

# SMALLVILLE

ARTISANAL BRANDS ARE FINDING A WELCOME RECEPTION IN EUROPE'S OVERLY SATURATED FRAGRANCE MARKET. By Kerry Olsen

In Europe, the niche fragrance market continues to gather steam in a saturated industry heaving with big-budget launches and shaken by the recession.

Official sales data for the European niche perfumery business is difficult to pin down, but Silvio Levi, the Milan-based owner of distributor Calè Srl and founder of the trade fair Esxence, estimates the sector in Europe could be worth as much as 7.19 billion euros, or around \$10.4 billion at average exchange rates. He arrived at that figure by looking at Europe's seven top countries in terms of beauty sales—Germany, France, Italy, the U.K., Spain, The Netherlands and Poland—which had a total beauty turnover of around \$74 billion in

2009, according to Unipro, then estimating niche perfumery's part of the pie as around 1.4 percent of that sum.

European department store retailers have embraced niche brands, spurred on by their success in the U.S. In the U.K., House of Fraser, Harvey Nichols, Liberty and Harrods have all beefed up their artisanal offerings. The French department store Printemps is set to revamp its beauty hall, say sources, extensively increasing its existing space for niche scents, while the Italian stores Coin and Rinascente are set to open new areas for artisanal brands this year.

"During the recession, no one wanted to play with their money, and the same applied in the beauty world. As a result, there's a new era of customers who want something authentic," says Tracy Van Heusden, senior beauty buyer at House of Fraser, which opened an in-store concept called Apothecary in its Glasgow store as part of a multimillion-pound beauty hall refurbishment. The concept, which carries brands like florist Jane Packer's first fragrance line and the Brit brand Berkeley Square, is set to roll out to all of its 61 stores.

A consumer backlash to the bevy of mainstream scent launches and a desire for individuality is fueling the niche sector. Straightened times have produced a new breed of savvy consumers demanding unconventional notes.

"There is a common desire and wish to be distinct. The mass market is no longer delivering on this promise to be different," says Claus Noppeney, Ph.D., research professor, Bern University of the Arts & Bern Business School, who recently analyzed the scent-making process in niche perfumery for a project funded by the Swiss Science Foundation.

By occupying top spots at Harvey Nichols, By Kilian and Escentric Molecules bear out the professor's research. "Neither advertises, both have limited distribution, but our customers are incentivized by this," says Hannah Phillips, beauty buyer. "By Kilian's fragrances tell a story, and all of the bottles can be refilled at a reduced cost. It detracts from the ever-throwaway culture."

As a result, such brands engender more loyalty than mass marketed products. "Customers of true artisanal fragrances are far less transient than those of mass," says Gina Ritchie, beauty buyer for Liberty. "Our customers are deeply loyal to their fragrances and enjoy them being more under the radar. Fragrance is currently our fastest-growing category and as we specialize only in more niche artisan fragrances, we are fully dedicated to them."

"It's part of a global return to timeless quality and appreciation of craftsmanship," agrees Space NK founder Nicky Kinnaird. "If you are buying something special, you want it to be unique to you rather than ubiquitous."

One such brand is the Swedish-based Agonist. Inspired by Nordic culture and climes, the label creates scents from natural ingredients packaged in unique glass sculptures by the Swedish glass artist, Asa Jungnelius.

Another emerging brand is Nasomatto, or "crazy nose" in Italian. Created by perfumer Alessandro Gualtieri, it is intended to invoke emotion. Absinth, for example, is a riff on hysteria and irresponsible behavior.

The Paris-based Nez a Nez takes a visual approach to fragrance. Hiroshima Mon Amour blends ingredients like yuzu, sake, cherry nut and beeswax, for example, and is



said by its creators to work as a love potion.

Humiecki and Graef's aim is to create contemporary yet unconventional eaux de parfum, like Askew, a riff on anger concocted with reassembled vetiver, birch bark tar, cardamom and Egyptian mimosa.

Swiss nose Vero Kern worked in the pharmaceutical industry before switching gears to attend perfumery school. In 2008, she launched Vero.Profumo, mixing traditional handcraft qualities with a high-tech touch.

Levi created Cale Fragranze d'Autore with the aim of telling stories through olfactory notes. A recent launch, Fulgor, was inspired by storms he witnessed while on a road trip in Death Valley, for example.

Revived by Simon Brooke, a great-great-grandson of the founder, the English house Grossmith takes original formulas from its archive and adds a contemporary twist. Its new offering, Betrothal, is based on an 1893 scent created for the marriage of Princess May of Teck to George V.

The rise of these brands and others like them is redefining the way fragrance is sold. "It's not just about bringing in new brands, but creating an area and ambience where customers can play," says Van Heusden. "It's a fashion pulse area; we don't want it to become staid."

"It's important that a fragrance store ceases to be a mere display of bottles and more of an olfactive experience," agrees Celso Fadelli of Intertrade Europe.

With growth, however, there's a glut, and the sector's popularity is inevitably giving rise to an influx of new entries. "People think niche is heaven, the new Eden. Everyone is rushing to the market, but time will tell who survives," says perfumer Francis Kurkdjian, who opened Maison Francis Kurkdjian in September 2009. Although Kurkdjian, who creates scents for other brands as well as his own, believes consumers have tired of the incessant launch schedule, he highlights the tremendous success of brands like Paco Rabanne's One Million. "It's not about mass market versus niche, but consumers looking individually at scents," he says.

Large or small, both represent a more emotional approach to perfumery, and it's this which is particularly resonant with European consumers. "Perfume is an emotional art and there's a lot of plunk out there," says Michael Edwards, the author of *Fragrances of the World*. "It is the perfumer or the creator's experience that you are experiencing. When you're talking about niche fragrances, you're talking about sensory experiences."