

FRAGRANCE AND PERSONAL CARE

## Millennial demand drives perfume market

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An image of Penhaglion's Halfeti perfume. Image credit: Penhaglion

By LUXURY DAILY NEWS SERVICE

The global cosmetics perfume market size is projected to grow to \$71.19 billion this year, according to the Business Research Company's perfume market research [report](#).

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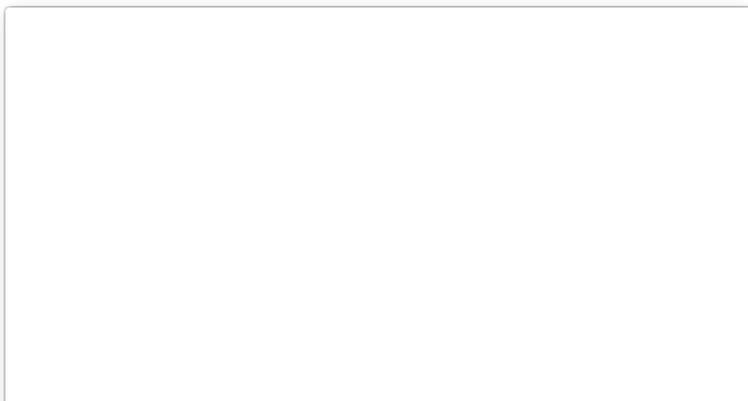
However, that figure jumps to a projected \$114.98 billion in 2026 at a CAGR of 12.7 percent. The new report offers insights on key drivers in the market, including increasing demand from ecommerce companies, millennial preferences, shopping habits and regional demand.

### Millennial money

According to the [US Department of Commerce](#), ecommerce sales reached \$870 billion in the U.S. in 2021, a 14.2 percent increase compared to 2020 and a 50.5 percent increase over 2019. This upward mobility is expected to also drive the demand for perfume and personal hygiene products upwards, especially in regard to digital sales.

Millennial consumers, who make up an estimated 32 percent of the world's population and the largest potential purchasing community of cosmetics as of 2019, prefer natural scents. In fact, 75 percent of millennial women prefer buying natural products and 44 percent prefer natural ingredient perfumes, per the Business Research report.

As a result of millennial shopping preferences as well as rising concerns about toxins in synthetic ingredients, perfume manufacturers are prioritizing natural fragrances.



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A post shared by CHANEL BEAUTY (@chanel.beauty)

*A promotional video for Chanel's perfume*

Major players in the perfume market include Shiseido, LVMH, Este Lauder and Chanel.

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 fragrance and beauty products ([see story](#)).

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