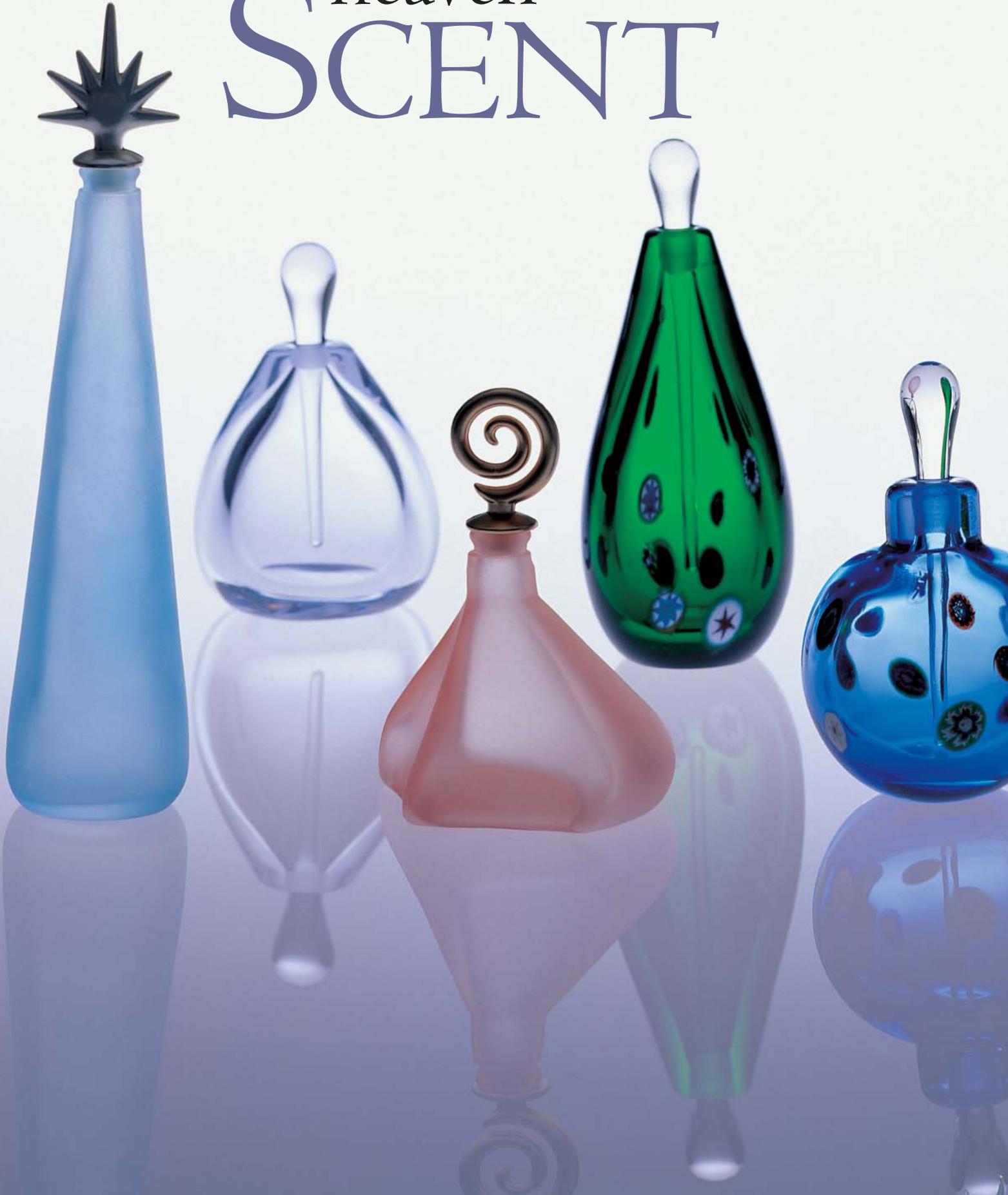


RETAIL

heaven SCENT





The sweet smell of the fragrance industry

By Vivien Jones



FEW THINGS ARE AS EVOCATIVE or as personal as fragrance. Anyone who has been transported to a distant time or place by the merest whiff of a familiar scent, knows the power of perfume. Its origins are humble and date back thousands of years, but today the fragrance industry is worth more than US\$10 billion annually and the market is crowded with more than 20,000 scents. Designer and celebrity scents dominate, with million dollar campaigns rolling out a new fragrance on a regular basis. With all this activity, it is not surprising that while our mothers' generation wore a "signature" scent, women today have a "fragrance wardrobe" of at least six scents for different occasions.

The first form of fragrance was incense, dating from around 4,000 years ago. It was highly valued in Biblical times. In the New Testament, the three wise men offered gifts of gold, frankincense and myrrh to the infant Jesus. The Romans used perfumes lavishly, applying fragrances to their bodies up to three times a day, animals were perfumed, at feasts scented birds were released into the air. The Greeks researched essential oils and their plant origins, discussing the effect of various scents on our moods and thinking.

Linking the past and the present of the fragrance industry are the Arabs who perfected the process of distillation, the art of extracting oils from flowers. Until this discovery liquid perfumes were a mixture of oil and crushed herbs, or petals which made a strong blend. The first distilled perfume was probably rose

water, which quickly became popular.

Today's marketplace is more complex. The most concentrated form of fragrance oil (and the most expensive) is known as perfume. The longest-lasting of fragrance forms, perfume may contain several hundred ingredients and is approximately 20-50% perfume compound. Eau de parfum is an alcoholic perfume solution containing 10-15% perfume compound, while eau de toilette is a light form of a fragrance, with a 3-8% concentration of perfume compound in an alcohol water base. Cologne is even less concentrated, created with approximately 4% of fragrance oil.

The original eau de cologne was created in the 18th century. Although the word cologne is a French name given to the German city of Köln, the origins of cologne lie with an Italian. Created by Paolo Feminis in 1709 and called Aqua Admirabilis, it was a refreshing blend of rosemary, neroli, bergamot and lemon used in a multitude of ways – in bath water, mixed with wine, eaten on a sugar lump, as a mouthwash, a poultice... One of Feminis' descendents eventually sold the formula to a perfumer who opened a factory at 4711 Glockengasse. Today the traditional fragrance known as Eau de Cologne is still sold under the name 4711 and is the world's oldest and most continuously produced fragrance.

Perfume really came into its own in France in the 18th century. Louis XV's court was known as "le cour parfumée" and the king demanded a different scent for his apartment every day. So popular were fragrances in France that the town of Grasse, with its jasmine, rose and orange-growing trades, quickly established itself as the centre for raw materials for the fragrance industry. The men who treated leathers in the area found the smells so bad that they perfumed themselves and the leathers. They were extremely knowledgeable about making botanical essences and were perhaps the earliest perfume 'Noses'.

Today, Noses, creators of fragrance, are held in the highest esteem in the industry. They generally serve an apprenticeship of at least six years before they move up the

CHOOSING THE PERFECT FRAGRANCE



"THE MAIN PURCHASERS of fragrance are men buying for women," says Anne, a frontline sales person for Nuance-Watson at Hong Kong International Airport. "Generally they are buying fragrance as a present for their wives or girlfriends and many buy gift sets that offer better savings." While the image of a harried businessman buying a last-minute gift may be stereotypical, Anne says that many men are savvy shoppers, carefully choosing a fragrance for its scent, and paying particular attention to the brand and – importantly – the price.

"Current fragrance favourites are Bvlgari Aqua for men, and Be Delicious by DKNY for women" says Anne. "It is a fruity fragrance that appeals to younger women. It's been a big hit and has definitely benefited from lots of advertising support," she explains. "Fashion is a huge influence in the fine fragrance marketplace. Dior, Gucci, Bvlgari are all very popular. The appearance of the bottle is also crucial," she continues. "Many people collect fragrances for the bottles as much as for the scent. And a big development recently has been the growth in celebrity endorsements – a prime example being Nicole Kidman's recent campaign for Chanel No.5."

"At the end of the day, some fragrances just have longevity – scents like Chanel No.5, Dior's J'Adore and Lancome's Miracle just sell and sell. It's a magical combination of the scent, the brand and the presentation that just can't be bettered!"



ranks. Primarily a good Nose needs a keen sense of smell, able to distinguish not only between the fragrance of different flowers, but also between oils of the same species of plant cultivated in different countries.

A truly great perfume takes time and plenty of patience. Surrounded by bottles of precious essential oils, the perfumer slowly builds the fragrance. During the blending, he or she may dip long pieces of blotting paper, known as mouillettes, into the solution and put them aside to dry. At intervals these strips are sniffed to determine what should be added to the final composition. A good fragrance develops over time. Applied to the skin, the fragrance has an initial impact of 'top notes' which last 5-10 minutes. Then comes the bouquet, the heart or middle note. This is the scent that emerges once the fragrance has blended with a person's unique skin chemistry and normally takes up to 20 minutes to fully develop. The final expression of a scent is the base

DID YOU KNOW?
*The French Emperor
Napoleon had two
quarts of violet cologne
delivered to him
every week and he
is said to have used 60
bottles of double extract of
jasmine every month.*

note, which is how the fragrance will finally smell on a person.

As Grasse became the centre for raw materials, so Paris became its commercial counterpoint and the world centre for perfume. Houses such as Houbigant, Lubin, Roger & Gallet and Guerlain were all based in Paris during this period. Changing tastes in the 19th century laid the foundation of modern perfumery as alchemy gave way to chemistry and the end of the century heralded the first real era of fragrance as we know it. Synthetic perfume products took the place of hard to find or expensive ingredients. Single flower scents, so popular at the turn of the century, were replaced by floral bouquets, which in turn gave way to the more abstract fragrances that we are familiar with today.

Perhaps the first truly modern perfume was Chanel's No.5. Launched in 1921 and so named because it was the fifth in a line of fragrances Ernest Beaux



presented to Coco Chanel, it was the first completely synthetic mass-market fragrance. French perfumery reached a peak in the 1950s, with designers such as Christian Dior, Jacques Fath, Nina Ricci and Pierre Balmain creating their own fragrances.

It was in the 1960s with the advent of mass commercial air travel and duty free sales that ordinary people began to buy perfume in quantity. Yves Saint Laurent launched Y and Rive Gauche, Guy Laroche presented Fidji in 1966. 'Charlie' and the modern, independent woman epitomised the 1970s. The 1980s were the era of the designer fragrance – blatant erotic advertising generated enormous attention for designer Calvin Klein when he launched Obsession, and image and gimmick caught the public's attention for Jean Paul Gaultier's glass torso in a tin.

The 1990s were marked by the popularity of fresh scents such as Issey Miyake's L'Eau d'Issey. A new trend emerged as more and more consumers began to use more than one fragrance. Celebrity endorsements were fashionable and popular – in 1991 one of the most



DID YOU KNOW?
The pharaohs of ancient Egypt were always buried with perfumes in their tombs. The scented oils buried with Tutankhamen were so potent that a trace of fragrance could still be detected when his tomb was opened – after more than 3,000 years.

successful fragrances ever was launched. Lancome's Tresor was promoted by actress Isabella Rossellini and had sales of US\$36 million in its first year.

Today, launching a perfume can cost US\$1-2 million so the scent has to be carefully assessed to make sure that it matches the mood of the era. To keep up with the consumer's desire for new fragrances, many fragrance houses are now producing limited edition perfumes for just a few months in bottles designed to become collector's items. Celebrity fragrances continue to be big news, with scents from Jennifer Lopez, Britney Spears and Beyonce proving to be big sellers in the worldwide marketplace.

Whatever it is that captures the imagination about a particular fragrance, there is no shortage of contenders for the Next Big Thing. Perhaps Giorgio Armani, who has been responsible for some of the most memorable fragrances of recent years, summed it up best: "Perfume" he has said, "is more than an extraction; it is a presence in abstraction. A perfume, for me, is a mystique." A mystery indeed, as elusive as smoke. 

A.S. WATSON'S BEAUTY TOP SPOT

THE RECENT PURCHASE of French toiletries retailer Marionnaud by A.S. Watson marks a further advance into beauty and cosmetics retailing for the group. "What this deal has done is put us on the world map in terms of retailing," says Mr Ian Wade, A.S. Watson Group Managing Director. "It has given us a lot of exposure and made us one of the significant contributors to the group."

A.S. Watson, which will acquire 1,300 Marionnaud outlets in Europe through the deal, already owns several toiletries and cosmetic chains in Europe, including Superdrug and Savers in Britain and ICI PARIS XL in Belgium and the Netherlands. "We got our first taste of this sector with acquisition of Kruidvat and ICI PARIS XL. We liked the category and looked around for other opportunities. We've been looking at Marionnaud for about two years and the time was finally right," says Wade. Marionnaud is a natural fit for A.S. Watson, which previously did not have a presence in France or many of Marionnaud's key markets, including Italy, Spain and Austria.

Marionnaud is Europe's number one perfume retailer in terms of outlets. Nearly half of its stores are in France, where it has a 30%

market share. Marionnaud is also expanding in Southern Europe through acquisitions in Spain, where it has about 180 shops, and Italy (with 130-plus perfumeries). Marionnaud Parfumeries operates about 150 perfumeries throughout Eastern Europe.

"This deal will have considerable impact on our business," explains Wade. "It builds on A.S. Watson's existing health and beauty retail operations and greatly strengthens our position in the perfumeries and cosmetics sector". The deal makes

A.S. Watson the world's largest health and beauty retailer in terms of outlets. The family of branded stores extends over 31 markets around the world. A.S. Watson also operates airport retail specialist Nuance-Watson, a joint venture with the Nuance Group of Switzerland. The Marionnaud deal means A.S. Watson will now have more than 6,200 retail stores worldwide, ranging from health, beauty and perfumeries to food, electronics and fine wines. "In the future, we will consolidate our position and look around for other geographical opportunities that may present themselves. We are always looking to add to our portfolio at the right time," says Wade.

