



Fragrance market smells sweet as brands bloom in Shanghai

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Imagine hand-formulated scents and raw materials being made into a bottle of perfume packed for you as you wait.

Riding on the wave of individualized and tailor-made beauty and personal-care demands, Shanghai is home to the most diversified service and product offerings, and the speeding up of new store openings for personal care and fragrance has been evident lately.

The second Le Labo fragrance store was unveiled in late August at Taikoo Li Qiantan, less than three months after its inaugural China store opened in Shanghai.

The new opening was intended as a laboratory for different scents where shoppers can smell and touch raw materials.

The trial service, which is the first of its kind in the country, allows customers to pick from six kinds of perfumes in two different sizes.

The perfumer then mixes the ingredients with customized labels and packaging also available.

Shanghai maintains a unique attraction for brands hoping to grab the heart of trend-setters and fashion lovers.

The diversified retail space and shopping environment also allows different target markets to find niche services.

New legislation which took effect last year allows business entities to offer on-the-spot personalized cosmetics



A trial service at the Le Labo store in Taikoo Li Qiantan allows customers to pick from six kinds of perfumes in two different sizes that are made on the spot.



services in the Pudong New Area.

Located at outlets such as shopping malls and boutique stores, the service involves the customized formulation and packaging of cosmetics onsite, rather than at centralized manufacturing sites.

L'Oréal China was also granted a license earlier this year. The Skin Ceuticals' store service can scan and evaluate consumers' unique skin needs to create a personalized corrective serum. The pilot scheme allows companies to extend their offerings by responding to increasingly niche demands and new sales and service modes.

Local fragrance brands are catering to Chinese characteristics and unusual decorative settings to appeal to perfume lovers.

is expected to surge in value 2.5 times to 53.9 billion yuan (US\$7.4 billion) by 2028 from around 20 billion yuan in 2023. Those who prefer niche perfumes and fragrances jumped to 54 percent, from around 47 percent a year earlier, the survey found.

People's understanding of fragrance is still in the early stages, however.

Among those who have purchased and used fragrance for over a year, 70 percent think they don't know much about fragrances, so they prefer "no-mistake, easy-to-recognize" scents, such as well-established international fragrance brands in their most basic version.

It also found more fragrance providers have combined oriental scents and traditional herbal elements for new offerings in China, with Armani, Guerlain, and Estee Lauder among the leading players in the field.

Only a limited group of customers have become more advanced perfume lovers and extend the use of fragrance to their everyday life and work.

For fashion and retail brands, it's even more crucial to upgrade physical retail space with new service models, said Deputy Director Wu Ruiling at the China Chain Store & Franchise Association, at an industry forum in Shanghai.

"There's still a lack of new service and new shopping scenarios to further unleash consumption momentum," she said, adding that it is crucial for retail services to leverage different means for customers to learn about the uniqueness of each product.

Truly innovative services should be based on deep knowledge and consumer insights as retail competition required not only high-quality products, but also relevant service and operation models, she said.

A community library was unveiled on Yuyuan Road earlier this year by local fragrance brand Documents, combining Chinese-style decorating elements of a bookstore with fragrance offerings and new personal-care product lines.

Bringing together a reading space and a product showroom, it also serves as a quiet spot of retreat by offering an alternative space for an immersive experience with fragrance.

Fragrance is a booming market with huge potential in China, and Shanghai holds the spotlight with the most diversified services, product offerings, and new brands.

According to the latest report by leading beauty brand management firm Eternal Group and market consultancy firm Kantar, China's fragrance market

