

Crafting a unique scent

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SOMETHING is in the air in the fragrance industry. An arena once dominated by the likes of iconic designer classics such as Chanel No 5 and Dior J'adore has, in recent years, seen niche luxury brands such as Diptyque, Creed and Maison Francis Kurkdjian come to the fore.

Consumers are increasingly gravitating towards artisanal, niche labels to satisfy their olfactory senses when it comes to their fragrance purchases.

According to a report by Business Research Insights, the global luxury niche perfume market size is expected to grow to US\$8.12bil by 2032, from an estimated US\$2.397bil in 2023, with a compound annual growth rate of 14.52%.

Niche perfumes stand out for their limited production runs, rare and high-quality natural ingredients, as well as unique and complex scent formulations. Unlike mass-market designer brand fragrances, these artisanal offerings emphasise craftsmanship, made by houses that specialise exclusively in perfumery.

This makes them appealing to a growing number of consumers who value personalisation, authenticity and distinctness in the products that buy, compared to the more mainstream and generic products in the market.

"Luxury niche fragrance brands are means of differentiation, in a world where consumers want to express their individuality and their own preferences

and tastes," says Karen Kwek, head of consumer experience and retail excellence, as well as regional general manager for niche beauty at Luxasia, a luxury beauty omnichannel distributor.

"Rather than using fragrance from well-known prestige brands, many seek out ones that give them an interesting story to tell when they're asked 'What are you wearing? You smell great!'"

Scents of individuality

In South-East Asia, the demand for niche fragrance brands is surging, leading to significant growth among retailers focusing on supplying curated selections of artisanal offerings.

Escentials, a luxury niche beauty omni-retail concept from Luxasia which established multiple stores in Singapore in the early 2000s, has expanded its presence across the region in the last three years with boutiques in Malaysia, Thailand and Vietnam.

The rising popularity and recognition of niche brands such as Byredo, Creed, Penhaligon's and Acqua di Parma have led to the opening of their own free-standing boutiques within these markets.

"Niche brands often enjoy the freedom to explore more unconventional scent profiles and artisanal crafting techniques, resulting in creations that are as unique as the individuals who wear them," explains Zeng Zhou Tan, business development director at Trove, a homegrown luxury beauty destination.

Trove has seen notable growth

Photo — Trove Malaysia



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■ Niche perfumes stand out for their limited production runs, high-quality natural ingredients and complex scent formulations

■ Brands would have to balance between being 'rare, exclusive and hard-to-find' and 'sell a lot and well'



Consumers are increasingly turning to artisanal perfumes by niche labels, over designer brands. — Ferdinando Ferrazzi

since its launch in 2022. Dedicated to curating luxury niche fragrances and skincare products for discerning beauty consumers, the brand currently boasts of outlets at The Starhill, Pavilion Damansara Heights, The Exchange TRX and Bangsar Shopping Centre.

With more room for experimentation and risk-taking, niche perfumers are able to craft striking scents that resonate with individual customers.

"The distinctiveness, combined with the opportunity to express one's personal style and narrative, draws consumers towards niche over mainstream fragrances," adds Zeng.

Etat Libre d'Orange, for instance, is a cult-favourite French perfumery known for its unusual scent compositions, with attention-grabbing names like I Am Trash and Fat Electrician. The floral and fruity I Am Trash is one of the first luxury perfumes in the industry to use ingredients upcycled from bin-bound waste material.

Meanwhile, Fat Electrician was inspired by the story of a man who was once famed and highly desirable in his youth, but ended up a fat electrician as his allure faded. The vetiver-scented fragrance's description reads: "This is the curse of beauty – it doesn't last".

Navigating the niche market

The ability to craft evocative narratives through scent significantly enhances the appeal of niche fragrances, Zeng opines.

Penhaligon's, a 154-year-old British perfumery, leans heavily into storytelling and its heritage by crafting vivid tales from bygone eras to accompany each scent. Along with compelling vintage-style bottles and packaging, the brand has found popularity with local fragrance enthusiasts.

Marina Khong, country manager of Luxasia Malaysia, notes that Millennials, Gen Z and even Gen Alpha are often attracted to niche brands that symbolise social status and sophistication.

"Social media, celebrities and key opinion leaders also wield great influence in amplifying brand awareness," she adds. "Previously only known to a small community of discerning consumers, these brands are fast gaining the attention and demand of the consumer base."

Even those who cannot afford these niche offerings are aspiring to purchase as they grow in affluence, Khong says.

Kwek points to the emerging educated middle-class population with rising spending power in South-East Asian markets like Vietnam as a key factor in driving demand. "They are well-read, well-informed and well-travelled, and are keenly aware of the developments in luxury niche beauty," she notes.

As the segment continues its ascent, Kwek anticipates an increased emphasis on sustainable ingredients and "farm-to-bottle" creations. We can also expect to see more personalisation and co-creation between consumers and brands in the niche scent category, Khong says.

However, with the success of many niche fragrance brands, a number of which have been acquired by conglomerates like Estée Lauder and LVMH, there lies the risk of becoming so widely known and available that the "niche" label may no longer apply. Expansion may come at the cost of exclusivity, authenticity and distinct identity.

"It will be interesting to see how the various niche brands of the world aim to continue growing amid intense competition and a drive for strong commercial performance – to achieve balance between being 'rare, exclusive and hard-to-find' and 'sell a lot and well'," Khong observes.



Niche retailers like Escentials have grown significantly across South-East Asia in recent years. — Luxasia