cacharel’s latest scent Liberté, which features model Gisele Bündchen as the face of the perfume, is described as an orange chypre, including notes of orange, bergamot, white flowers, vetiver and patchouli, while Givenchy’s Amarige Mariage is a chypre oriental, opening with Sicilian bitter orange and Calabrian bergamot, moving to a heart of magnolia, Egyptian jasmine and Ceylon cinnamon





with Siam benzoin, sandalwood and patchouli providing the chypre elements.

The new fragrance from Gucci, Gucci by Gucci, the first from the brand's new creative director Frida Gianni, is described by the fashion house as a modernised chypre. The patchouli base makes its entrance early in the fragrance. Guava and pear emerge at the top of the scent while Tahitian Tiaré flower forms the creamy heart and the patchouli is warmed by musks and honey.

The well received Fleurs de sel from Miller Harris twists the theme by including ambrette seed to translate a salty accord which, says Harris, "brings intrigue and elegance to a fragrance".

The trend has worked its way through to the young end too, with Miss Sixty's Rock Muse and Diesel's Fuel for Life, and has also been picked up by some celebrity brands, such as Kate by Kate Moss, the latest in Coty's long line of celebrity creations which, Ayres says, as a result, "could be very interesting in the market". So interesting, it would seem, that the supermodel's fragrance is estimated to generate sales of around £25m in its first year and up to £40m in its second.

STAR ATTRACTION

Far from being a sector that is slipping into B-list territory, celebrity-endorsed perfumes are going from strength to strength, with sales having increased by 2000% since 2004 and over 30 celebrity scents have been launched so far this year. Tom Webb, head of marketing and PR at The Fragrance Shop comments: "The Fragrance Shop sales of celebrity fragrances are still on the increase and this looks set to continue into 2007/2008. At The Fragrance Shop, celebrity scents continue to feature in the top five best-sellers month-on-month. We've found celebrity launches such as Coleen McLoughlin, Shilpa Shetty, the Beckhams and Kylie Mingoue have had an immediate drive on sales; it seems if the personality is right, the scent is good and the price is well positioned, celebrities just can't go wrong."

Ayres explains: "Celebrity fragrances are an important segment of the market. They are expanding usage of fragrance in the lower stages of the market, just as prestige perfumes are extending the market at the upper end, in terms of age,

quality and price point. Both segments are expanding the market in their own way."

This year has seen tremendous activity for the sector. Jigsaw ESL launched Katie Price's Stunning, while Coty's bulging celebrity portfolio produced Kylie's Sweet Darling, Sarah Jessica Parker's Covet, Gwen Stefani's L and the Beckham's Intimately Night. Meanwhile, Estée Lauder teamed up with Sean John for Unforgivable Woman, Fragrance & Beauty developed Shipa Shetty's S2, Elizabeth Arden produced Britney's fifth scent Believe and Danielle by Danielle Steele, while Procter & Gamble debuted Christina Aguilera's signature scent. These manufacturers are in the very fortunate position of having products that are audience widening, and accurately appeal to a specific but large section of society - predominantly young, celebrity magazine reading customers who may not be able to afford premium scents. This section also happens to be, as Webb describes: "Image conscious 15-24 year olds... the heaviest users of perfume, always looking for something new." And they're

Our protection & safety



Our 'Feelosophy' is about enhancing Personal and Home Care applications to create a holistic product experience in four key dimensions: We research what consumers perceive and feel, improve the effect of formulations and develop technologies to simplify product usage. Take protection and safety. Skin, hair and fabrics need to be protected from external influences such as sun, cold, pollution, chemical treatments and mechanical forces. Our Sprayable Sun Care Concept offers not only high UV protection but also easy spreadability leading to an even distribution on skin. With our APG™ sugar surfactants, we meet consumer demands for products that are safe for themselves and the environment. How about joining our well-being Feelosophy?



not likely to lose interest yet, if UK C&T chain Superdrug is correct in its predictions that celebrity branded scents will account for 40% of its perfume sales this Christmas.

SUSTAINABLE SCENTS

Another trend that is affecting the fragrance industry, as indeed many other industries, is the growing concern for caring for the environment and the importance of sustainable development. It affects the full production process, from growing crops to the harvesting, treatment and final use of the ingredients.

“Environmental awareness is changing a lot of things in perfumery,” says L’Artisan Parfumeur’s Roberts. “The industry is aware of consumer’s requirements in this area and is changing its way of working, but it is a long journey. However, it is part of the heritage of perfumery to use elements such as natural ingredients selected from around the world and we must not lose that.” Bru adds: “We are all looking at different ways of working with natural ingredients. In the past there has been a lot of destruction of plants such as rosewood and the final consumer is very

TABLE 5: THE FRAGRANCE SHOP’S TOP 5 FRAGRANCES*

Fragrance	% sales
Coleen McLoughlin - Colleen (100ml edt)	43
Britney Spears - Curious (100ml edp)	32
Kate Moss - Kate (30ml edt)	16
Sarah Jessica Parker - Covet (50ml edp)	8
Kylie - Sweet Darling (30ml edt)	10

*Week commencing 26 August 2007

Source: The Fragrance Shop

sensitive to this message.” She notes how a change in working could lead to new discoveries. “Patchouli has come from Indonesia but by growing it in a different climate it might smell different. This brings novelty and it could also bring luxury.”

Chemical regulations such as REACH are also creating changes in the industry. “For perfumers the regulation is becoming more and more intense and it is a problem for creativity,” says Roberts. “What’s difficult in REACH is that natural ingredients are considered a chemical formula so it is very expensive and difficult for companies who manufacture natural ingredients to register their raw materials.” The sad thing about all this, she adds, is that “knowledge and uses might be lost”.

Fortunately there is a flipside to the situation. Bru explains: “Our perfumers will find new paths for creating. When a perfumer has tough constraints it’s like a game. It’s like asking someone to cook a meal with just five ingredients. You have only that to play with and you must create something good. It becomes a challenge.” Crucially, it is consumers who are encouraging the industry through these difficult times. “People have more and more knowledge about fragrance and are interested and curious. Consumers themselves are pushing the industry towards greater creativity. There is more curiosity and there is more freedom,” says Roberts. Harris agrees. “In today’s market, there are no set rules or codes; all manner of creations are launched. This can only be for the better as it offers customers boundless opportunities to express themselves in scent,” she says. “Whether that scent redefines luxury, is reminiscent of the past, is extremely rare or is a best-selling scent with a link to a famous face, the freedom of choice offered by today’s fragrance market is a crucial factor at a time when increasing restraints are being imposed on the industry. **cb**



cognis
we know how

COGNIS CHEMICALS
Phone: +40 211 7740 0, contact@cob@cognis.com
www.cognis.com