

FRAGRANCE AND PERSONAL CARE

China's booming fragrance market offers plenty of room for newcomers

May 16, 2022



DTC fragrance label To Summer () launched three exclusive gift boxes celebrating Chinese New Year 2022. Image courtesy of To Summer

By **Jing Daily**

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

The following is an excerpt from Jing Daily's insight report, "How Niche Fragrances Are Winning Over Young Chinese Consumers," available for download [on its Reports page](#). This 25-page primer highlights China's emerging niche fragrance market, one of the fastest-growing premium categories with plenty of untapped potential. Get your copy of the report [here](#).

The Chinese market undoubtedly offers one of the most compelling opportunities for the global fragrance industry. Only 2.5 percent of its massive population of 1.4 billion uses personal fragrance, according to local market research firm iResearch, which means that there is enormous growth potential.

By comparison, nearly 52 percent of Americans (172 million) used or purchased perfume or cologne, according to data from the U.S. Census data and the Simmons National Consumer Survey (NHCS).

In France, where the use of fragrance is deeply ingrained in the culture, 42 percent use scents on a daily basis, while another 42 percent use perfume products somewhat less often, according to a 2017 survey.

For decades, China's fragrance market has been dominated by top-selling global names such as Chanel N 5 and Dior J'Adore.

While international luxury giants and beauty groups still account for the lion's share of the fragrance sales in China, the evolution of consumer tastes in recent years has seen a greater willingness to experiment with lesser-known brands from both overseas and domestic producers.

Although low awareness of fragrance in China has brought go-to-market challenges for brands seeking entry, it also means that there is plenty of room for newcomers to establish a foothold and develop followings of consumers who are new to fragrance.

Between 2017 and 2019, the personal care market was booming, and fragrance was one of the fastest-growing categories, according to consumer research firm Kantar Worldpanel.

An online survey by Chinese market research firm iResearch noted that fragrance ranked as a top category in fashion and beauty excluding cosmetics and skincare for Gen Z female consumers, coming out ahead of clothing and accessories.

The Chinese market took a significant hit in 2020 as a result of the coronavirus pandemic, with annual growth dropping to just one percent from 11 percent in 2019, according to global market research firm Mintel.

But China's rapid rebound in the second half of the year saw economic recovery and increased consumer spending, offering the fragrance industry hope for the near-term prospects.

Mintel forecasts that China's fragrance market will grow at an accelerated compound annual growth rate of 17 percent over the next five years, with sales more than doubling between 2020 and 2025 from RMB 6.9 billion (\$1.1 billion) to RMB 15.4 billion (\$2.4 billion).

Euromonitor International valued the Chinese fragrance market at RMB 10.9 billion yuan (\$1.7 billion) in 2020, representing around 5 percent of the global market, and forecasts sales to reach RMB 30 billion (\$4.7 billion) by 2025.

Get your copy of "How Niche Fragrances Are Winning Over Young Chinese Consumers" [here](#).

Published with permission from [Jing Daily](#). Adapted for clarity and style.

© 2022 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.