AMERICAN MARKETER

Business at its best

Fragrance sector sees gifting turnaround in 2018

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Chanel looks to Keira Knightley to embody the carefree but intense image of Coco Mademoiselle. Image credit: Chanel

By MICKEY ALAM KHAN

Sales of prestige fragrances are expected to continue their upward trajectory this holiday season, following growth during other major gifting periods of 2018.

According to data from NPD Group, fragrances made a comeback for 2017 holiday shopping, with sales up 5 percent year-over-year. Due to the interest in fragrance gifting, the holidays are a peak time for product launches and for television advertising (see story).

"After several years of soft holiday performance, fragrance made a comeback in December 2017 proving to be a giftable category for the holidays," said Larissa Jensen, executive director and beauty industry analyst at The NPD Group, in a statement. "We continued to see this turnaround during other key periods in 2018, including Valentine's Day, Mother's Day and Father's Day, and I anticipate its streak to continue this Christmas."

Fragrance forecast

After sales rose last December, fragrances saw 12 percent growth during Valentine's Day, and Mother's Day and Father's Day saw respective 9 and 11 percent rises in sales.

Consumers primarily gift fragrances to their spouses or significant others. While holidays including Valentine's Day, Mother's Day and Father's Day are also key for the category, about one-third of all fragrance sales during the year take place in December.

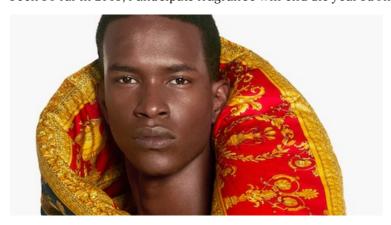
Fragrance sales in 2018 have totaled \$2.7 billion so far, and juice sales have grown 10 percent.

Chanel's Coco Mademoiselle and Armani's Acqua di Gio Pour Homme have seen the strongest sales in the most recent four weeks, making them the top scents for women and men scents.

With the holidays a peak time for perfume, many brands choose to launch new juices at the end of the year.

"New brands will be an important driver for fragrance during this holiday season," Ms. Jensen said. "With close to a third of full year fragrance sales happening in December, most fragrance manufacturers wait until the second half or the last quarter to introduce a new scent.

"The success of new launches during holiday can make or break the category, but given the strong performance seen so far in 2018, I anticipate fragrance will end the year strong," she said.



Versace unveils Eros Flame fragrance in sensual campaign. Image credit: Versace

Versace is among the brands launching fragrance at the end of the year. The label is painting a picture of a man who is in touch with his emotions in a film marketing its latest Eau de Parfum with striking cinematography.

Versace has created its latest fragrance for "strong, passionate and confident men," which it is showcasing in a unique film sequence. "A Fiery Romance" features a couple exhibiting their love in an avant-garde sequence that views almost as an interpretative dance, creating a more abstract push for the perfume (see story).

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