After several years of weak performance, the $3.8 billion US fragrance market continues to see sales slide, especially in the women’s fragrance segment.

This report looks at the following areas:

- Sales decline in 2017 as the market continues to face challenges
- Declines steepest in women’s fragrance segment
- Penetration is high, but usage is irregular

Heavy competition within and beyond the category has resulted in slow category growth. Despite these challenges, interest is solid in natural fragrances, customized options, and fragrances with added benefits. Online tools, apps, and fragrance testing technologies offer additional opportunities for innovators in the category.
Table of Contents

Overview

What you need to know
Definition

Executive Summary

Sales decline in 2017 as the market continues to face challenges
Figure 1: Total US sales and fan forecast of fragrance market, at current prices, 2012-22

Declines steepest in women’s fragrance segment
Figure 2: Usage of personal body care products with or instead of fragrances, by men and women aged 18-34, May 2017

Penetration is high, but usage is irregular
Figure 3: Regular and any usage of fragrances, May 2017

The opportunities

Young adults show high engagement in the segment
Figure 4: Regular and any usage of any fragrance (net), by age, May 2017

Interest in added benefits could encourage more regular usage
Figure 5: Interest in fragrances with added benefits, by men and women aged 18-34, May 2017

Innovations excite younger users
Figure 6: Interest in product innovations, by men and women aged 18-34, May 2017

What it means

The Market – What You Need to Know

Sales decline in 2017, with market slated to shrink through 2022
Smaller men’s fragrance segment outperforms women’s
The majority of fragrance sales are through “other” retail channels
Scented personal care products compete with fragrances
Engagement among younger adults key to growth

Market Size and Forecast

Sales decline in 2017 as market continues to face challenges
Market is projected to see declines through 2022
Figure 7: Total US sales and fan forecast of fragrance market, at current prices, 2012-22
Figure 8: Total US sales and forecast of fragrance market, at current prices, 2012-22

Market Breakdown

Decline in sales steeper in women’s fragrance segment than in men’s
Figure 9: Share of fragrance market sales, by segment, 2017
Figure 10: Total US retail sales of fragrances, by segment, at current prices, 2015 and 2017
Figure 11: Total US retail sales and forecast of fragrances, by segment, at current prices, 2012-22

The majority of fragrance sales are through “other” retail channels
**Market Perspective**

Scented personal care products compete with fragrances

Scented body care is especially appealing to key fragrance consumers

**Market Factors**

Engagement among younger adults key to growth

Younger consumers are more diverse, multicultural

**Key Players – What You Need to Know**

In crowded landscape, a range of diverse players

Fragrances compete with original scents, unique inspirations, unexpected packaging

Natural ingredients, eco-friendly packages appeal to core users

Celebrity-endorsed and traditional floral fragrances struggle

Looking forward, customization, online retailing, and technology

**Brand Overview and Usage**

Coty and Elizabeth Arden have strong presence within beauty market

L’Oréal and Estée Lauder hold broad portfolios

Parlux Fragrances is a leading supplier of celebrity fragrances

Unilever’s Axe and P&G Old Spice lead mass brands for men

L Brands offers exclusive brands through specialty stores

Specialty store perfume brands are most widely purchased

Mass brands Old Spice and Axe top aftershave/cologne brands

**What’s Working?**

Designer scents leverage connections with luxury

Differentiation via scent inspirations and standout packaging

Original fragrance inspirations connect to art, culture, nature, and science

Gourmet inspired scents drive innovation

Original and surprising packaging

Unique formats spark interest

Natural, skin-safe, and eco-friendly brands evoke simplicity

Unisex products and gender ambiguity are trending
Traditional women’s fragrances are struggling to reach younger shoppers

Negative perceptions lead to struggle of celebrity fragrances

Customization moves into the mainstream

Technology enhances the shopping process

Primers to extend scent

Penetration is high, but regularity of usage weakens the market

Fragrance retail landscape is fragmented, age and gender shape choice

Interest in added benefits is solid, could shape innovation

Specialty, designer, and celebrity brands have distinct associations

Mood, season, and time of day shape usage, especially for younger women

Concerns relate to safety, choice, and challenges of testing fragrances

Moderate interest in natural formulations and customized products

Fragrance Usage

High overall penetration, even as inconsistent usage undercuts sales

Figure 20: Any use (net) and regular use (net) of fragrances, May 2017

Higher-income adults are least likely to use fragrance

Figure 21: Regular use (net) of fragrances and any scented personal care, by household income, May 2017

Younger men are most likely to use fragrance regularly

Figure 22: Regular use (net) of any fragrance and any scented personal care product, by age and gender, May 2017

Younger men show strong usage of travel and alternative sizes

Figure 23: Regular use (net) of fragrances, by age and gender, May 2017

Multicultural adults stand out for high usage of fragrances

Figure 24: Regular usage (net) of fragrances, by race and Hispanic origin, May 2017

Retailers Shopped

Fragrance retail market is highly fragmented

Figure 25: Retailers shopped, May 2017

Affluent favor department stores, less affluent shop mass merchandisers

Figure 26: Retailers shopped, by household income, May 2017

Men favor mass merchandisers, women specialty retailers

Figure 27: Retailers shopped, by age and gender, May 2017

Interest in Added Benefits

Moderate interest in added benefits

Figure 28: Interest in fragrances with added benefits, May 2017

Moisturizing and deodorizing claims yield maximum reach
Methodology

Younger consumers show high interest in added benefits
Figure 31: Interest in fragrances with added benefits, by age and gender, May 2017

Interest in added benefits higher for Hispanics
Figure 32: Interest in fragrances with added benefits, by race/Hispanic origin, May 2017

Brand Perceptions

Different types of brands hold distinct associations for consumers
Figure 33: Correspondence analysis – Brand perceptions, May 2017

Correspondence analysis methodology
Figure 34: Brand perceptions, May 2017

Younger adults report stronger perceptions toward range of brands

Young adults hold polarized views of celebrity fragrances
Figure 35: Perceptions of celebrity branded fragrances, by age and gender, May 2017

Women aged 18-34 view specialty beauty brands as high value fun
Figure 36: Perceptions of specialty beauty brand fragrances, by age and gender, May 2017

Men aged 18-34 see designer fragrances as high quality and high value
Figure 37: Perceptions of designer brand fragrances, by age and gender, May 2017

Attitudes toward Fragrance Usage

Season and time of day can shape fragrance choice and usage

Mood and feelings are also integral to product choice
Figure 38: Attitudes toward fragrance usage, May 2017

Women are most likely to vary fragrance usage
Figure 39: Attitudes toward usage of fragrances, by age and gender, May 2017

Black and Hispanic consumers more likely to vary usage
Figure 40: Select attitudes toward fragrance usage, by race/Hispanic origin, may 2017

Attitudes toward Safety and Efficacy

Challenges and concerns relate to scent testing, duration, and safety
Figure 41: Attitudes toward safety and efficacy, May 2017

Gender and age shape attitudes in selecting and testing fragrances
Figure 42: Attitudes toward safety and efficacy, by age and gender, May 2017

Product Innovations

Interest in innovations is moderate
Figure 43: Interest in product innovations, may 2017

Young women want natural, organic, and skin-safe fragrances...

...but are enthusiastic about a range of innovations
Figure 44: Interest in select innovations, by age and gender, may 2017
Blacks and Hispanics over index for a wide range of innovations

Figure 45: Interest in select product innovations, by race/Hispanic origin, May 2017

Appendix – Data Sources and Abbreviations

Data sources
- Sales data
- Fan chart forecast
- Consumer survey data
- Consumer qualitative research
- Abbreviations and terms

Abbreviations
- Terms

Appendix – The Market

Figure 46: Total US sales and forecast of fragrance market, at inflation-adjusted prices, 2012-22
Figure 47: Total US retail sales and forecast of fragrances by channel, at current prices, 2012-17

Appendix – Key Players

Figure 48: MULO sales of fragrances, by leading companies, rolling 52 weeks 2016 and 2017