

## Fragrances (Responding to COVID-19) - China - May 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The dominance of big foreign brands in the Chinese fragrance market will be challenged in the coming years.

With a growing appetite for rare and unusual scents, today’s consumers are looking beyond big brands’ classic fragrances.”

– Alice Li, Senior Analyst, 31 May 2020

This report looks at the following areas:

- The impact of COVID-19 on consumer behaviour and the fragrances market
- How the market will fare in a post-COVID-19 slowdown
- Current competitive landscape, strategies and innovations
- Opportunities to explore clean beauty and category-blurring offerings

As a small and immature category in the Chinese beauty market, fragrances were worth RMB6,404 million in 2019 and are expected to continue steady growth over 2020-24, fuelled by increasing usage and premiumisation.

However, the market has been inevitably hit by the outbreak of COVID-19. Mintel predicts growth in value will fall from the original forecast of 7.6% to a minimal 0.2% in 2020, but the longer-term outlook remains positive at this point.

**BUY THIS  
REPORT NOW**

**VISIT:**  
[store.mintel.com](https://store.mintel.com)

**CALL:**  
EMEA  
+44 (0) 20 7606 4533

Brazil  
0800 095 9094

Americas  
+1 (312) 943 5250

China  
+86 (21) 6032 7300

APAC  
+61 (0) 2 8284 8100

**EMAIL:**  
[reports@mintel.com](mailto:reports@mintel.com)

### DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

# Fragrances (Responding to COVID-19) - China - May 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### Overview

- What you need to know
- Key issues covered in this Report
- Report scope

### Executive Summary

- The market
  - COVID-19 drags down growth in short term, but long-term outlook remains positive
    - Figure 1: YSL Beauty fragrance flagship store, China, 2020
    - Figure 2: Forecast of total value sales of fragrances (adjusted for COVID-19), China, 2014-24
- Impact of COVID-19 on fragrances
  - Long-term impact of COVID-19 will be limited
    - Figure 3: Short, medium and long term impact of COVID-19 on fragrances, May 2020
- Companies and brands
  - Foreign players dominate but will face new challenges after COVID-19
    - Figure 4: Leading manufacturers' share in value sales of fragrances, China, 2018 and 2019
- The consumer
  - Moderate penetration suggests room for growth
    - Figure 5: Fragranced products purchased in the last six months, January 2020
  - Occasional usage still prevails, especially among men
    - Figure 6: Usage habits of fragrances, by gender, January 2020
  - Long years of experience indicates loyalty but usage in need of a boost
    - Figure 7: Years of using fragrances, January 2020
  - The prestige brands need more than a premium image
    - Figure 8: Correspondence analysis – Brand perceptions, January 2020
  - Clean beauty trend has impacted choice of fragrances
    - Figure 9: Factors worth paying extra for, January 2020
  - A fear of over-smelling
    - Figure 10: Concerns and attitudes towards fragrances, January 2020
- What we think

### The Impact of COVID-19 on Fragrances

- Figure 11: Short, medium and long term impact of COVID-19 on fragrances, May 2020
- Opportunities and Threats
  - COVID-19 lockdown has temporarily made fragrances less relevant, but demand will recover as life normalises
  - A renewed focus on health fuels demand for natural offerings
  - The lockdown accelerates digital transformation
    - Figure 12: Example of Phlur fragrances, US

BUY THIS  
REPORT NOW

**VISIT:** [store.mintel.com](https://store.mintel.com)  
**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300  
 APAC +61 (0) 2 8284 8100 |  
**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

## Fragrances (Responding to COVID-19) - China - May 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Rising localism challenges foreign brands' dominance

What we have seen so far

Impact on the market

The market takes short-term hit but long-term impact is limited

Figure 13: Forecast of total value sales of fragrances, China, 2014-24

Figure 14: Forecast of total value sales of fragrances (adjusted for COVID-19), China, 2014-24

Shifts in consumer behaviour

Spending on beauty shows encouraging signs of recovery

Figure 15: Changes in spending on BPC, January to May 2020

Working from home hasn't become a norm yet

Figure 16: Work location, February to May 2020

How COVID-19 will affect key consumer segments

Core users (women in their 30s) are less impacted by financial stress

Young consumers may slow down product exploration

Men as occasional users will become even less engaged

How COVID-19 will reshape the industry

Competitive landscape will likely shift

The transformation to a more essential category

Impact on the marketing mix

Redefining prestige

Driving clean offerings

Catering to local preferences

Figure 17: Examples of RECLASSIFIED fragrances, China, 2019-20

Enriching online experiences

Figure 18: Example of Virtual Sephora Day livestreaming, China, 2020

COVID-19: China context

Figure 19: Accumulative confirmed cases of COVID-19 in China, January to May 2020

Figure 20: Status of returning to work, China, March to May 2020

### Issues and Insights

Clean beauty expands into fragrances

The facts

The implications

Figure 21: Nomenclature psy\_cou eau de parfum, US, 2020

Explore category-blurring opportunities

The facts

The implications

Figure 22: Examples of fragrances with a moisturising benefit, US and Japan, 2019-20

Figure 23: Jo Malone London Lime Basil & Mandarin Scent to Go, US, 2019

Figure 24: Lovillea Juicy Floral Gelly Cologne, Oman, 2019

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Fragrances (Responding to COVID-19) - China - May 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Bring more engaging themes into play

The facts

The implications

Figure 25: Examples of Maison Margiela Replica fragrances

Figure 26: Examples of Fantasy horoscope-themed fragrances, Vietnam, 2019

## The Market – What You Need to Know

A short-term hit in sales is expected from the outbreak of COVID-19

Positive outlook in the long run

## Market Size and Forecast

Market continues to expand alongside premiumisation...

Figure 27: Retail value and annual growth rate of fragrances market, China, 2015-19

...but will take a hit due to COVID-19 in the short term

Figure 28: Forecast of total value sales of fragrances, China, 2014-24

Figure 29: Forecast of total value sales of fragrances (adjusted for COVID-19), China, 2014-24

## Market Factors

A category far from saturation

Figure 30: Retail market value, spend per capita and growth rate of fragrances, China, South Korea, Japan, UK and US, 2019

Online channels fuel stronger growth

The rise of olfactory marketing

More consumer education in place to guide choices

Figure 31: A review of fragrances for summertime by Sun Shangxiang Scent, China, 2019

Scented personal care and laundry products pose challenges

Figure 32: Sylvia fragranced laundry liquid, China, 2019

## Key Players – What You Need to Know

International companies take the lead

Local brands gain market share through online channels

Format/texture innovation continues to expand globally

## Market Share

Foreign players maintain market dominance

Figure 33: Leading manufactures' share in value sales of fragrances, China, 2018 and 2019

Global leaders take the competition to the upper prestige segment

Local brands gain market share by avoiding direct competition

## Competitive Strategies

The mix of online and offline experiences

Figure 34: Example of Jo Malone London Fragrance Finder

Figure 35: Example of Diptyque immersive fragrance exhibition, China, 2019

Smell and sound create perfect harmony

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](https://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: [reports@mintel.com](mailto:reports@mintel.com)

# Fragrances (Responding to COVID-19) - China - May 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 36: Example of Perfect Diary x NetEase Music campaign, China, 2019

Figure 37: Example of Jo Malone London 'A Little Happiness' commercial, China, 2019

## International brands continue to accelerate new product development

Figure 38: New fragrance launches from leading international brands, China, 2019-20

## Local brands leverage IP collaboration to make bestsellers

Figure 39: Scent Library x White Rabbit fragrances, China, 2019

Figure 40: Boitown x The British Museum fragrances, China, 2019

## Who's Innovating?

### NPD trends in the Chinese market

#### Male segment gains more attention in 2019

Figure 41: Top claims of new fragrance launches, China, 2017-19

Figure 42: New male fragrance launches, China, 2019

#### Botanical/herbal claim on the rise

Figure 43: New fragrance launches with a botanical/herbal claim, China, 2019

### Innovation highlights in overseas markets

#### Newer formats/textures continue to evolve

Figure 44: New fragrance launches in solid stick format, France and Russia, 2019

Figure 45: New tattoo-style fragrance launches, UK, 2019

Figure 46: New fragrance launches in powder and compact format, UK and France, 2019

Figure 47: New scented accessories launches, France and US, 2019

#### Fragrances with functions

Figure 48: Heretic Dirty Grass CBD Eau de Parfum, US, 2019

#### Different angles to address consumer need for customisation

Figure 49: Byredo unnamed Eau De Parfum

Figure 50: Glossier You Eau de Parfum

#### Technology inspires innovation

Figure 51: O Boticario Egeo ON Me and You, Brazil, 2019

## The Consumer – What You Need to Know

Moderate penetration and irregular usage weaken the market

Brand types have distinct associations

Safety concerns and solid interest in natural ingredients shape innovation

## Purchase Behaviours

### Overall penetration remains low

Figure 52: Fragranced products purchased in the last six months, January 2020

Scented personal care poses a threat to perfume

Mini-size perfume has the potential to make a good gift

Women, 30-39 year olds are primary perfume users

Figure 53: Fragrances purchased in the last six months – 'for myself', by age, January 2020

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](https://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: [reports@mintel.com](mailto:reports@mintel.com)

# Fragrances (Responding to COVID-19) - China - May 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 54: Fragrances purchased in the last six months – 'for myself', by gender, January 2020

## Usage Habits

Nearly half of respondents only wear fragrances on special occasions

Figure 55: Usage habits of fragrances, by gender, January 2020

Figure 56: Usage habits of fragrances, by years of using fragrances, January 2020

Consumers start to seek variety after using perfume for three years

Figure 57: Fragrance loyalty, by years of using, January 2020

Half of consumers touch up throughout the day

Figure 58: Fragrances purchased in the last six months – for myself, by reapplication habit out of home, January 2020

Figure 59: Reapplication habit out of home, by age, January 2020

Both young and old consumers may wonder how to apply the right amount of perfume

Figure 60: Level of control the right amount of fragrance, by age, January 2020

## Years of Use

Most fragrance wearers report long years of using

Figure 61: Years of using fragrances, January 2020

Women start to use fragrances from an earlier age than men

Figure 62: Years of using fragrances, by gender, January 2020

Fragrances are not a privilege for tier one city consumers

Figure 63: Years of using fragrances, by city tier, January 2020

## Brand Perceptions

Brand type carries well-established associations

Figure 64: Correspondence analysis – Brand perceptions, January 2020

30-39 year olds hold more positive attitudes towards range of brands

Men are more likely to see domestic perfume brands as fun and trendy

Figure 65: Perceptions of domestic perfume brands, by gender, January 2020

Older consumers view fast fashion brands as unique

Figure 66: Perceptions of fast fashion brands, by age, January 2020

## Factors Worth Paying Extra For

High demand for natural ingredients

Figure 67: Factors worth paying extra for, January 2020

The winning solution is tripartite

Figure 68: Factors that consumers are willing to pay more for – TURF analysis, January 2020

From a niche brand is not what makes consumers to pay more for

25-29 year olds are more likely to buy in the story of perfumers

Figure 69: Factors worth paying extra for – selected factors, by age, January 2020

More experienced fragrance wearers seek added benefits

Figure 70: Factors worth paying extra for – selected factors, by years of using perfume, January 2020

## Concerns and Attitudes towards Fragrances

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](https://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: [reports@mintel.com](mailto:reports@mintel.com)

## Fragrances (Responding to COVID-19) - China - May 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Consumers pay attention to the safety of ingredients

Figure 71: Concerns and attitudes towards fragrances, January 2020

There is a fear of over-smelling

Over-packaging is not a huge concern for Chinese consumers

Young consumers have more concerns towards fragrances

Figure 72: Concerns and attitudes towards fragrances, by age, January 2020

### Appendix – Methodology and Abbreviations

Methodology

TURF

Fan chart forecast

Abbreviations

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)