

FRAGRANCE AND PERSONAL CARE

Fragrance improves brand awareness and revenue for fashion labels: report

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Many of today's global luxury brands, such as Chanel and Dior, are adding fragrance to their repertoire. Image credit: Chanel

By AMIAH TAYLOR

Coresight Research has released its latest insight [report](#) on companies leveraging the fragrance premiumization trend for increased profits.

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The retail and technology expert outlines how fragrance and beauty are easily positioned as the first steps to luxury for aspirational affluents. The report also details how luxury brands extending into beauty and fragrance products improves marketing power and thus overall profitability.

"Beauty and fragrance have lower price points than most luxury products but achieve many of the same goals, providing consumers with something intangible and ephemeral outside the physical product," said Marie Driscoll, managing director of luxury and fashion at [Coresight Research](#).

"Beauty and fragrance tap into consumers' desire for a particular brand's products as well as luxury products overall while expanding the brand's offerings and acting as a pathway to its more expensive product range," she said.

The finance of fragrance

Luxury products offer distinction, signal wealth, and denote taste for many consumers. Purchasers long for this differentiation and are willing to pay premiums to attain aspirational brands.

Luxury fashion labels launching namesake Eau de Parfums and fragrances is not a strictly modern approach. Coco Chanel debuted her infamous perfume Chanel No. 5 to enthusiastic buyers worldwide in 1921.

Today, Chanel is reportedly a \$15.6 billion company and an estimated 35 to 40 percent of its revenue comes directly from beauty products.

While beauty products typically gain a cult following for their efficacy, fragrance is a more psychological and sensory experience with a completely different type of staying power.

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A post shared by PARFUMS de MARLY (@parfumsdemarly)

An image of Parfums de Marly's Delina collection

Beauty products, especially fragrances, can evoke positive emotions in consumers, which in unison with branded marketing can create an easy segue into the luxury industry.

Fragrance is synonymous with lifestyle. In the words of Chanel's late founder, "No elegance is possible without perfume. It is the unseen, unforgettable, ultimate accessory."

Most luxury brands have released a minimum of one fragrance and globally the premium fragrance market has seen 26 percent y-o-y growth. And in the United States, that figure skyrockets to 46 percent y-o-y growth.

This upward growth reflects consumers changing attitudes towards fragrance and increased adoption. While haute couture can make a customer feel special for a season, perfume offers greater longevity.

In addition, the Covid-19 pandemic has redefined fragrance from frivolity to an act of self care. This reframed connection to perfume builds a stronger relationship between the brand and the consumer.

Ultimately, with lower price points and virtually no cannibalization, beauty and fragrance expand the repertoire of luxury brands while allowing more consumers to access luxury within their means.

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A post shared by Penhaligon's (@penhaligons_london)

An image of Penhaligon's Lord George fragrance

Scented stepping stones

As more luxury brands dive into olfactory offerings, the luxury fragrance market will likely see continued upward mobility. That growth will not be limited to the United States, seeing as China has a booming fragrance and personal care market ([see story](#)).

The British perfume house Penhaligon recently debuted a brand-new member of its "Portraits" fragrance collection, The World According to Arthur, in all boutiques and department stores in China and online worldwide ([see story](#)).

In North America, U.S. fashion brand Tom Ford recently launched a more concentrated version of its cult favorite Noir, and created a provocative campaign for Noir Extreme ([see story](#)). Roman jeweler Bulgari offered consumers a privileged look at their fragrance conception process with master perfumer Alberto Morillas in a recent campaign ([see story](#)).

Because of the intoxicating way that fragrance gives consumers a taste of affluence, more fashion giants will likely use perfumes as a vehicle to usher new customers into the gateway of luxury.

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