FRAGRANCE IN COSMETICS THE SMELL OF SUCCESS

In-Cosmetics Hamburg
April 2014
Every day at Mintel...

**CONSUMER HABITS**  
*Since 1972*  
We ask more than 50 questions to over 5,000 consumers

**MENU INSIGHTS**  
*Since 2004*  
We pick up around 60 new restaurant menus

**NEW PRODUCTS**  
*Since 1996*  
We buy more than 1,200 newly launched consumer products

**TRENDS**  
*Since 2006*  
We publish 10 global observations to influence more than 80 consumer trends

**DIRECT MARKETING**  
*Since 1999*  
We receive 2,000 pieces of direct mail, 250 print and 500 banner advertisements and over 3,500 emails

**MARKET SIZES**  
*Since 2009*  
We look at what consumers are spending in 4,000 markets across 45 countries
AGENDA

Consumers – The importance of scent/smell when shopping for personal care products

Olfactory trends – By categories, by regions

Products – Innovation with new scented formats

Brazil focus
SCENT IS A PRIMARY PURCHASE DRIVER IN PERSONAL CARE
SCENT IS AN ESSENTIAL FEATURE IN PERSONAL CARE PRODUCTS

60% of French soap users report that a fragrance they like is an important feature when choosing shower/bath products.

A scent I like is the most important attribute when shopping for SBS products for US consumers.

For American men, scent is the second most important factor affecting purchase decision of men’s personal care after price.

60% of German deodorant wearers say that a fragrance they like is an important feature of deodorant products.

55% of French men toiletries users and buyers report they buy toiletries that they like the smell of.

40% of German and Italian users look for scented hand and body lotion.

Source: Mintel CDC 2013, Oxygen 2014
53% of German soap users say that they like to check what a soap, bath and shower product smells like before buying it.

34% of American men who use grooming products say they like to smell scented products before purchase.

59% of German users report they would like the opportunity to smell bodysprays before buying it.

Source: Mintel CDC 2013, Oxygen 2014
IN HOUSEHOLD FRAGRANCE IS ALSO ESSENTIAL IN THE PRODUCT SELECTION

55% of Spanish consumers like to try washing up liquids in new fragrances

52% Of Italian consumers say that scent is an important factor when shopping for hard surface cleaning products

48% of French and Spanish consumers would like laundry products with fragrances that keep clothes smelling fresh for longer

38% of German consumers would like fragrances in laundry products to match their personal scents preferences

Source: Mintel CDC 2013, Oxygen 2014
OLFACTORY TRENDS
**OLFACTORY TRENDS IN 2013**

*Fragrance families by personal care categories, as a % of total*

Floral, Fantasy, Fruity, Gourmand and Fresh & Clean are the most common fragrance families across personal care categories*. In SBS and Bodycare, floral is the most represented family while in deodorant, fantasy fragrances are more common.

Source: Mintel GNPD

*Category includes Deodorants, Soap & Bath Products, Hair Products and Body Care*
In Europe and Asia, Floral scents are favoured in personal care products. In NA, the market is driven by Fruity and Gourmet fragrances. In the Middle East and Latin America, the market tends to favour Fantasy fragrances.

Source: Mintel GNPD

*Category includes Deodorants, Soap & Bath Products, Hair Products and Body Care
## REGIONAL PREFERENCES
### TOP 5 NOTES IN 2013 (by order of importance)

<table>
<thead>
<tr>
<th>Country</th>
<th>1st Note</th>
<th>2nd Note</th>
<th>3rd Note</th>
<th>4th Note</th>
<th>5th Note</th>
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</thead>
<tbody>
<tr>
<td>UK</td>
<td>Rose</td>
<td>Orange</td>
<td>Fresh</td>
<td>Citrus</td>
<td>Jasmine</td>
</tr>
<tr>
<td>USA</td>
<td>Fresh</td>
<td>Vanilla</td>
<td>Citrus</td>
<td>Apple</td>
<td>Berry</td>
</tr>
<tr>
<td>France</td>
<td>Rose</td>
<td>Floral/flower</td>
<td>Vanilla</td>
<td>Fresh</td>
<td>Citrus</td>
</tr>
<tr>
<td>India</td>
<td>Fresh</td>
<td>Lavender</td>
<td>Rose</td>
<td>Floral/Flower</td>
<td>Orange</td>
</tr>
<tr>
<td>Brazil</td>
<td>Floral/Flower</td>
<td>Fresh</td>
<td>Lavender</td>
<td>Rose</td>
<td>Vanilla</td>
</tr>
<tr>
<td>Germany</td>
<td>Fresh</td>
<td>Vanilla</td>
<td>Orange</td>
<td>Rose</td>
<td>Honey</td>
</tr>
<tr>
<td>Canada</td>
<td>Fresh</td>
<td>Vanilla</td>
<td>Sweet</td>
<td>Citrus</td>
<td>Floral/Flower</td>
</tr>
<tr>
<td>China</td>
<td>Rose</td>
<td>Floral/Flower</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Mexico</td>
<td>Fresh</td>
<td>Floral/Flower</td>
<td>Vanilla</td>
<td>Coconut</td>
<td>Orange</td>
</tr>
<tr>
<td>Japan</td>
<td>Floral/Flower</td>
<td>Rose</td>
<td>Citrus</td>
<td>Fruit/Fruity</td>
<td>Fresh</td>
</tr>
</tbody>
</table>

Source: Mintel GNPD

*Category includes Deodorants, Soap & Bath Products, Hair Products and Body Care*
REGIONAL PREFERENCES
PRODUCT EXAMPLES

BERRY (USA)
COCONUT (Mexico)
LAVENDER (India)

Source: Mintel GNPD
FRAGRANCE
A KEY ELEMENT IN PRODUCT MARKETING

INNOVATION AND NEW SCENTED FORMATS
## FRAGRANCE VERSUS FUNCTIONAL BENEFITS IN EUROPE

*Europe Big 5, Important features when choosing soap/ bath products (2013)*

<table>
<thead>
<tr>
<th>Feature (Shower/bath products)</th>
<th>France All %</th>
<th>Germany All %</th>
<th>Italy All %</th>
<th>Spain All %</th>
<th>UK All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A fragrance I like</td>
<td>60</td>
<td>68</td>
<td>65</td>
<td>59</td>
<td>63</td>
</tr>
<tr>
<td>Moisturising/hydrating</td>
<td>53</td>
<td>52</td>
<td>54</td>
<td>64</td>
<td>55</td>
</tr>
<tr>
<td>Kind to skin</td>
<td>53</td>
<td>52</td>
<td>59</td>
<td>59</td>
<td>42</td>
</tr>
</tbody>
</table>

*Europe Big 5, Important product features of deodorant products (2013)*

<table>
<thead>
<tr>
<th>Feature</th>
<th>France All %</th>
<th>Germany All %</th>
<th>Italy All %</th>
<th>Spain All %</th>
<th>UK All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-lasting effective protection</td>
<td>50</td>
<td>60</td>
<td>56</td>
<td>55</td>
<td>63</td>
</tr>
<tr>
<td>A fragrance I like</td>
<td>51</td>
<td>60</td>
<td>59</td>
<td>52</td>
<td>53</td>
</tr>
<tr>
<td>Leaves no stain on body or clothes</td>
<td>41</td>
<td>48</td>
<td>51</td>
<td>52</td>
<td>52</td>
</tr>
</tbody>
</table>

Source: Mintel CDC 2013, Oxygen 2014
FRAGRANCE VERSUS FUNCTIONAL BENEFITS IN THE US

US, Benefits sought among liquid body wash/bath product users (2014)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has a scent I like</td>
<td>69</td>
</tr>
<tr>
<td>Moisturizing</td>
<td>67</td>
</tr>
<tr>
<td>Deodorizing</td>
<td>45</td>
</tr>
<tr>
<td>Designed for my gender</td>
<td>43</td>
</tr>
<tr>
<td>Exfoliating</td>
<td>38</td>
</tr>
</tbody>
</table>

US, Shopping for deodorant/antiperspirant (2013)

<table>
<thead>
<tr>
<th>Behavior</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer to stick with the same brand of antiperspirant/deodorant</td>
<td>43</td>
</tr>
<tr>
<td>I always check what a deodorant/antiperspirant product smells like before buying it</td>
<td>36</td>
</tr>
<tr>
<td>I stock up on deodorant/antiperspirant products when there is a sale or promotion</td>
<td>33</td>
</tr>
<tr>
<td>I mainly buy female-specific deodorant/antiperspirant products</td>
<td>30</td>
</tr>
<tr>
<td>I like to try new scents that are made by the brand I use most often</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Mintel CDC 2013, Oxygen 2014
USING SCENTS AS A WAY TO UPGRADE FUNCTIONAL CATEGORIES

- Poppy & Bluebell (Deo)
- Rose & Cherry Blossom (Liquid hand wash)
- Pistachio Cream & Magnolia (Body wash)
- Black Sun Spicy and Fresh (Deo)
- Mata de Araucarias (Shampoo)
- Coco & Sandalwood (Body wash)
FOOD IN BEAUTY

Blueberry

Yogurt Vanilla Honey

Dulce de Leche
STANDING OUT WITH ORIGINAL FRAGRANCES

- Radish
- Hemp
- Melon Macaroon
- Mandarin & Basil
- Beach Sage
- Prickly Pear
CONSUMERS ARE WILLING TO EXPERIMENT WITH SCENTED CROSS-CATEGORY PRODUCTS

Line extensions into air care and laundry care offer opportunities for scented propositions on perfumery shelves. The youngest demographic shows the highest interest in new fragranced formats.

Source: Interest in product innovation in fragrance – Mintel CDC 2012 and 2013
FRAGRANCE WITH BENEFITS GATHER EVEN HIGHER INTEREST IN THE US

Fragrances for clothes attract the highest consumer interest in the US. A third of consumers are interested in hair perfume climbing to 45% of women.
FINE FRAGRANCE AIR FRESHENERS

Frederic Malle Perfume Gun - Fine Fragrance room sprays collection

Exits in 8 variants including 1er Mai by Dominique Ropion, Jurassic Flower by Carlos Benai, Marius & Jeanette by Bruno Jovanovic

100€ for 500ml
MASS AIR FRESHENERS WITH LUXURY TOUCH

Co-Branding Fragrance

Smell like Perfume

Smell like Shower gel

Air Wick Familiar Favourites Snuggle Fresh Linen Scented Oil

Bath & Body Works Home Black Tie Concentrated Room Spray

Body Shop Vanilla Bliss Reed Diffuser
FINLEY FABRIC FRAGRANCES BY GUERLAIN

For pillow and bed sheet

Designed to spray on pillow and sheet and includes notes of bergamot, coriander, anis, neroli, vanilla, musk and cedarwood

For underwear

To use on delicate underwear, the floral musky fragrance contains orris, rose, musk, vanilla, sandalwood and ambrette.

For cashmere and delicate fabric

Fabric Freshener with notes of bergamot, mandarin, orris, lavender, cedarwood, vetiver and musk.

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SCENT EXTENSIONS INTO LAUNDRY AND FRAGRANCE FOR CLOTHING

Fragranced Laundry

Fine fragrance for clothes

Wardrobe scents

Scentsy Dryer Disk Coconut Lemongrass

La Petite Robe Noire Mon Eau de Lingerie

Jo Malone Scent Surround Hangers
Downy In Wash Scent Boosters offer long lasting and personalised scent for clothes and allow consumers to mix and combine scents.

Combine for softness and freshness that lasts.

feisty scent + silky softness = 12 weeks of freshness

*out of storage*
TAKING INSPIRATION FROM MAKEUP AND SKINCARE

Canvas & Concrete Fragrance Primer

Learning from make-up

- Helps fragrance last longer on the skin and prevent olfactory distortion, making it smell the same as does in the bottle

Donna Karan Be Delicious Fragrance with Benefits

Moisturising fragrance

- Formulated with Apple Fusion Complex, a blend of skin-loving ingredients clinically proven to moisturise, smooth and brighten the skin
MAKE-UP TAKES NOTES FROM FRAGRANCE

Revlon Parfumerie collection of scented nail enamel launched in September 2013

• Includes vibrant, shiny shades and when dry release fragrances

• 16 fragrances available inspired by fine fragrance including China Flower, Italian Leather, Balsam Fir, Moonlit Woods
FRAGRANCE BRAND EXTENDS INTO SKINCARE

Chloe rolls out the Crème de La Rose skincare range in Asia

- Rose Water Lotion, Centifolia Rose Oil, Centifolia Rose Emulsion and Centifolia Rose Cream.

- Launched in Japan in April 2013, available in Singapore since November

- Based on active ingredient Rose Centifolia used for its skin toning and antioxidants properties

- Takes inspiration from the fragrance packaging and the brand’s original perfume
L’Art du Soin For the Face was launched in February 2014

- Five products including Infused Facial Water, Protective Moisturizing Lotion, Nourishing Cleansing Balm, Multi-use Exfoliating Clay, Radiance Boosting Powder

- Contain ingredients like Damask Rose, oils, flowers waxes

- Lightly fragranced

- Price begins from 42€/£35
DON’T WANT TO SMELL LIKE SUNSCREENS

Solscents sunscreens and scented SPF lipbalm

Moisturizing with SPF protection

Available in a variety of scents including Deep Love, Vanilla Silk, Pina Colada, Raspberry Dreams, Angelica and Flower Blast
HAIRCARE FOCUSING ON ITS SCENT PROFILE

ShiGeta Wild Grace Deep Repair Shampoo

Developed to perfectly cleanse without stripping the hair fibre, while offering a feminine and tender fragrance with patchouli and frankincense essential oils.

Body Shop Banane Shampoo

Designed to thoroughly cleanse hair for a super shiny finish, thanks to its fruity banana purée and Community Fair Trade honey from Bezamar Etopia.
INCORPORATING FINE FRAGRANCE IN HAIRCARE

**Show Decadence Hair Fragrance**
Volumising, thickening, conditioning and finishing product, featuring a fine fragrance that has been developed by Givaudan

**Philip B, Russian Amber Imperial Volumising Mousse**
Provides big and glossy hair, long-lasting volume, moisture and perfumes the hair with a woodsly and unisex fragrance

**Hairy Jayne, Hair Perfume with Heat Protection**
Offers anti-frizz properties and shields the hair from thermal damage caused by styling tools
PERFUME YOU CAN BATHE IN

Jo Loves
Bath Cologne Collection

A new concept positioned as an alternative to bath oils

Two years of development

Looks like a fragrance but dissolves completely when poured into water

10% perfume concentrated

Malone says she “wanted to create a product that looked and felt the same as pouring cologne into a bath”.

£59 for 200ml
MORE SCENTED FORMS IN THE MEN’S SEGMENT

Fragrance encapsulation in bodyspray

“The bar soap you’ve been smelling for”

Hair Style

Old Spice Wild Collection Wolfthorn Re-Fresh Body Spray
Old Spice Wild Collection Wolfthorn Bar Soap
Axe Peace Natural Look Gel
SCENTED ACCESSORIES

Gillette Blue 3 Ice Disposable Razor

Provides a refreshing shaving experience thanks to its scented handle with an innovative and fresh fragrance

Gillette Venus & Olay 5 Blade Razor Sugarberry scent

Olay moisture bars and a soft grip handle designed for confident control
UNIQUE MARKETING CAMPAIGN WITH SCENTED TATTOO

- Instagram is part of the marketing campaign #ThisIsBrit
- Chosen pictures become part of the advertising campaign
- People who sign up online receive a scented temporary tattoo and enter a competition to win entry to gigs in London, New York and Singapore
- The scented tattoo serves as entry ticket for the concerts
BRAZIL FOCUS
IMPORTANCE OF FRAGRANCE IN PERSONAL CARE

85% of Brazilian are willing to pay extra for a deodorant with fragrance they really like

79% would be interested in buying a complete set of personal care products from a brand they trust

58% say that if you have an antiperspirant/deodorant with a nice fragrance or scent, you don’t need to wear perfume or cologne

50% report owning and using scented body lotion

26% of Brazilian consumers say they like to try different types of scents when buying soap, bath and shower products
LOCAL FAVOURITE SCENTS

Avon Naturals Erva Doce Moisturising Body Lotion

Lux Brisa Lavender Breeze Liquid Soap

L'Occitane au Brésil Vitória Régia Flor do Dia Shower Gel

Erva Doce/Fennel

Lavender

Local plants
LEAVE THE SKIN SCENTED AFTER THE SHOWER

In-shower body lotion

Blackberry and Almond Rinse-Off Deodorising Hydrating Shower Lotion

In-shower body oil

Vanilla Chocolate Peach Skin Shower Oil
SENSORY EXPERIENCE IS ESSENTIAL WHEN SELLING FRAGRANCES AND SCENTED PRODUCTS

April 2013
Boticario invest $1bn redesigning stores focused on interactive and sensorial experiences

Aims to remodel the 3,550 stores of the franchise

Fragrance that match personality after answering a questionnaire

Personalization of gift box – customers can take pictures and write personalised messages
CONCLUSION
WHAT’S NEXT

Greater variety

More variety of scents in personal care
• Fine fragrance inspiration
• Food inspiration
• Wider variety of fragrance in men’s care

New and innovative ways to let customers try the scent before purchase
Scratch and sniff/scent diffusor
In-store installation to try products (sink)

Long lasting

Long lasting fragrance
Using encapsulation technology in SBS, deodorant and bodycare
Long lasting fragrances in rinse-off products

Cross-Category inspiration will create new scented formats
• Hair fragrance
• Perfume for fabrics – with both laundry care and scent benefits
• Perfume for the body – with cooling/heating/aromatherapy fragrances
• Scented facial skincare line / skincare line linked to a fragrance brand
THANK YOU

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Join Christopher Lindsley to Spotlight on Brazil: Trends, drivers, innovation
Wednesday, 2nd April, 10:45-11:30, Marketing Trends Theatre