FRAGRANCE TRENDS IN COSMETICS

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Founder & Director | KDH Concepts
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We provide Strategic Marketing and Product Development consultancy services across

- personal care
- colour cosmetics
- fragrance
- home fragrance

from concept to launch.
Currently working with UK and US brands:

- re-branding projects
- portfolio strategy definition
- concept + formula + product development
- simplified product launches
AGENDA

1 | MARKET & INDUSTRY OVERVIEW
2 | IMPORTANCE OF SCENTS FOR BRANDS + CONSUMERS
3 | Olfactory Technologies
4 | Olfactory Trends & Opportunities
MARKET & INDUSTRY OVERVIEW – VALUE & GROWTH

Over 105,000 tonnes of fragrance → almost 24% of total fragrance use

Volume sales posted a CAGR of 2.3% over 2011-2016...

...this is forecast to be matched over the period 2016-2021, taking total volume to 117,600 tonnes by 2021.

Source: Euromonitor International, Fragrances in beauty and personal care: selling with scents, October 2017
Although **NORTH AMERICA** and **WESTERN EUROPE** are far more sluggish markets overall, they remain significant targets for new and value-added fragrance ingredients and notes and are often home to the most innovative markets in the world.

**Latin America** is expected to emerge as a particularly important growth market for beauty and personal care fragrances in the coming years as the Brazilian economy starts to recover from a period of recession.

Meanwhile, the **Middle East and Africa** stands out as another key region, with strong growth in both the historical and forecast periods under review.

**Asia Pacific** remains important, with solid growth rates, and the largest overall volume of any region.

→ **Latin America/Middle East and Africa** offer best growth prospects

Source: Euromonitor International, Fragrances in beauty and personal care: selling with scents, October 2017
Fragrances in Beauty and Personal Care

Global Volume by Category 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume</th>
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</thead>
<tbody>
<tr>
<td>Bath and shower</td>
<td>46%</td>
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<tr>
<td>Hair care</td>
<td>20%</td>
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<tr>
<td>Deodorants</td>
<td>11%</td>
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<tr>
<td>Fragrances</td>
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<tr>
<td>Baby and child-specific products</td>
<td>23%</td>
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<tr>
<td>Skin care</td>
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<tr>
<td>Men’s shaving</td>
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<tr>
<td>Others</td>
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Men’s grooming products overlap with many of the other categories.

Other important categories include:
- hair care
- deodorants
- fine fragrances.

BATH & SHOWERS LEAD THE WAY

Bath and shower is the largest personal care category in terms of fragrance use.

Source: Euromonitor International, Fragrances in beauty and personal care: selling with scents, October 2017
Body Care Is the Buzziest White Space in Beauty

While face-focused skincare continues to grow at an exponential rate, bath salts and body polishes are on the rise as consumers and brands make a connection between overall wellness and skin health.
IMPORTANCE OF SCENTS FOR BRANDS + CONSUMERS
In general, rinse-off product scents are aligning with current wellness and lifestyle food trends; so coffee, green juice, matcha, etc. Deanna Utruske, Editor at Cosmetic Design

For skin care the fragrances need to generally hide or mask the base odor and provide a very light scent for consumer appeal. Fresh clean scents, nature identical fragrance scents are becoming popular. Gajan Haas, Director of R&D at Twin craft Skincare

Rinse off (hair and body care) look more blooming effect with fairly strong scent, but, might not have a good longevity. In regards to leave on, trends tend to move to mask the base note rather than build up the specific scent and it gives relatively weaker scent but better longevity. This effect sometimes can be achieved through technology such as encapsulation, other delivery system and etc. Fragrance/Flavor is no longer just sensory but science for consumer. James Joo, Global VP of R&D at Oxygen Development, LL
IMPORTANCE OF SCENTS – CONSUMERS
Purchase influencers

"Other than price, which of the following factors influence your personal care product purchases? Please select ALL that apply." Base: 1,978 internet users aged 18+ who purchase personal care products

- Scent
- Benefit (e.g., sensitive skin, moisturizing)
- Ease of use
- Format (e.g., spray, tube)
- Brand
- Product I usually use
- Type of ingredients used
- Product reviews
- Recommendations
- Advertisements
- Multipurpose
- Gender-specific
- None of the above

Source: Lightspeed/Mintel, Personal Care Consumer - US - April 2017
**Purchase influencers by age**

"Other than price, which of the following factors influence your personal care product purchases? Please select ALL that apply." Base: 1,978 internet users aged 18+ who purchase personal care products

<table>
<thead>
<tr>
<th>Scent</th>
<th>Benefit</th>
<th>Ease of use</th>
<th>Brand</th>
<th>Product I usually use</th>
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<th>Recommendations</th>
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<td>35</td>
<td>28</td>
<td>18</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: Lightspeed/Mintel, Personal Care Consumer - US - April 2017
Importance of select product benefits by gender

- Deodorizing:
  - Women: 42%
  - Men: 34%
  - Total: 50%

- Intensive moisture:
  - Women: 41%
  - Men: 30%
  - Total: 51%

- Long-lasting scent:
  - Women: 38%
  - Men: 37%
  - Total: 38%

- Soothing:
  - Women: 33%
  - Men: 37%
  - Total: 37%

- Exfoliates skin:
  - Women: 25%
  - Men: 19%
  - Total: 20%

- Multipurpose:
  - Women: 23%
  - Men: 18%
  - Total: 20%

- Improve skin tone:
  - Women: 19%
  - Men: 22%
  - Total: 21%

Added + experential benefits are as important as functional benefits
- Long-lasting scent and soothing are as important
- Consumers want products that not only cleanse, but also make their skin feel and smell good throughout the day.

Women seek many benefits, while men just want to smell good
- Women are significantly more likely than men to seek a variety of added benefits in order to enhance skin’s appearance
- While men tend to look for products that meet their basic hygiene needs, they express interest in benefits that are centred around scent.

21 IMPORTANCE OF SCENTS – CONSUMERS, men
3

OLFACTORY TECHNOLOGIES
Why fragrance encapsulation?

- **CAPTURE**: The fragrance accord is captured with minimum change and maximum retention.
- **PROTECT & STORE**: The fragrance is protected from the environment (bleach, enzymes...) and from premature release.
- **RELEASE**: The complete and unchanged fragrance is released when and where needed.

→ Encapsulation is a way to enhance fragrance delivery.
Why fragrance encapsulation?

The fragrance accord is captured with minimum change and maximum retention.

- To give continued ‘bursts’ of fragrance
- To improve fragrance evolution by introducing new accords
- For controlled perfume release by a particular trigger (e.g. handling, friction, moisture)

Perfume is released in two ways:
1. Slow diffusion from the capsules provides longer lasting freshness than perfume alone
2. Capsules rupture via touching, to release the remaining perfume for a boost of perfume freshness

Source for charts: Givaudan
4

OLFACTORY TRENDS & OPPORTUNITIES
SKINCARE

BODYCARE

4 Olfactory Trends & Opportunities
ROBERTET

**FAMILY**

Robertet is a 165 years old, privately owned FAMILY company. Stable management ensures strategic continuity, investment and long-term vision without yearly pressure to deliver to shareholders.

**NATURAL**

Since 1850, Robertet has an unparalleled understanding, expertise and access to the largest natural ingredients palette within the industry, allowing us to add significant value to all consumer fragrance products.

**SELECTIVE**

Our unique size allows us to focus on select clients and provide a higher level service versus competition.

⇒ stand M20
Two main trends can be highlighted:

**HEALTHY SKIN:**

to counter the rising pollution factor, the lack of time that women know in their daily life, and to respond to the growing demand of natural skin care products.

**EFFICACY FIRST:**

to respond to the rising demand of immediate results with the launch of highly effective skin care products.
Olfactory Trends & Opportunities – Skincare Trends, Healthy Skin

Oxygenation & Detox, anti-pollution, are the latest added homes of moisturising, giving a complexion that is fresh and radiant.

Source: Robertet, Prestige Skin Care Marketing Presentation 2017, 216 products were evaluated by Robertet team
4 | OLFACTORY TRENDS & OPPORTUNITIES – SKINCARE TRENDS, efficacy first

Anti-Aging

Mostly focused on wrinkles a few years ago, the anti-aging segment is now targeting skin loss of firmness and volume (lifting effect) with solutions that improve face contour and help the skin to keep its bouncy appearance.

Clinique

Developed to reduce definition, lift and plump, this formula makes a visibly defined and sculpted profile.

Estée Lauder

Re-Surge Ultralift Firming Emulsion

Smoothes, reduces fine lines, effectively firms and tightens.

Dior

Captive Tendre

Twist and Shake Emulsion

Soothes, reduces fine lines, effectively firms and tightens.

Wherever their age, a glowing skin has become one of the top consumer expectations. Some new launches play on their texture color to enhance the skin rosy glow.

B黎8

Intense Glow Illuminating Cream

Blemishes the look of dull, uneven skin looking velvety and luminous.

The Body Shop

Vitamin C Glow Tinted Moisturizer

The gel cream also blurs scarring and reduces skin tone.

Lierac

Mythologies Cream Sensitive

Find anti-aging secrets. Fortifies the skin against wrinkles and visibly smooths its contours.

The new frontier of skin care is not about new gimmicky ingredients (consumers know that peptides, vitamins, minerals, antioxidants... can help their skin). If a brand can promise to enhance penetration of these actives into skin, then they're onto a winner...

Avene

Pretox 3% Antioxidant Toner

Contains potent antioxidants which are specifically designed to deeply penetrate the skin.

Rilastil

Deep Peeling Gel

To be applied with a spread tool that helps the product penetrate the skin

Biehlenda (same market Poland)

Anti-aging line forming more technology. The active core Zhang, the ingredient to penetrate the skin and deliver results.

New powerhouse lipids, called boosters, are designed to treat and target specific concerns. With the right combination, you can transform any product into a multifunctional potion you'll never find on shelves.

L'Oréal

ICB Twinkle

Clarins

Essence

Rescue, Energy, Dew

Shea nuts have been a skincare staple in Asia for a long time. The process is very simple, a face-shaped cloth is saturated with skin-loving ingredients and placed on the skin for about 10-20 minutes.

The impact evolution of the professional hand (started by "Dr. Brown") in beauty care is to execute the facial experience at home. Now many brands are introducing home-use devices and following Clarins's "Stay and Power"...
For many years now, both in haute-couture and in fine fragrance, genderless is trendy. Skincare brands, especially in America, have started to ride the trend. The main idea behind this trend is to sell skincare for everybody with undifferentiated formulas and packaging.

RETOURVÉ, luxury skincare brands, launched a powerful anti-ageing range following the ungendered trend.

Less expensive, the brands CONTEXT also launched its unisex skincare range.

- The mask category is exploiting the desire for uniqueness
- My skin is different than yours, so therefore I need to create my own personalized “face map”.
- First launch from Boscia in early 2014. Since then, many brands have copied them.
- A great way to sell more product!
<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>FLORAL</th>
<th>CITRUS</th>
<th>OTHERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-ageing</td>
<td>11%</td>
<td>18%</td>
<td>13%</td>
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<tr>
<td>First signs of ageing</td>
<td>17%</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Nutrition</td>
<td>13%</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Brightening</td>
<td>19%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Moisturizing</td>
<td>16%</td>
<td>22%</td>
<td>7%</td>
</tr>
<tr>
<td>Anti-blemish</td>
<td>13%</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**ANTI-AGEING**: anti-ageing skin care are mainly floral/green (18%), floral/rose (13%), floral/fruit (11%) and citrus/floral (9%) → FLORAL

**FIRST SIGNS OF AGEING**: disparity, most of them are floral/green (17%) followed by citrus/floral and citrus/fruit (13% each). 9% of those products are green/aquatic and 9% are floral/rose → FLORAL, CITRUS

**NUTRITION**: mostly floral/green (25%) and floral/rose (15%). A small part of those products are floral/fruit (13%) or floral/aldehydic (10%) → FLORAL

**BRIGHTENING**: Floral/fruit (19%) is the most common olfactive family for brightening creams followed by citrus/floral (14%), floral/green (10%) and floral/rose (10%) → FLORAL

**MOISTURIZING**: more were floral/green (22%) and floral/fruit (16%). Some of them have been evaluated as citrus/green (9%), citrus/fruit (7%) or floral/white flowers (7%) → FLORAL, CITRUS

**ANTI-BLEMISH**: most of anti-blemish skin care products are floral/vert (13%), citrus/green (13%) and citrus/floral (11%). A small part are either floral/rose (7%) or floral/citrus (7%) → FLORAL, CITRUS

Source: Robertet, Prestige Skin Care Marketing Presentation 2017, 216 products were evaluated by Robertet team
KEEP CALM & LATHER ON
We are all over the place and engulfed in information and data of all sorts (Internet, social media, TV, etc.). Our environment (work, family, economics, politics, insecurity, pollution) is a constant source of stress.

**CONSUMER DATA**

53% of the world’s active population* admit that work has never been so stressful and they are closer to a “burnout” than 5 years ago.

34% of Chinese people** stress (financial, schooling, professional) is an obstacle to well-being.

66% of American males** are deeply concerned by the impact of stress on their health.

66% of European women** consider stress alters the appearance of their skin.

**STRESS AFFECTS OUR WELL-BEING, HEALTH AND, CONSEQUENTLY, OUR SKIN.**

* The Regus Group  
** Mintel
RESPONDING TO STRESS

EASE UP
& TAKE TIME FOR YOURSELF

IN ORDER TO

UNCLUTTER OUR DAILY LIVES
& REFOCUS ON WHAT IS REAL.

SLOW BEAUTY

“Treat yourself” is this year’s essential theme: a result of the popularity of self-development. This is “well-being inside yourself” that involves a holistic approach focusing on earthly foods.

Treating yourself entails a multiplicity of immediate experiences, a desire for a moment’s fulfillment to satisfy a passing fancy or a profound aspiration.

It may be the desire to take the time to let go or express the need to decompress to feel better (TIME OUT).

More fundamental, it means enjoying sorting things out and refocusing on the essential. This desire for simplicity blends nature & hedonism to achieve simple healthy rituals of “well-being” (LESS IS MORE).

Source: Robertet, Global Soap Bath Shower - Keep Calm & Lather On – Soap, Bath, Shower, Novelties & Trends 2017
EASE UP & TAKE TIME FOR YOURSELF

Ease Up
Breathe
Meditate
Take your time
Use aromatherapy
Take care of your sleep

Let go smoothly
Loosen Up
Be positive
Laugh
Falling back into childhood

Decompress
Escape
Listen to music / Read
Go shopping
Enjoy a Spa / Massage
Spend time with friends

Be physically active
Work out
Spend time in the countryside
Take a walk or ride a bike

Enjoy yourself
Stop feeling guilty
Take care of yourself

RELAXATION + PLEASURE + SENSORIZATION + EMOTION

Source: Robertet, Global Soap Bath Shower - Keep Calm & Lather On - Soap, Bath, Shower, Novelties & Trends 2017
TIME OUT offers a majority of FRUITY notes.

They accompany concepts around emotions, escapism, world beauty rituals or gourmandise. They highlight exotic fruits (coconut, pineapple), red fruits and may acquire a warm facet (gourmand or oriental) bringing an addictive aspect to the note.

FLORAL notes are used for products promoting relaxation and beauty rituals of the world. Notes are mild and enveloping: an invitation to well-being.

**CONCLUSION**

- High proportion of fruity notes
- Mild enveloping facets
- Feel-good fragrances

**GOURMAND** notes are linked, this year, to regression and the pleasure of not feeling guilty: candles, tart, cake or beverage accords.

**CITRUS** and **AROMATIC** notes are dedicated here, to the Athbeauty concept (before or after physical exercise) or even some products with a tasty pleasure concept (cocktails).
4 | Olfactory Trends & Opportunities – Less is More

Unclutter Your Daily Life and Refocus on the Real

Detoxify
Do sorting
Unclutter our daily life
Depollute
Purify the body and the mind

Reconnect
Reconnect with earth
Go to more authenticity
Pay attention to the real
Enjoy simple pleasures

Live healthy
Live simply
Eat varied and balanced
Spend more energy

Refocus
Pamper yourself
Bundle up in your duvet
Take time for yourself

Back to basics
Cultivate simplicity
Respect humans and nature

Authenticity + Simplicity + Naturality + Respect

Source: Robertet, Global Soap Bath Shower - Keep Calm & Lather On – Soap, Bath, Shower, Novelties & Trends 2017
LESS IS MORE has a more balanced sampling of olfactory families.

**FLORAL** notes usually express gentle care, but may also convey the notion of health and cleanliness (antibacterial) with an aldehydic facet.

**FRUITY** notes (less widespread than for the TIME OUT theme) and **CITRUS** notes are used for health concepts (super-food or antibacterial) and call on fresh natural facets to support their claim.

**GOURMAND** notes are linked, here, to mildness and cocooning mainly with vanilla, milky, cereal notes.

**CONCLUSION**
- 3 families dominate: Floral, Fruity, Citrus
- Fresh natural facets
- Feel-good fragrances
TRUE OLFACTIVE DIFFERENCES FOR SCENTS

Time out
Notes are mainly fruity with warm enveloping facets to fill up on sensation

Less is more
Notes cover all olfactory families with fresher vegetal facets, closer to Nature
THANK YOU

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