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2026 CHINA OLFACTORY ECOSYSTEM WHITE PAPER

— 2026 —

China Olfactory Ecosystem
White Paper

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FOREWORD

Over the past six years, the China Perfume and Fragrance White Paper has remained dedicated to documenting the evolution of China's fragrance market, consistently tracking its journey from category emergence and consumer expansion to brand differentiation. This year marks the seventh edition of the report, which has officially evolved from "perfume and fragrance white paper" into "olfactory ecosystem white paper". Research perspectives have also expanded beyond bottled perfumes and home fragrances to encompass industrial systems, consumer meanings, olfactory science, public psychological value and cross-sector lifestyle scenarios. From this broader vantage point, this report goes far beyond merely addressing how the industry will continue to grow, but seek to unpack how scents can become a new ecological interface connecting industry, consumption and social psychology.

China's consumer market is entering a new stage of reassessment: growth models are rapidly shifting, and new value logics are taking shape. As global supply chains move from a cost efficiency-centric model toward a more resilient and sustainable collaborative system, China's macroeconomic policies are shifting from short-term stimulus toward long-term foundations built on income growth, social security and service supply. Consumer mindsets are also moving from stable segmentation toward dynamic shifts among highly cost-effective choices, emotional fulfillment, cultural identification and self-cultivation.

This represents a structural upgrade of growth benchmark. Businesses are no longer facing the question of "how to capture more demand" only, but rather how to remain continuously chosen in a consumption environment that places greater emphasis on quality, increasingly diverse segmentation and long-term value. In other words, the key to growth is shifting away from traffic acquisition, distribution expansion and price incentives toward stable supply, clear value propositions, scenario penetration and long-term relationships.

Against this backdrop, the perfume and fragrance sector has become a sensitive entry point for observing the reconstruction of China's consumer value system. Its transformation matters not only because this market continues to expand, but because scents simultaneously connect supply-side capabilities covering raw materials, perfumery, regulations and brand development with demand-side needs spanning emotional restoration, identity expression, spatial experiences and lifestyle organization. As consumption shifts from owning more products toward seeking more certain, more sustainable relationships with oneself, perfume and fragrance is no longer merely a niche category, but a sensory gateway for understanding new consumption logic. Today's perfume and fragrance purchase is no longer simply a choice of scents, but part of state management, lifestyle expression and self-relationship cultivation. It is evolving from products being sold into an ecological interface connecting supply capabilities, consumer psychology, cultural expression and lifestyle systems. Competition within the industry is no longer limited to fragrance types, packaging or marketing tactics, but is shifting toward whether brands can build the olfactory capabilities required to continuously enter consumers' lives. In the future, leading brands will need to not only develop appealing products, but also explain scents, validate scents, operate scents, and establish stable connections through scents across physical well-being, spaces, mobility, healing, cultural tourism and lifestyle communities.

Based on this perspective, this report explores more fundamental questions of how can China's perfume and fragrance industry move from category growth toward olfactory ecosystem construction, and how can brands evolve from product providers into long-term sensory relationship operators? The shift is from "selling products" to "managing value", and from "competing for attention" to "building lasting relationships". The competition within the olfactory ecosystem is ultimately a competition in the ability to transform a single scent experience into a long-term sensory relationship.



Macroeconomy and Consumer Market: Fragmentation and Reconstruction

Overview

“As China’s consumer market transitions from broad-based expansion toward structural reassessment, the macroeconomic landscape serves as the primary lens through which we can interpret changes in the perfume and fragrance sector. This chapter’s core focuses are how supply chain restructuring reshapes business logic, how domestic demand policies strengthen consumption foundations, how consumer demand is redistributed across different market segments, and how brand competition shifts from short-term momentum toward long-term value. These questions are examined from four dimensions: security-oriented choices, targeted support, market segmentation and vitality extension. Our key observation centers on how macroeconomic conditions and consumer market trends provide an analytical framework for category revaluation and value transformation within the perfume and fragrance sector.”

”

1.1

“Security-Oriented Choices” Amid Global Economic Order Disruptions: From “Efficiency First” to “Stability and Controllability”

As trade tensions, geopolitical risks and logistics uncertainties increase real costs, companies no longer merely pursue the lowest costs and highest turnover. Instead, they must invest in safety inventories, backup capacity, regionalized production and rapid switching capabilities. Stability and controllability have thus evolved from operational considerations into prerequisites for growth.

1.2

“Targeted Support” from Policies on Cultivating Domestic Demand: From “Short-Term Stimulus” to “Structural Guidance”

Short-term subsidies and trade-in incentives can continue to underpin transactions, but the sustainability of consumption recovery depends more on household income expectations, social security confidence and the richness of service offerings. Policy priorities are shifting from releasing demands in advance to strengthening consumption capacity, reducing consumption concerns and cultivating consumption scenarios, which provides a more stable foundation for experience-driven and life-style-related consumption.

1.3

“Market Segmentation” Amid Stable Overall Consumption of the Industry: From “Broad-Based Growth” to “Value Concentration”

Total consumption remains stable, but growth resources are increasingly concentrated in high-quality niche segments. Consumers place greater emphasis on emotional value, social attributes and sensory experiences. Demands are further differentiated across consumer groups, usage scenarios and value tiers.

1.4

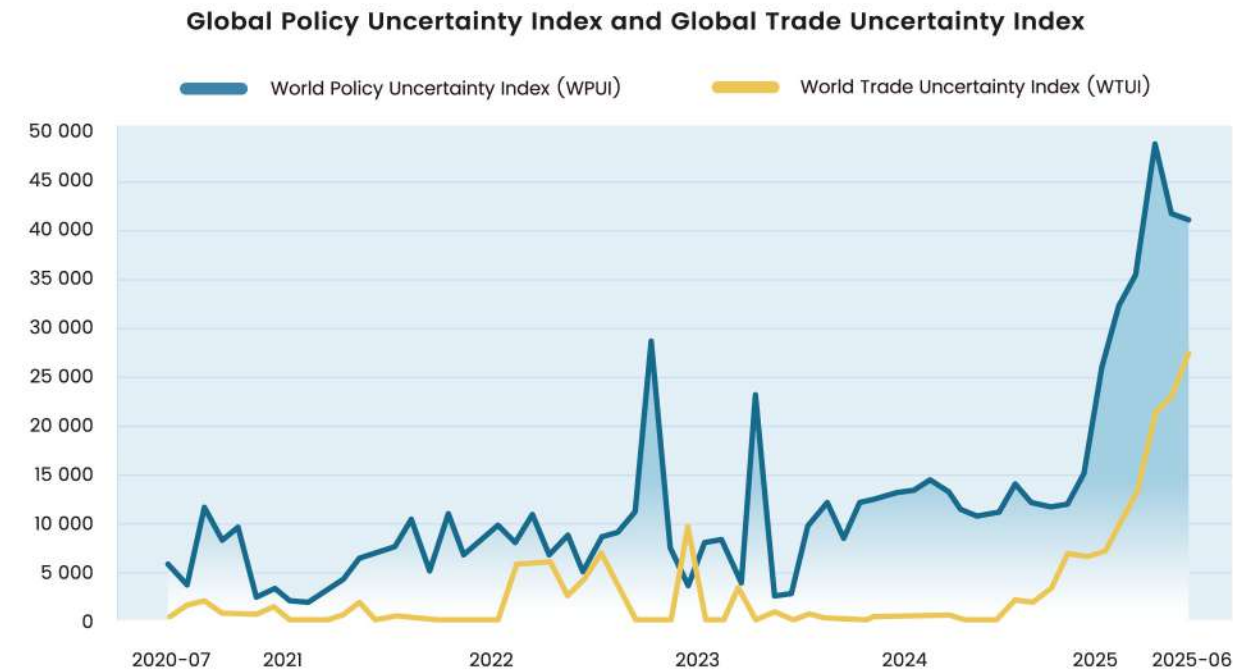
“Vitality Extension” Amid Restructuring of the Industry’s Iteration Cycle: From “Trend Iteration” to “Long-Term Sustainability”

Differentiated positioning and short-term buzz can still help brands break through, but sustainable growth depends on the continued accumulation of product capabilities, brand assets, user relationships and operating systems. Competition in consumer industries is shifting from traffic-driven momentum toward long-term value realization.

1.1 “Security-Oriented Choices” Amid Global Economic Order Disruptions: From “Efficiency First” to “Stability and Controllability”

Since the beginning of the 21st century, globalization has been centered on optimal cost structures and instant circulation. However, fluctuations in trade rules, geopolitical competition and changes in logistics compliance are reshaping supply evaluation standards. Business competition is no longer determined by low costs only, but instead increasingly by whether companies can maintain delivery continuity, switch rapidly and control critical links during external disruptions.

Efficiency models are being reassessed, and safety redundancy is becoming a long-term operating cost. Global Value Chains Outlook 2026 published by the World Economic Forum in collaboration with Kearney indicates that global value chains have entered a period of persistent volatility and structural uncertainty. This requires companies to rebuild supply chains anchored in orchestration capabilities, distributed scale and flexible options. Meanwhile, external shocks are making “true costs” increasingly visible. Global Trade Update report released by UN Trade and Development notes that since 2025, trade policy uncertainty has become an important source of global instability. Tariffs, subsidies and restrictive measures can transmit through production networks, forcing companies to increase inventories, hedge against losses and restructure supply chains. Tariffs, compliance requirements, logistics, inventory management and alternative suppliers together constitute a new supply-side cost structure.



Data source: UN Trade and Development based on World Uncertainty Index

International companies’ operations in China are also placing greater emphasis on local innovation and near-market delivery. Amid volatility in raw materials, energy, tariffs and cross-border logistics, flavor and fragrance companies face not only rising costs, but also challenges in maintaining formula stability, project responsiveness and new product launch cycles.

DSM-Firmenich identified geopolitical instability, trade restrictions, raw material and energy shortages, and supply chain disruptions as major risks in its 2025 annual report. Givaudan’s 2025 Integrated Report shows that its global network extended to 167 sites, including 77 production facilities and 65 innovation and R&D centers, which demonstrates leading companies are diversifying supply risks through multi-regional production and innovation collaboration. In the Chinese market, this trend indicates that international companies are not simply downsizing, but incorporating China into their innovation and delivery networks. They are improving responsiveness to China’s perfume and fragrance demands through local consumer testing, perfumery R&D and regional collaboration.

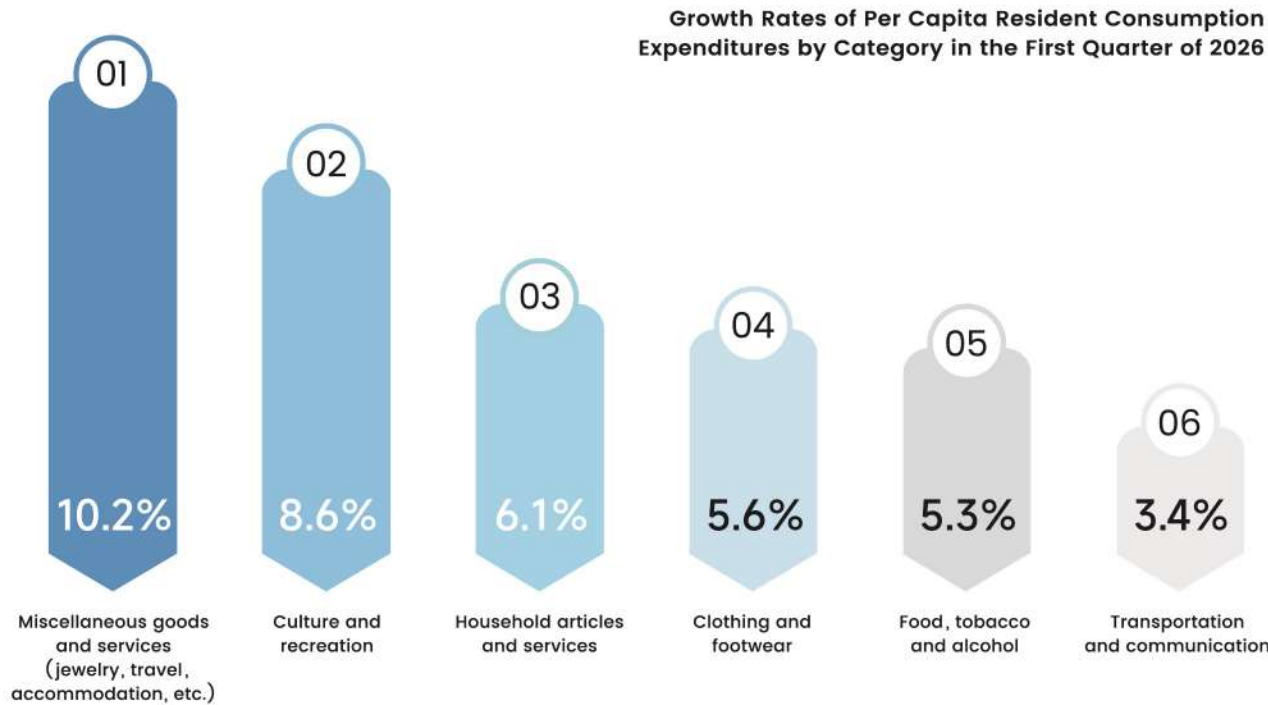
1.2 “Targeted Support” from Policies on Cultivating Domestic Demands: From “Short-Term Stimulus” to “Structural Guidance”

External uncertainty has increased supply-side security costs and made domestic demands an increasingly important pillar for maintaining stable economic circulation. Consumption promotion policies are no longer limited to short-term transaction stimulation, but focus on rebuilding consumption capacity and willingness through household income growth, improved social security and expanded service supply.

The focus of consumption promotion is moving from “subsidy-driven growth” to “capacity building”. The Report on the Work of the Government 2026 proposed, for the first time, the formulation and implementation of an income growth plan for urban and rural residents, while raising basic pension benefits and fiscal subsidies for medical insurance. The National Development and Reform Commission proposed implementing special initiatives to boost consumption and formulating the “15th Five-Year Plan” for consumption expansion, with measures centered on strengthening consumption capacity, improving consumption quality, cultivating consumption scenarios and optimizing the consumption environment. Policies have shifted from one-off subsidies to institutionalized income growth, and from releasing demands in advance to systematically building long-term consumption capacity.

The expansion of service offerings is further shifting consumption from one-time purchases toward more stable lifestyle scenarios. In September 2025, nine Chinese government departments, including the Ministry of Commerce, proposed expanding the supply of high-quality services in areas such as cultural tourism, sports, elderly care, childcare, education, training, healthcare, and digital services. Data from the National Bureau of Statistics shows that service retail sales increased by 5.5% year-on-year in 2025, being 1.7 percentage points higher than the growth rate of commodity retail sales during the same period. In the first quarter of 2026, household spending on culture and entertainment, tourism accommodation and jewelry continued to increase, which indicates that consumption recovery remained steady, but was increasingly scenario-driven.

For the perfume and fragrance industry, consumption subsidies do not constitute the primary growth logic. What’s more important are the restoration of consumer confidence, the recovery of lifestyle service scenarios, and the stimulation of experience-driven consumption through scenarios such as home living, mobility, social interaction and emotional well-being. In other words, the future growth foundation of this industry will increasingly come from the reactivation of lifestyle scenarios rather than price incentives.



Data source: National Bureau of Statistics

1.3 “Market Segmentation” Amid Stable Overall Consumption of the Industry: From “Broad-Based Growth” to “Value Concentration”

As government policies are reoriented from stimulating short-term transactions to cultivating long-term consumption capacity, consumer industries are simultaneously entering a period of structural selection. Mass consumption demands remain resilient, with consumer spending preferences tilting toward offerings that deliver authentic experiences and enduring value. The overall market remains steady as a solid foundation, while growth concentrating in high-quality segments stands as the defining characteristic of today’s consumer market.

In the first quarter of 2026, the cosmetics industry witnessed total omnichannel retail sales exceeding CNY 300 billion, creating a year-on-year growth approaching 8% (GDP growth rate during the same period was 5%). Among this figure, total retail sales of enterprises above designated size reached CNY 122 billion, representing a year-on-year increase of 5.9%. The cosmetics industry achieved a phased recovery in growth, reversing the trend in 2025 when industry growth remained below GDP growth, and demonstrating strong market recovery momentum. Traditional basic skincare categories have entered a relatively mature and saturated stage, and had limited growth potential. By contrast, categories like perfume, fragrance and professional makeup which provide atmosphere, self-expression and sensory experiences, demonstrated stronger growth momentum. This trend corresponds with the upward trajectory of other experience-driven segments, including premium cultural products and refined oral care.

(Enterprises above designated size: According to the statistical standards of the National Bureau of Statistics, this refers to wholesale enterprises with an annual main business revenue of CNY 20 million or above, and retail enterprises with an annual main business revenue of CNY 5 million or above. Retail sales data about enterprises above designated size in this report are sourced from monthly releases by the National Bureau of Statistics.)

+2.4%

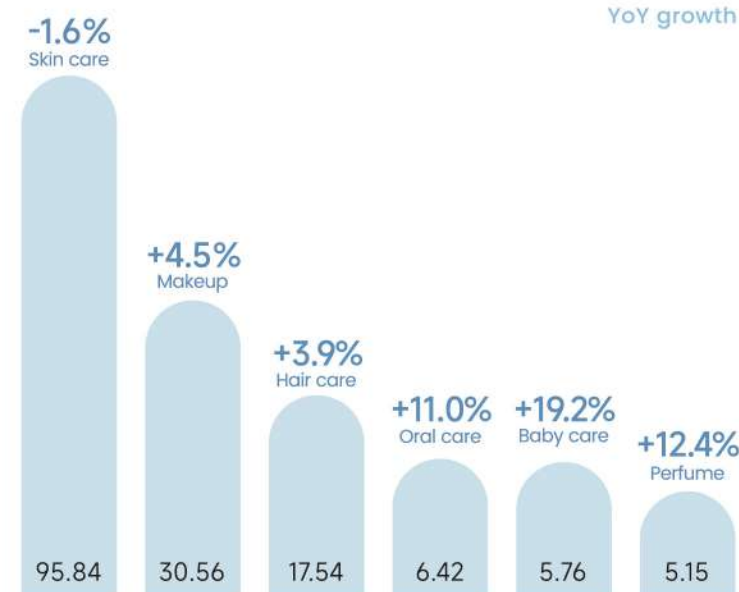
2026 Q1 Year-on-year growth of total retail sales of consumer goods

+8%

2026 Q1 Year-on-year growth of retail sales of cosmetics

Online retail sales in Q1 2026 (unit: CNY 1 billion)

YoY growth



Data source: National Bureau of Statistics

Overall industry data on the first quarter clearly reveals the trend of consumption differentiation. The beauty industry as a whole continued to expand steadily, but different segments demonstrated differentiated growth trajectories. Behind this phenomenon lies a gradual shift in consumer decision-making logic: consumers have increasingly prioritized the emotional value, social scenarios and sensory experiences carried by products. Demands have not contracted; rather, they have undergone structural segmentation. Growth momentum continues to shift toward high-quality segments capable of delivering unique experiences and meeting deeper psychological needs. The industry is moving beyond a phase of extensive, broad-based growth and entering a refined development cycle centered on value.

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1.4 “Vitality Extension” Amid Restructuring of the Industry’s Iteration Cycle: From “Trend Iteration” to “Long-Term Sustainability”

As China’s consumer market continues to upgrade in quality, consumer decision-making is increasingly rational, and the logic of industry evolution is undergoing structural transformation. For consumer brands, breakout products, regional origins, distinctive cultural elements and social buzz are all key pathways to enter the market and rapidly build consumer awareness. These differentiated labels provide essential support during the early stage of brand expansion. However, short-term market momentum follows a pulsating pattern. Individual labels may serve as entry points, while sustainable growth requires systematic value support. Short-term momentum determines how quickly a brand takes off, and accumulated systemic value determines how far its development can continue. The core competitive logic of today’s consumer industries has transitioned from short-term traffic thinking driven by frequent trend cycles toward long-term value management that captures traffic opportunities, accumulates brand assets and extends brand lifecycle.

The development path of Pop Mart provides a valuable example of how consumer brands can convert market momentum into sustainable brand vitality. Its Labubu (The Monsters) IP became a phenomenon-level breakout through its distinctive trendy appeal. Leveraging this breakout momentum, the brand did not over-consume short-term popularity, but instead built a tiered and diversified IP portfolio. Meanwhile, it converted public traffic into stronger user loyalty and brand assets through offline exhibitions, IP content development, category expansion and refined membership operations. This has effectively reduced risks associated with the decline of a single IP’s popularity and enabled long-term, stable brand growth.



Looking across global markets, many perfume and fragrance brands have achieved initial breakthroughs by leveraging differentiated labels such as distinctive fragrance types, natural ingredients and aesthetic cultures, thereby establishing basic market recognition. As the industry enters a refined development stage, competition is shifting from breakthrough through individual labels toward long-term competition around comprehensive brand value. Looking ahead, perfume and fragrance brands should continue to enhance their systematic product portfolios, create distinctive aesthetic narratives, delve into refined user operations, accumulate core competitive advantages, and advance from short-term viral popularity toward long-term value sustainability, thereby supporting the industry’s steady and high-quality development.

IMPLICATION OF THIS CHAPTER

Key Takeaways

As the global economic landscape continues to adjust, industrial operations are placing greater emphasis on stability and controllability. China’s consumption-supporting policies strengthen consumption foundations through income growth, social security and service supply, which create longer-term scenario conditions for experience-driven, emotional and lifestyle-related consumption. Overall consumption remains resilient, while growth resources further concentrate in high-quality segments with emotional, social and sensory value. Brand competition is also extending from short-term momentum toward systematic value accumulation.

These changes ultimately return to the perfume and fragrance industry. What brands need to understand is not only whether the market continues to grow, but also how growth is being driven by supply stability, clear value anchors, category differentiation and continuous value realization. Therefore, chapter 1 provides macro analytical framework for chapter 2 “Evolution of China’s Perfume and Fragrance Market”, which further examines how the industry is undergoing category reassessment and value transformation amid the new consumption landscape.



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2 Evolution of China's Perfume and Fragrance Market: Category Reassessment and Value Leap

Overview

“ As macro consumption shifts from broad-based expansion toward structural selection, the growth logic of China's perfume and fragrance market is also being redefined. Industry opportunities no longer come solely from category expansion, but depend on whether industrial foundations are mature, whether brand tiering is clear, whether channels can achieve omnichannel synergy, whether products can evolve into an olfactory lifestyle system, and whether local brands can transform domestic validation capabilities into broader market expressions. This chapter unfolds across five dimensions: industrial environment, market structure, channel collaboration, product value and brand expansion. The focus is on how the perfume and fragrance sector is moving beyond single-category growth toward value transformation jointly supported by industrial capabilities, consumer scenarios and brand expression. ”

2.1

Differences in Domestic and International Industrial Environments and Current Landscape: From Improvement of Industrial Infrastructure to Alignment with International Standards

The international perfume and fragrance industry has established a mature system supported by culture, raw materials, perfumery expertise and regulations, whereas China's perfume and fragrance industry is enhancing its industrial foundation through regulatory improvements, optimization of regulatory frameworks for new raw materials, greater support by local industrial platforms and international investment in research and innovation, moving toward comprehensive competition based on stability, transparency and compliance.

2.2

Market Evolution: From Overall Expansion to Multi-Track Structural Growth

Market growth is no longer driven by a single category of brands; instead, growth gains are being redistributed across three segments: the scale advantages of commercial perfumes, the aesthetic advancement of niche perfumes and the cultural recognition created by locally rooted narrative brands. These three tracks each occupy distinct positions within the market matrix while also intersecting and influencing one another through overlapping fragrance types, and meanwhile are shifting from linear expansion toward multi-track structural growth.

2.3

Channel Transformation: From Traffic Competition to Functional Differentiation and Omnichannel Synergy

Channel competition is transitioning from traffic acquisition to the construction of a functional division system where online platforms build awareness, offline spaces validate trust, curated retail supports comparison and selection, and experiential pop-ups strengthen emotional identification. Coordination and role allocation run through the whole industry chain; the key is seamless connectivity instead of compartmentalization.

2.4

Product and Value Transformation: From “Bottled Perfumes” to an Olfactory Lifestyle System

Product forms are expanding beyond liquid perfume into more diverse formats adapted to personal care, everyday carry, social accessories, personal spaces, in-car scenarios, traditional Chinese incense, etc. The focus of competition is also shifting from individual product innovation toward construction of a complete olfactory lifestyle system centered around the body, spaces, mobility and emotional management.

2.5

Expansion of Local Brand Capabilities: From Domestic Validation to Global Expression

As local Chinese brands complete systematic validation in areas including raw material technology, cultural translation, experiential scenarios and channel operations within domestic market, their growth boundaries are beginning to extend from domestic segmentation competition toward global market expression.

2.1 Differences in Domestic and International Industrial Environments and Current Landscape: From Improvement of Industrial Infrastructure to Alignment with International Standards

The maturity of the perfume and fragrance industry is not determined merely by the number of brands or the speed of product launches, but by whether a stable industrial capability system has been established: whether cultural narratives can be continuously translated, whether raw materials and perfumery expertise can support innovation, and whether regulations and testing systems can ensure safe delivery. International markets have long integrated these capabilities into a complete industrial ecosystem. The Chinese market, while developing rapidly, is continuously strengthening capabilities across perfumery, raw materials, testing and compliance.

The value of mature international systems resides in transformation of culture, raw materials, technology and regulatory norms into replicable industry capabilities. Exemplified by Grasse, the perfume capital of France, its perfume and fragrance industry has long transformed botanical cultivation, natural raw material processing, perfumery techniques and regional culture into brand assets. Global flavor and fragrance leaders such as DSM-Firmenich, International Flavors & Fragrances (IFF), Givaudan and Symrise have transformed natural raw material libraries, key fragrance molecules, formulation databases, consumer testing and global regulatory services into foundations for brand innovation. Thus, perfumery is no longer merely an artistic creation driven by intuition, but a systematic capability jointly supported by cultural understanding, raw material technology, consumer insights and safety evaluation.

Such systematic capability is being further localized in Asian markets. In April 2026, DSM-Firmenich launched "Dose of Pleasure" fragrance art exhibition at Notes Shanghai. Drawing inspiration from Asian landscapes, desserts, tea culture and Asian alcoholic beverages, the exhibition introduced "Olfac-treat" olfactory aesthetic trend, transforming Asian consumers' demands for brightness, pleasure and emotional well-being into new fragrance directions that can be developed, validated and commercialized.

At the same time, a key aspect of China's integration with global perfume and fragrance markets is the shift of compliance from a pre-launch filing requirement into a foundational capability covering R&D, labeling, supply chains and market management. The International Fragrance Association (IFRA) and European Union cosmetics regulations have long established mature frameworks based on ingredient-level risk management, covering raw material usage, allergen labeling and exposure limits. China's regulatory environment is also becoming stricter. The National Medical Products Administration clarified in 2025 that when fragrance ingredients and botanical extracts introduce allergens, they must be properly indicated on Chinese product labels; and that when selling fragrances in gift sets or packaged collections, product information for every included item must be indicated on exterior package.

Policy Timeline of China's Perfume and Fragrance Industry

Initial Budding Stage 2016-2018 Formulated Basic Standards

Policies governing China's perfume and fragrance industry centered on establishing fundamental standards, with an emphasis on product safety and labeling specifications. Such policies were fragmented, mainly serving to set basic safety benchmarks for industrial development and facilitate the industry's transition from unregulated early growth to initial standardization.

Regulated Development Stage 2019-2020 Improved Regulatory System

Administrative supervision shifted its focus to improving regulatory framework and clarifying industrial guidelines. The core objectives were to define the scope of regulation, tighten safety control, and steer industrial development. By revising cosmetics supervision regulations, certain fragrances were brought under cosmetics administration. The technological development of raw materials for natural spices was listed as an encouraged industrial sector. Meanwhile, national safety standards for food flavorings came into force. These measures gradually resolved ambiguities in supervision and drove the transition toward orderly and regulated development of this market sector.

Accelerated Development Stage 2021-2023 Intensively Introduced Policies

A raft of policies concerning cosmetics were introduced. At the national level, authorities refined regulatory classification of cosmetics and enhanced environmental oversight over the spice manufacturing sector. At the local level, authorities capitalized on local resource endowments, fostered the development of characteristic industrial clusters, advanced the R&D of high-end raw materials, and improved coordinated regional regulatory mechanisms to facilitate the modernized and innovative development of the industry.

High-Quality Development Stage 2024-Present Embrace Upgraded Opening-up and Innovation Empowerment

Current policies focus on advancing opening-up, deepening regulation, and empowering innovation. On one hand, national standards for flavors and essential oil products are being updated. Full-chain supervision of cosmetics is being strengthened. And a host of reform measures have been rolled out to regulate industrial development and guarantee product safety. On the other hand, local business environments are optimized. The application of new technologies like synthetic biology is encouraged to advance raw material substitution and the green upgrading of production processes. The industry is guided to transition from scale expansion toward high-end, compliant green development, aiming to foster a policy ecosystem that underpins high-quality growth.

Source: Qianzhan Industrial Research Institute



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With clearly established compliance framework in place, raw material innovation can enjoy greater room for development. The 2026 Regulations on Registration, Filing and Documentation Management of New Cosmetic Ingredients further refines documentation requirements, allowing more safety history data, internationally recognized methods, alternative animal testing methods and new technology data to enter evaluation systems. This provides institutional support for developing local botanical resources, natural fragrances and innovative fragrance ingredients. Against international upstream companies, China is accelerating accumulation in such areas as premium fragrance ingredients, supply stability, ingredient databases, fragrance evaluation and large-scale formulation applications.

Support from Chinese local governments is also shifting from brand encouragement toward industrial platform development. It has been proposed in the 2026 Development Plan for the Shanghai (Xuhui) Domestic Premium Fragrance and Cosmetics Industry Cluster (2026-2028) to develop premium fragrance ingredients, distinctive new raw materials, AI perfumery, efficacy testing, compliance filing and overseas expansion, which serves to organize research, testing, perfumery, compliance and brand operations into shared infrastructure.

The expansion of international companies' research and innovation capabilities in China has also become an important pathway for domestic and global capability integration. In 2026, IFF's Shanghai Innovation Research Center was positioned as a major innovation hub in Asia to strengthen capabilities in fundamental research, application development, sensory science and fine fragrance creation. Givaudan also launched its premium fragrance creative center, L'Appartement 125, in Shanghai, aiming to serve Chinese brands with local perfumers, consumer insights and co-creation spaces. China is no longer merely a sales market for international perfume and fragrance products, but is taking on a stronger role in coordinating the transformation between global ingredient technology, perfumery innovation and local consumer insights.



Overall, opportunities for China's perfume and fragrance industry do not lie in individual products, but in the continuous optimization of underlying industry capabilities. The next stage of competition will shift from "whether brands can quickly launch new perfumes and fragrances" to "whether they can create olfactory value in a stable, transparent and compliant manner". This requires both integration with international systems to ensure safety, stability and professionalism, and the ability to transform local ingredients, Asian cultural narratives and Chinese consumer scenarios into sustainable olfactory innovation capabilities.

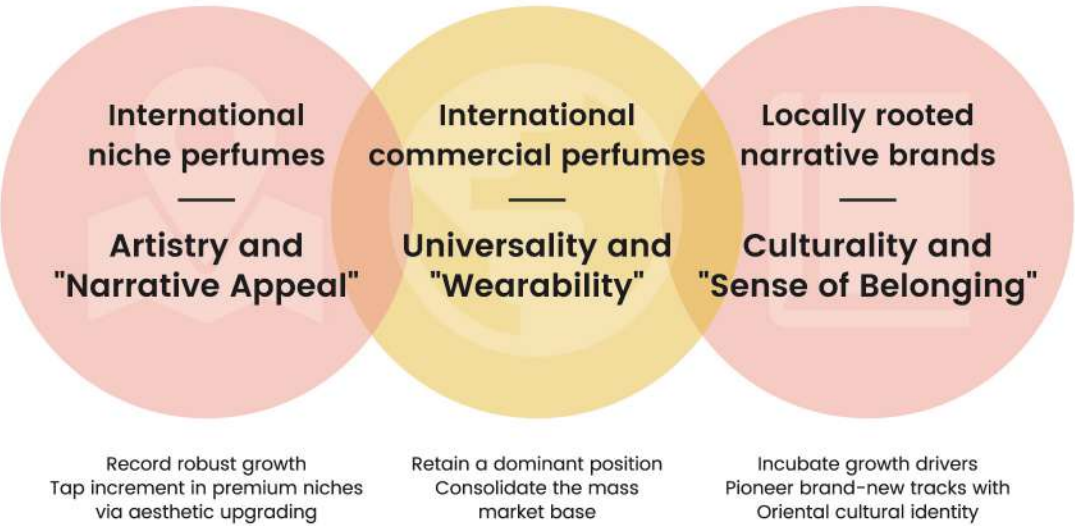
2.2 Market Evolution: From Overall Expansion to Multi-Track Structural Growth

China's perfume and fragrance market continues to expand, with growth increasingly shifting toward structural redistribution. This growth is not a linear expansion of a single category, but a multi-track development driven by differentiated consumer demands. International commercial perfumes rely on brand equity and traffic marketing to maintain the mass-market foundation; international niche perfumes explore premium segment growth through aesthetic advancement; and locally rooted narrative brands create new opportunities through cultural recognition of Asian identity. These three tracks operate through different growth mechanisms, jointly supporting the structural expansion of the market.

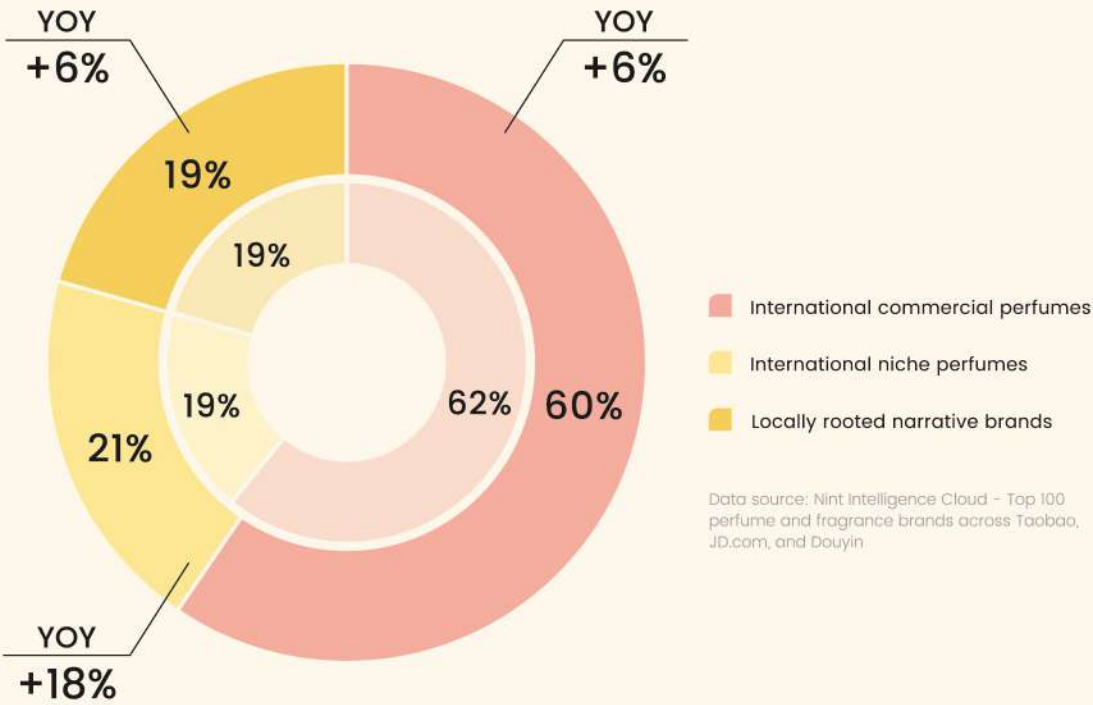
Top 20 perfume and fragrance brands in 2025

Ranking	Brands	Ranking	Brands
1	Chanel	11	Maison Margiela
2	Christian Dior	12	Giorgio Armani
3	Jo Malone	13	Gucci
4	Yves Saint Laurent	14	Bvlgari
5	L'Occitane	15	Byredo
6	Versace	16	Guerlain
7	Elizabeth Arden	17	Penhaligon's
8	Le Labo	18	Acqua Di Parma
9	Hermes	19	Loewe
10	Tom Ford	20	Coach

Data source: 2025 Beauty Research Sell-in Report – China



Changes in market share across different perfume brand types and their YoY growth for H1 2026
(Top 100 perfume and fragrance brands across Taobao, JD.com, and Douyin)



Commercial Perfumes: A Mass-Market Base Driven by Scale Effects

Commercial perfumes rely on the integrated model of social recognition × channel coverage × celebrity-driven marketing. Through economies of scale and cost efficiency, they continue to capture two major consumption scenarios: daily personal use and seasonal gifting.

Taking VERSACE Bright Crystal Absolu as an example, the brand translated complex olfactory experiences into accessible labels such as "energetic sweetness" and "natural skin scent", using scenario-based communication around "dates", "520 (Chinese Internet Valentine's Day) gifting" and "the first luxury perfume in your life" to precisely reach target consumers.

In May 2026, VERSACE announced Ding Yuxi as its both global brand ambassador and global fragrance ambassador. Leveraging the 520 gifting occasion, the brand collaborated with KOLs on rednote and Douyin, with communication themes including "Ding Yuxi's fragrance", "520 gift recommendations" and "couples' romance". By deeply linking celebrity identity with product positioning, it transformed fan emotional recognition into purchase motivation and achieved concentrated conversion during key moments.

The essence of commercial perfumes lies in transforming perfume from a specialized olfactory product into a mass-market social currency. Supported by stable mainstream fragrance demands, it continues to contribute foundational market volume and serves as the anchor for the expansion of perfume and fragrance market.



Niche Perfumes: Growth of the Premium Segment Driven by Aesthetic Advancement

The logic underlying the growth of niche perfumes lies in the three-dimensional advancement of consumers' olfactory aesthetics: moving from "smelling pleasant" to "recognizing layers and complexity", from "purchasing popular bestsellers" to "seeking a signature scent", and from "online discovery" to "offline confirmation". The multifaceted nature of niche perfumes makes physical scent evaluation irreplaceable, so offline spaces become a critical step in the purchase decision journey.

Penhaligon's translates British aristocratic culture using historical architecture and archival narratives; MEMO PARIS collaborates with artists to create visually immersive pop-up experiences; PARFUMS de MARLY goes further by addressing "olfactory disconnect" and building a dual-touchpoint strategy around the complete fragrance decision journey. Centered on the theme "Delina", brands simultaneously launched boutique spaces at Xintiandi and IFC mall. The former uses a complete French-inspired environment to showcase the full perfume and fragrance collection, converting already activated purchase intent into transactions. The latter creates an integrated journey of check-in, scent exploration and quiet appreciation, reaching potential consumers while extending scent discovery into high-traffic pathways and shortening the pathway from sensory activation to actual fragrance experience.

Backed by continued penetration, niche perfumes are transforming perfume and fragrance consumption from "buying scents" into immersive olfactory aesthetic experiences, uncovering a premium segmented growth space distinct from commercial perfumes.



Locally Rooted Narrative Brands: A Distinctive Domestic Segment Driven by Cultural Recognition

Locally rooted narrative brands are creating a distinctive domestic segment centered on Chinese local culture as the core of olfactory expression. They have established unique cultural recognition while differentiating themselves from international perfume and fragrance brands.



The Guozijian incense sticks flagship of To Summer is a benchmark example. The brand moves beyond Western manor-based narratives, drawing on the concept of "fragrance and medicine sharing the same origin" and extracting local aromatic materials from classical texts such as Xiang Cheng and Compendium of Materia Medica. Located within a century-old traditional courtyard residence, the space recreates the atmosphere of a Chinese herbal medicine shop and creates a cultural setting for scent appreciation and quiet contemplation.

The rise of local narrative brands marks a structural shift in China's perfume and fragrance market: from "importing overseas aesthetics" toward the coexistence of multiple aesthetic pathways between East and West. These brands form the third independent growth track with significant incremental potential in an expanding market.

Fragrance Type Matrix: Aesthetic Differentiation and Convergence Across Three Growth Tracks

Locally rooted narrative brands are creating a distinctive domestic segment centered on Chinese local culture as the core of olfactory expression. They have established unique cultural recognition while differentiating themselves from international perfume and fragrance brands.

Regarding commercial perfumes, consumer preferences differ between China and overseas markets. The China market is primarily led by floral fragrances, with "floral + X" serving as a universal formula. Floral notes can be paired with fruity or Oriental elements to create an overall fresh and natural profile. European and American markets, by contrast, are centered around sweet and warm Oriental notes, featuring prominent "gourmand + X" elements characterized by warmth, sweetness, sensuality and luxury.



Data source: Eternal Ehub, categorized based on fragrance classifications by DSM-Firmenich and Nose Time

In terms of niche perfumes, differences in consumer preferences between China and overseas markets are also significant. The China market demonstrates a parallel preference for complex floral notes and gender-neutral woody notes. Floral notes are combined with woody, green, musk and Oriental elements to create distinctive profiles with layered complexity, sophistication and broad appeal. Woody notes are combined with aromatic and floral elements to present a gender-neutral, refined, clean and composed character. European and American markets, meanwhile, show stronger preferences for rich, warm and deep Oriental notes and Chypre notes, emphasizing depth and individual expression.

The fragrance portfolio strategies of locally rooted narrative brands are highly anchored in domestic cultural heritage. Traditional Oriental aromatic materials such as ambergris, agarwood, tea and ink notes serve as core narrative carriers. Through "cultural fragrance types", brands establish independent aesthetic coordinates and reconstruct scenes and cultural identity through scent while forming natural differentiation barriers.

These three growth tracks each establish independent fragrance profile matrices while continuously integrating and influencing one another through increasing interactions between Chinese and overseas markets. Brands should accurately identify their position within this matrix and proactively explore aesthetic intersections, which will become a core capability for capturing structural growth opportunities in this market cycle.



Data source: Eternal Ehub, categorized based on fragrance classifications by DSM-Firmenich and Nose Time



2.3 Channel Transformation: From Traffic Competition to Functional Differentiation and Omnichannel Collaboration

Following the structural differentiation of the market, consumers are now faced with an exponential increase in brand options, fragrance types and usage scenarios. As a result, the core role of channels is shifting: from traffic acquisition aimed at expanding reach, toward the construction of support systems that reduce decision-making costs. Online content is responsible for building awareness and understanding; offline spaces are responsible for validating trust; curated retail supports comparison and selection; experiential pop-ups facilitate emotional communication and social identification. The essence of channel competition has evolved from isolated traffic acquisition into a competition of collaborative efficiency across the full journey of "understanding → scent discovery → comparison → identification". The key to completing this journey lies not in operating individual modules separately, but in connecting and integrating the entire system.

Online and offline channels are no longer independent entities.
Omnichannel collaboration has become a core driver of brand growth.

On June 15, 2026, Salvatore Ferragamo Fragrances officially announced actor and singer Wang Junkai, Karry, as its global fragrance ambassador. With broad public recognition, a clear and refined personal image and continuously evolving artistic expression, Wang Junkai strongly resonates with the Italian aesthetic conveyed by the brand. The announcement was simultaneously promoted across the brand's domestic and overseas social media accounts, supported by a full matrix of exposure resources including warm-up campaigns, Weibo opening-screen placements and multiple trending topics, rapidly generating social attention. On the day of announcement, the campaign entered four trending lists. Within one month, a single co-created Weibo post between the brand and the artist generated more than 21 million views, with engagement exceeding 2.3 million interactions. The core hashtag #WangJunkaiFerragamoFragrancesGlobalAmbassador# surpassed 110 million views and generated more than 1.56 million discussions. The brand continued leveraging related topics such as the artist's new album, while fans organically created UGC content featuring their purchases. This two-way interaction effectively accumulated consumer interest. Online momentum simultaneously drove increased traffic to both online stores and offline boutiques, completing the full journey of online "understanding" and discovery, offline "scent exploration" and continuous repurchase.



Once online channels complete awareness building, offline value evolves from "experiential supplement" into "trust confirmation".

SOLFÉRINO PARIS, a heritage fragrance house rooted in Paris's Left Bank, brings ten exceptional fragrances to China with an elegant debut. Its first pop-up has opened at Shanghai IFC, which marked the brand's first showcase in the China market. From the morning light of Saint-Germain to the evening hues of the Seine, the essence of Parisian fragrance artistry is distilled into these creations born from the architecture and cultural heritage of the Left Bank since the 18th century.

As the brand's first appearance in the China market, this limited-time experiential space takes inspiration from a quintessential Parisian street-corner café, faithfully recreating the elegance and charm of a French neighborhood. From vintage kiosk and iconic sun to signature classic green and black-and-white checkerboard flooring, an array of Parisian aesthetic elements are brought together with refined precision.

The space also offers bespoke services including gold foiling, wax sealing and personalized bottle stickers, further creating interactive memories that extend beyond the sense of smell and inviting consumers to immerse themselves in the world of authentic French fragrance artistry.



However, with an exponentially expanding brand landscape, cultural resonance and traditional scent testing alone are no longer sufficient to complete fragrance purchase decisions. PERFUME BOX helps consumers efficiently navigate fragrance choices through clearly structured multi-category displays, interactive discovery zones for key brands and a newly developed self-service scent testing system. Within the curated retail environment, consumers can accurately match fragrance products with different application scenarios, quickly identify suitable brand positioning and price ranges, and complete scent exploration through fragrance stones and one-on-one "scent cards". Through interactive discovery, consumers gain emotional value while completing fragrance purchases through a relaxed and effortless sensory experience.



Channel evolution has extended beyond online and offline collaboration into content co-creation networks. Brands are increasingly collaborating with art IPs, lifestyle brands and vertical platforms, transforming channels from traffic entry points into content co-creation platforms. Art collaborations translate abstract olfactory concepts into visual symbols, lowering cognitive barriers; cross-category pop-ups transform online discussions into immersive physical experiences, completing the transition from traffic generation to experiential engagement.

Brands are beginning to build integrated “discovery-validation” systems together with art IPs and lifestyle brands.

In 2026, MEMO PARIS collaborated with illustrator Jean Jullien to launch the limited-edition Odéon fragrance. Online hand-drawn visuals successfully generated consumer interest, but images and text could not fully reproduce actual olfactory perception. Shanghai Xintiandi pop-up recreated authentic fragrance experience through interactive installations, segmented scent testing areas and illustration DIY activities, reducing the gap between online imagination and offline experience. The IP symbols and pop-up experience each performed their respective roles within the “understanding-scent exploration” journey.



Urban pop-ups further upgrade perfume and fragrance channels into infrastructure for emotional communication.

In 2026, TRUDON created “French Summer Breeze” pop-up at Zhangyuan Garden in Shanghai. By integrating French royal fragrance culture, Shikumen architecture and Italian gelato, the event transformed fragrance retail into a shareable urban multisensory experience. Channel functions therefore extended from the front end of the consumer journey toward the final stage of emotional “identification” and secondary dissemination.



Perfume samples provide the lowest-barrier decision-making entry point, allowing consumers to validate scents they have been inspired to try through real-life experiences.

Perfume samples provide the lowest-barrier decision-making entry point throughout the entire consumption journey. For consumers who have not yet developed established fragrance habits, samples enable scents that have captured their interest to be experienced and validated in real-life settings at an extremely low cost. They transform fragrance testing from a one-time encounter in retail stores into repeated daily trials at home over several days. The pathway of trying samples before purchasing full-size products not only reduces the uncertainty of online shopping, where consumers cannot directly experience the scent, but also allows brands to complete a low-cost trust validation process before full-size conversion. From sample distribution to full-size repurchase, sampling is becoming an indispensable buffer layer within perfume and fragrance consumption decision-making journey.

Therefore, China’s perfume and fragrance channels are evolving from sales terminals into consumer decision support systems: online contents reduce the cost of understanding; offline spaces lower experiential risks; curated retail reduces comparison costs; curated collaborations strengthen style identification; urban pop-ups amplify emotional communication; and sample trials further lower risks of trying new products. Different touchpoints no longer complete isolated transactions, but instead form continuous collaboration and connected pathways throughout consumers’ decision journey from discovery, scent exploration, comparison and purchase. Precisely because channels are embedding scents into increasingly diverse lifestyle scenarios, perfume and fragrance products must also evolve beyond a single liquid format into lifestyle systems and olfactory infrastructure that can be carried personally, applied within spaces, experienced instantly and used for emotional management.

2.4 Product and Value Reconstruction: From “Bottled Perfumes” to an Olfactory Lifestyle System

As channels bring scents into more touchpoints, product formats are also adapting to higher-frequency, more immediate and more scenario-based usage patterns. Perfumes and fragrances are no longer limited to traditional formats, but are expanding through four major carriers: personal care, portable products, spatial fragrance, in-car fragrance and traditional incense, evolving into a continuously accessible olfactory lifestyle system.

1. Scent-infused personal care represents the first step in integrating scents into high-frequency daily routines.

The White Paper on Fragrance Trend Insights in China's Personal Care Market 2026 jointly released by Rihua Cloud, IFF and Mintel points out that fragrance has evolved from an additional feature of personal care products into a core factor influencing purchase decisions, usage frequency and willingness to pay. In 2025, the penetration rate of fragrance-infused personal care products in China reached 68%, demonstrating that scents are becoming an important source of value in cleansing and body care. To Summer's representative scents such as Cedarwood have expanded from perfumes and home fragrances into high-frequency scenarios including body care, body lotion and hand cream, reflecting this trend. The key is not simply adding fragrance, but embedding the brand's scent identity into the personal care journey, allowing consumers to repeatedly encounter and remember the scents.

2. Portable fragrances transforms scents from a fixed-use product into an immediately accessible experience.

Compared with liquid perfumes, solid perfumes, fragrance charms and smaller scent formats are more suitable for low-barrier fragrance application during commuting, travel and social occasions. During the 2025 Christmas season, Dior launched the J'adore Solid Perfume Stick, responding to consumers' demands for portable reapplication of a signature fragrance. KASE fragrance elf Miz uses plush charms as carriers, covering bag accessories, car and home scenarios, with greater emphasis on the integration of scent, companionship and decoration. Together, these examples demonstrate that the value of portable fragrances is not to replace perfumes, but to transform brands' scents into an everyday object that can be carried, replenished and gifted.

3. Spatial fragrances extend scents from personal use into environmental memory.

According to the China Fragrance Industry Panorama 2026 published by Qianzhan Industry Research Institute, market categories have expanded from candles and reed diffusers into room sprays, car fragrances and commercial diffusion systems. Unlike portable formats that focus on immediate fragrance application, spatial fragrance addresses continuous atmosphere creation and scene-based memory. LOEWE Home Scents builds home fragrance collections around botanical inspiration, while The Beast combines scented candles, home fragrance and seasonal gifting into lifestyle products. Through these developments, scents become part of spatial style, lifestyle rituals and relationship expression.



4. Smart in-car fragrance enables scent to participate in cabin environment management.

Car fragrance solutions have evolved from aftermarket odor-removal products into an integrated component of smart cabins, covering air quality, emotional experience and scenario programming. Based on observations from the Beijing Auto Show, MAXMAC noted that fragrance systems are expanding from luxury vehicles into mainstream new energy vehicles, shifting from a “comfort feature” toward an “emotional actuator”. Through fragrance cartridges, intensity adjustment and fragrance type selection, fitted with scenarios such as welcome, relaxation, alertness and meditation, these systems create perceptible brand experiences. Similar to lighting, music and air conditioning, fragrance is becoming part of driving conditions and emotion regulation.

5. The revival of traditional Chinese incense culture has introduced one of the most culturally profound forms of expression into modern olfactory lifestyle systems.

Incense sticks and incense pellets are moving beyond their traditional associations with rituals and religious practices, and entering the daily lives of younger consumers through contemporary scenarios such as urban mindfulness, meditation and bedtime rituals. This development creates new category growth opportunities that combine cultural depth with emotional value. Product formats also complement modern scent diffusion approaches. Unlike electric diffusers or device-based solutions, traditional incense relies on ritualistic actions such as lighting and slow burning to release fragrance. The process itself, including preparing incense, lighting it, observing the rising smoke and sitting quietly, becomes a form of personal state management. When incense evolves from a ceremonial practice into a medium for urban mindfulness, it carries not merely scents, but an entire period of intentional calm that one can personally ignite and experience.

As a result, the value of fragrance products is shifting from “single scent offerings” toward “scenario-based solutions”: personal care increases usage frequency, portable formats lower the barrier to access, spatial fragrances expand usage boundaries, and in-car fragrances integrate scents into intelligent environmental control. These products are not isolated categories, but collectively serve the same lifestyle pathway for state management. Commuting requires clarity and lightness; home environments require relaxation and companionship; social occasions require confidence and expression; and vehicles and workplaces require atmosphere and order. Competition in the perfume and fragrance industry is therefore moving beyond individual product innovation toward the construction of a complete fragrance lifestyle system centered around the body, portable experiences, spaces, mobility and emotion regulation.

2.5 Expansion of Local Brand Capabilities: From Domestic Validation to Global Expression

As China's perfume and fragrance market gradually matures in underlying capabilities, brand narratives, channel experiences and product scenarios, local brands are accumulating more than domestic sales capabilities. They are building systematic capabilities that can be understood and validated by external markets. Overseas expansion should therefore not be viewed as an independent topic, but as an extension of domestic market capability maturity. Brands need to transform the raw material technologies, Asian narratives, experiential scenarios and channel operations developed in China into value expressions that overseas consumers can understand, experience, purchase and repurchase.



Beyond trusted supply capabilities, whether culture can be translated and whether scenarios can be entered will determine whether local fragrance brands can truly establish themselves overseas.

To Summer's first Hong Kong store in Causeway Bay completes a local translation of Asian aesthetics through historical architecture, local culture and exclusive fragrances. DOCUMENTS opened its first overseas store at Dubai Airport and introduced the global strategy of "Chinese Fragrance, A Gift to the World", using high-value international channels to test global travelers' acceptance of Oriental fragrance profiles and gifting narratives. The Beast, meanwhile, explored markets including Singapore and Macau through its "flower storytelling + fragrance gifting" model, using floral design, gifting occasions and emotional narratives to establish lower-barrier cross-cultural connections.

Centered around aromatic healing and emotional skincare, AromeManpo, an aromatherapy-based efficacy skincare, personal care, and fragrance brand, completed nearly CNY 100 million in Series B financing in April 2026. The funding will support proprietary product research and development, offline retail expansion, and overseas market growth. Leveraging its tuberose cultivation base in Yunnan, the brand has developed two patented ingredients, tuberose fermentation extract and tuberose oil extract. In collaboration with the Aromatherapy Research Center of Jiangnan University, AromeManpo has conducted scientific validation of emotional skincare applications, establishing an integrated closed loop encompassing "ingredient traceability, efficacy validation, and multisensory experience". The brand has now incorporated

Hong Kong and Macau, Southeast Asia, and European markets into its expansion strategy. This development further demonstrates that the global expansion of domestic aromatherapy brands cannot rely solely on Asian cultural narratives. Instead, successful internationalization requires verifiable ingredients, quantifiable efficacy evidence, and immersive experiences capable of building deep trust across different markets.

Platform-based overseas expansion is helping Chinese perfume and fragrance brands gain greater international visibility. Notes Shanghai has organized Chinese brands' participation in Grasse Fragrance Week and collaborated with NEZ to host the Paris-Shanghai Fragrance Exhibition in Paris, bringing more than twenty Chinese brands including melt season, ZHUFU and handhandhand into the international fragrance conversation. Its value lies not in short-term sales, but in enabling overseas perfumers, buyers, media and consumers to recognize Chinese fragrance as an industry group with original olfactory language and cultural expression capabilities.

This demonstrates that the Chinese market has begun to develop brand system capabilities that can be transferred to external markets. These capabilities consist of three layers: establishing trusted supply through ingredients, efficacy and stable delivery; creating translatable culture through Asian aesthetics, spatial experiences and gifting contexts; and developing accessible

scenarios through touchpoints such as stores, airports, floral experiences and international exhibitions. Only when these three layers are repeatedly validated domestically and can be understood, experienced, purchased and embraced by overseas consumers will local brands' growth boundaries expand from domestic competition into more uniquely recognizable olfactory expressions rooted in Eastern aesthetics.



IMPLICATION OF THIS CHAPTER

Key Takeaways

The core transformation of China's perfume and fragrance market is not merely continued category expansion, but a fundamental rewriting of growth logic. On the industrial side, mature international systems provide important references in raw materials, perfumery, regulations and research capabilities, while China's industry continues strengthening its foundation through compliance improvements, new ingredient frameworks, regional industrial platforms and international research investments. On the market side, growth is developing across multiple tracks including commercial perfumes, niche perfumes, local narrative brands and lifestyle fragrances. Competitive focus is also shifting from "whether brands can quickly launch new fragrances" toward "whether they can create and communicate olfactory value in a stable, transparent and compliant manner".

These conclusions further shift the analytical focus toward consumers. Chapter 3 will explore why consumers need scents, in what situations they engage with scents, and how scents are incorporated into self-cultivation scenarios including commuting, home life, travel, social occasions, gifting and emotional well-being.



DELINA
PARFUMS de MARLY
PARIS



ODÉON
EAU DE PARFUM



CHAPTER 3 Consumer Trends and User Research: A Meaning Revolution from “Owning Assets” to “Cultivating the Self”

Overview

“ As China’s perfume and fragrance market moves from category expansion toward deeper industrial development, the consumer perspective has become the key entry point for understanding industry transformation. How consumers integrate scents into everyday scenarios, how different consumer groups develop differentiated value perceptions, and how perfumes and fragrances become part of experience, emotion, identity, and long-term self-cultivation are the central questions explored in this chapter. Based on consumer research, this chapter examines the evolution of fragrance consumption through three dimensions: scenario integration, consumer segmentation, and self-cultivation. It focuses on how perfume and fragrance enter different aspects of daily life, identifies how five consumer groups assign different meanings and roles to scent, and analyses how consumers use scents to cultivate experiences, emotions, identity, and their relationship with their own bodies and time. ”

3.1 One Scent for One Scenario: The Diversified Expansion of Fragrance Usage Contexts

How perfume and fragrance enter different dimensions of daily life, including social occasions, commuting, home environments, garment care, sleep and relaxation, and in-car scenarios, while forming a personal olfactory management system that integrates both outward expression and inward self-care.

3.2 Consumer Segmentation and Fragrance Preferences: Building a Multi-Dimensional Chinese Olfactory Consumption Ecosystem

Based on consumer research, China’s perfume and fragrance consumers can be segmented into five major groups. Each group represents a distinct value pathway ranging from entry-level adoption to advanced appreciation, and from function-oriented consumption to emotion-driven experiences. Together, they form a multi-dimensional picture of China’s evolving olfactory ecosystem.

3.3 In-Depth Consumer Segmentation Study: Core Consumption Drivers and Value Orientations of Five Consumer Groups

This section addresses how different consumers develop, through olfactory consumption, their value pathways, such as quality classics, advanced appreciation, emotional experiences, rational practicality and emerging exploration.

3.4 The Self-Cultivation Logic of Olfactory Consumption: Four Dimensions of Value

What is presented in this section is how the meaning of consumption is shifting from product ownership toward self-cultivation, which unfolds across four dimensions: experience, emotion, identity and cultural belonging, as well as the body and time.

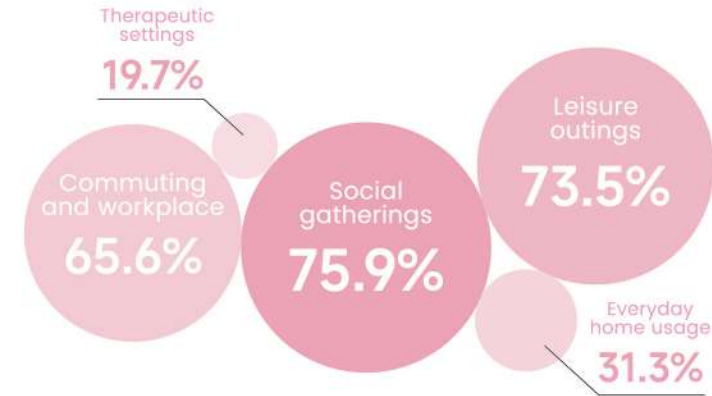
3.1 One Scent for One Scenario: The Diversified Expansion of Perfume and Fragrance Usage Scenarios

As perfumes and fragrances evolve from individual products into a broader olfactory lifestyle system, the relationship between consumers and scents is also changing. Scents are no longer activated only at specific moments, but has become embedded into different aspects of everyday life, serving to manage personal presentation, spatial atmosphere, emotional states, and lifestyle routines.

Perfumes continue to be rooted primarily in outward-facing scenarios, but in the meanwhile are gradually extending into private state management.

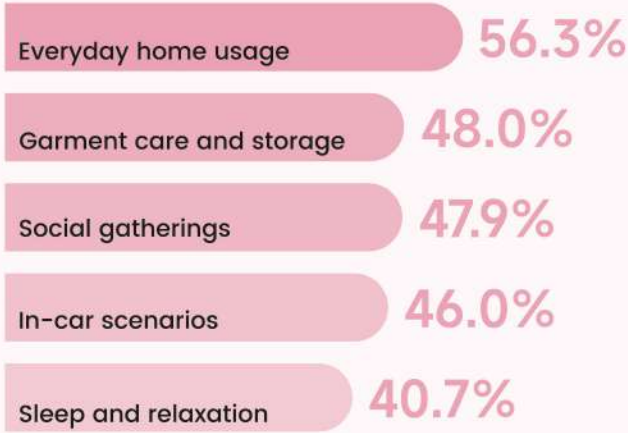
From the perspective of usage contexts, social gatherings, leisure outings, and commuting and workplace settings remain the primary occasions for perfume use, indicating that its core value continues to center on image management, social etiquette, and public self-expression. At the same time, the proportion of everyday home usage has increased significantly, suggesting that perfume is gradually extending from a preparation ritual before leaving home into a form of emotional companionship and lifestyle ritual within private spaces. The distinctive characteristic of perfume lies in its trajectory: it first serves external perception, before gradually becoming part of one's relationship with oneself.

Distribution of Perfume Usage Scenarios



Data sources: Eternal Ehub & Kantar's China Quantitative Consumer Research on Perfume and Fragrance
(Total sample size: 1,000; respondents answering questions regarding perfume usage scenarios: 864)

Distribution of Fragrance Usage Scenarios



Data sources: Eternal Ehub & Kantar's China Quantitative Consumer Research on Perfume and Fragrance
(Total sample size: 1,000; respondents answering questions regarding fragrance usage scenarios: 922)

Fragrance products enter consumers' private lives at an earlier stage, taking on functions related to spatial management and emotion regulation.

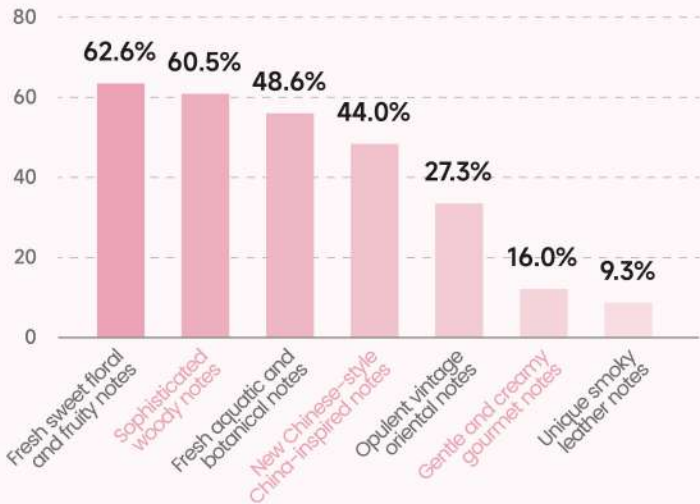
Everyday home environments rank first, while garment care and storage, social gatherings, in-car scenarios, and sleep and relaxation also maintain relatively high proportions. Compared with perfumes, which place greater emphasis on personal appearance and external presentation, fragrances focus more on environmental perception and emotional state maintenance. Through spatial diffusion, fabric scenting, in-car scents and bedtime rituals, they continuously participate in the management of daily routines, emotional regulation and quality of life.

This demonstrates that perfume and fragrance are developing a clear division of roles. Perfume primarily serves public-facing scenarios, responding to external presentation and interpersonal expression, while fragrance increasingly enters private or semi-private spaces, supporting lifestyle routines and emotional state management. The two are not substitutes for one another; rather, they complement each other within the same personal olfactory management system. Perfume manages image and relationships, while fragrance cultivates spaces and personal states.

Scent preferences are also shifting from singular preferences toward an olfactory matrix tailored to different scenarios and identity roles.

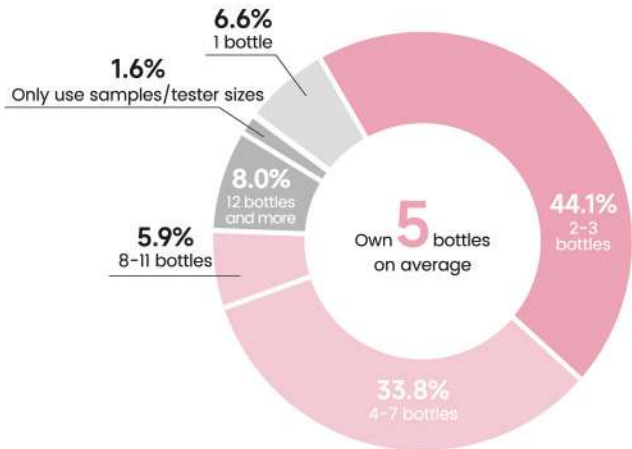
As scents enter more aspects of everyday life, consumers are beginning to select different notes based on scenarios, moods and personal identities. Fresh sweet floral and fruity notes and sophisticated woody notes represent two major poles of mainstream preference: the former more readily evokes relaxation, pleasure and intimacy, while the latter is better suited to expressions of maturity, stability and refinement. Fresh aquatic and botanical notes respond to consumers' desire for natural and effortless experiences, while new Chinese-style and China-inspired notes reflect the rising importance of local cultural-rooted narratives. Differences in note preferences are therefore not merely about scent selection, but also represent different ways consumers position themselves across various states of life.

Consumer Scent Preferences



Data sources: Eternal Ehub & Kantar's China Quantitative Consumer Research on Perfume and Fragrance
(Total sample size: 1,000; respondents answering questions regarding perfume note preferences: 864)

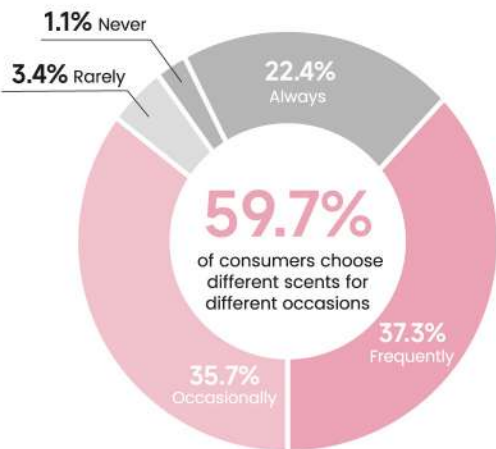
Average Number of Perfume Bottles Owned by Consumers



Data sources: Eternal Ehub & Kantar's China quantitative consumer research on perfume and fragrance
(Total sample size: 1,000; respondents answering questions regarding the number of perfume bottles owned by consumers: 864; respondents answering questions regarding fragrance choices across different scenarios: 793)

This differentiated approach is also reflected in product ownership and scenario coverage. Consumers generally own multiple bottles of perfumes, and more than half regularly use perfumes across two or more scenarios. Owning multiple perfumes does not simply indicate increased purchasing behavior; it also demonstrates that consumers are preparing different scents for different states of life: commuting requires appropriateness, social occasions require recognizability, home environments require relaxation, bedtime requires calmness, and in-car settings require freshness. As a result, olfactory consumption is shifting from single-point satisfaction toward a multi-scenario, multi-state configuration pattern.

Proportion of Consumers Using Fragrance Across Different Scenarios



The diversified expansion of usage scenarios has fundamentally changed the role perfumes and fragrances play in consumers' lives. Perfumes have expanded from public expression into private companionship, fragrances have evolved from environmental decoration into tools for managing everyday routines, and note selection has developed from individual preference into multi-scenario configuration. Brands' future growth opportunities will not come solely from increasing purchase frequency or expanding product volume. More importantly, they will come from providing clear olfactory reasons for different aspects of consumers' lives: helping consumers understand which scents correspond to specific scenarios, which products suit different emotional states, and how repeated usage can gradually develop lasting preferences and deeper connections.



3.2 Consumer Segmentation and Product Preferences: A Multi-Dimensional Chinese Olfactory Consumption Ecosystem

Based on consumer research, China's perfume and fragrance consumers can be segmented into five distinct groups. Each group represents a different value pathway, ranging from entry-level to advanced consumption, and from functional needs to emotional drivers. Together, they form a multi-dimensional portrait of China's olfactory consumption ecosystem.

Consumer Group 1:
Quality Classic Segment 24.5%
(total sample size: 1,000; sample size for this segment: 245)

This segment is primarily composed of consumers aged 31-40, with women accounting for 74.3%. Their lifestyles are relatively stable, and their perfume and fragrance usage habits have already been established. For them, perfumes mainly serve everyday scenarios that require a polished appearance, such as commuting and social occasions. In their choices, they prefer classic commercial perfumes that have been market-tested, as well as notes with broad acceptance and strong reliability, such as floral fruity and woody notes.

Basic Demographic Profile

52.2%	74.3%	71.8%	62.9%	60.8%
Primarily aged 31-40	Female Share	First-tier and emerging-first-tier cities	Married with children	Experienced fragrance users

Perfume and Fragrance Action Preferences

100%	¥1673	83.7%
Liquid perfume usage rate	Average annual perfume spending	Classic commercial perfume purchase rate
74.7%	76.3%	
For commuting/work scenarios	For social gatherings	

Perfume and Fragrance Note Preferences

	64.5%
	Fresh sweet floral and fruity notes
	64.1%
	Sophisticated woody notes

Consumer Group 2:
Advanced Connoisseur Segment 21.7%
(total sample size: 1,000; sample size for this segment: 217)

This segment is primarily composed of consumers aged 41-50, with women accounting for 71.9%. Having moved beyond the stage of needing to prove themselves to others, they are more concerned with whether a scent resonates with their personal aesthetics. For them, scent is not merely a social tool, but a sophisticated component of an aesthetic system. The complexity and rarity (for collection) of niche perfumes serve as subtle expressions of personal taste and refinement.

Basic Demographic Profile

28.1%	71.9%	61.3%	61.3%
Primarily aged 41-50	Female Share	First-tier and emerging first-tier cities	Married with children

Perfume and Fragrance Action Preferences

96.8%	¥2295	¥1324
Liquid perfume usage rate	Average annual perfume spending	Average annual fragrance spending
88.6%	32.9%	
Degree of preference for classic commercial perfume	Degree of preference for niche perfumes	

Perfume and Fragrance Note Preferences

	67.1%
	Sophisticated woody notes
	32.4%
	Vintage Oriental notes

Consumer Group 3:
Emotional Experience Segment 21.6%
(total sample size: 1,000; sample size for this segment: 216)

This segment is primarily composed of consumers aged 26-30, with women accounting for 75.9%. They are at the intersection of career development and changing life roles, where pressure and uncertainty coexist. For them, scent is not merely about smelling pleasant, but represents an actively sought emotional buffer. Lighting a scented candle, wearing perfume and experiencing fragrance have become part of their daily self-care practices. They prefer notes that provide a sense of healing and ritual, and are willing to integrate scents into various aspects of daily life, including personal care and laundry care.

Basic Demographic Profile

27.3%	75.9%	61.6%	32.4%	42.6%
Primarily aged 26-30	Female Share	First-tier and emerging first-tier cities	Single	Married with children

Perfume and Fragrance Action Preferences

100%	¥1416	56.9%	78.7%
Liquid perfume usage rate	Average annual perfume spending	Emotional value as a purchase driver	Mainly for social scenarios
26.4%	69.4%	57.4%	
Healing scenarios usage rate	Usage rate for fragrance laundry and clothing care	Usage rate for personal care	

Perfume and Fragrance Note Preferences

	63.0%
	Fresh sweet floral and fruity notes
	56.0%
	Fresh aquatic notes



Consumer Group 4:
Rational Practical Segment 16.8%
(total sample size: 1,000; sample size for this segment: 168)

This segment is primarily composed of consumers aged 26-35, with women accounting for 72.6%. Every purchase by them needs to be justified as "worth the money". For them, perfume is more like an essential social accessory rather than a private source of everyday enjoyment. They prefer notes with broad acceptance, such as fresh sweet floral and fruity notes, and are more easily influenced by clear value-for-money propositions and promotional offers.

Basic Demographic Profile

24.4% Primarily aged 26-35	72.6% Female Share	59.5% First-tier and emerging first-tier cities	75.0% Monthly income below CNY 10,000
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Perfume and Fragrance Action Preferences

91.7% Liquid perfume usage rate	¥1090 Average annual perfume spending	76.0% Price sensitivity
66.7% Promotion attention	85.7% Focus on scent	

**Perfume and Fragrance
Note Preferences**

	63.0% Fresh sweet floral and fruity notes
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Consumer Group 5:
Emerging Explorer Segment 15.4%
(total sample size: 1,000; sample size for this segment: 154)

This segment is primarily composed of consumers aged 18-25, with men accounting for more than half (50.6%). Many of them are at the stage of making their first serious choices about scents. Although the proportion of experienced perfume/fragrance users is relatively low, this "beginner" status allows them to remain open to exploration. They are willing to be moved by stories and are easily attracted by packaging design. They show stronger preference for gourmand notes with soft, sweet and comforting characteristics as they explore their own style boundaries. Their fragrance spending is already approaching their perfume expenditure, and they use car fragrances more frequently, allowing scents to enter daily life through a lower-barrier approach.

Basic Demographic Profile

23.4% Primarily aged 18-25	50.6% Male Share	56.4% Second-tier and below cities	10.3% Experienced fragrance users
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Perfume and Fragrance Action Preferences

25.3% Liquid perfume usage rate	¥987 Average annual perfume spending	CNY786 Average annual fragrance spending
23.1% Packaging design as a purchase driver	17.9% Brand story as a purchase driver	64.3% Car fragrance usage rate

**Perfume and Fragrance
Note Preferences**

	20.5% Gourmand notes
--	--------------------------------



COACH

3.3 In-Depth Consumer Segmentation Study: Core Consumption Drivers and Value Orientations of Five Consumer Groups

The fundamental differences among the five consumer groups lie in the roles they assign to scents. The Quality Classic segment views scent as a stable and refined element of everyday life; the Advanced Connoisseur segment regards it as an expression of aesthetic sophistication and personal taste; the Emotional Experience segment uses it to regulate emotional states, seek companionship and relaxation; the Rational Practical segment focuses more on scenario fit, value for money and clear returns; while the Emerging Explorer segment enters the world of scents through lightweight experimentation and gradually develops personal style through continuous exploration. Overall, these five groups collectively demonstrate the diversified evolution of China's perfume and fragrance consumption from basic usage and aesthetic advancement to emotion regulation and style exploration.

Quality Classic Segment

Compared with emotional value, promotional incentives and novelty-driven narratives, the Quality Classic segment places greater emphasis on whether a scent fits a specific scenario, whether it is safe and reliable, and whether it comes from a mature and trustworthy brand. They appreciate brand culture and personal aesthetic expression, but place greater importance on a sense of quality assurance that has been validated over time. For them, the most important role of a brand is not creating buzz, but consistently providing high-quality distinctive products that can be trusted for long-term use. In a sense, the Quality Classic segment does not purchase the "novelty of scents", but rather a stable, mature and sustainable sense of confirmation in their lifestyle.

This segment is not driven by scents as a means of creating novelty. Unlike consumer segments that are more easily influenced by emotions, trends or new concepts, their expectations toward perfume and fragrance products are more stable and pragmatic. For them, scent is not a one-time surprise, but a long-term presence in everyday life, serving as a tool to maintain refinement, order and quality. They are more accustomed to wearing perfume in scenarios that require a polished appearance, such as commuting and social occasions, and are more willing to allow scents to naturally integrate into their established lifestyle rhythm, rather than becoming a bold or unconventional statement.



Advanced Connoisseur Segment

This consumer segment shows the highest acceptance of niche perfumes and top-tier niche perfumes among the five groups, and is more willing to pay for aesthetic refinement. They rely heavily on offline channels and prefer personally experiencing the complexity and storytelling behind scents at duty-free stores and counters, rather than being driven by online viral product narratives. For them, the most important role of a brand is not generating social attention, but continuously creating works with depth, collectible value and long-term aesthetic appeal. In a sense, the Advanced Connoisseur segment is not purchasing a bottle of perfume, but an entire lifestyle curation capability.

Their understanding of scents has reached the level of aesthetic judgement. They own the largest number of perfume bottles and have the highest average annual spending among the five groups, but this does not simply represent higher consumption. The core driver of their consumption is not a larger budget, but more sophisticated fragrance knowledge and a more complete aesthetic system. They use perfumes to extend personal style and fragrance products to organize spatial emotions. For them, scent is an aesthetic language that combines expression and curation. From classic commercial perfumes to niche perfumes and top-tier niche perfumes, they explore a wider scent spectrum and possess a stronger ability to distinguish the layers and textures behind different scents.

Emotional Experience Segment

This segment ranks emotional value as the primary purchase consideration, with this tendency being the most prominent among the five groups. Their expectations toward brands are clearly oriented toward "providing emotional value and spiritual companionship". They use fragrance-based personal care and laundry care products more frequently because the feeling of being gently surrounded by scent itself represents a form of emotional healing. In a sense, the Emotional Experience segment is not purchasing a bottle of perfume, but a daily emotional grounding mechanism that can be accessed and reused.

Their expectations toward scent have already gone beyond the basic level of "smelling good". In their lives, scent serves as an emotional buffer. When stress accumulates, emotions fluctuate, or self care is needed, scent becomes an easily accessible soothing tool. Their scent moments are not limited to important occasions, but naturally extend into everyday gaps such as bedtime, personal care routines and moments of solitude, allowing scent to become part of their lifestyle rituals. For them, perfumes and fragrances are not merely decorative elements used occasionally to create an atmosphere, but an emotional regulation mechanism that can be repeatedly integrated into daily life.



Emerging Explorer Segment

This consumer segment shows the highest sensitivity toward new brands, new concepts and cross-category narratives. Their attention to brand philosophy, storytelling and packaging design also ranks highest among the five groups. They show a stronger preference for gourmand notes and are more likely to obtain inspiration from overseas social media platforms. They maintain broad perspectives and do not simply follow mainstream trends. In a sense, the Emerging Explorer segment is not purchasing a fixed fragrance product, but an entry point for continuously discovering new possibilities and redefining the self.

They represent the newest group entering the olfactory world with curiosity. The proportion of male consumers is particularly prominent, and their younger age means their understanding of scents has not yet become fixed, leaving greater room for experimentation and openness. For them, scent is not a permanent identity label, but a map for continuously exploring themselves. They are more likely to enter olfactory consumption through fragrance products rather than liquid perfumes, using lower-barrier experiments to test their style preferences. Lightweight categories such as car fragrances also show higher usage rates among this group. For this segment, every fragrance experience is a small-scale style experiment.

Rational Practical Segment

This segment places price and value for money as the primary considerations, while also showing the highest level of attention to scent itself among the five groups. Their bottom line cannot be compromised, but the upper limit must be justified. They more frequently obtain information and complete purchases through short-video platforms and livestream e-commerce, and also show the highest acceptance of Chinese brands. This indicates that they actively seek the optimal solution within a limited budget. In a sense, the Rational Practical segment is not purchasing the cheapest option, but rather the certainty that every expenditure has been validated.

They do not lack enthusiasm for olfactory consumption. Instead, they maintain a clear awareness of budget constraints alongside their interest. Their income levels are relatively limited, but this does not mean they give up pursuing quality of life. Rather, every scent-related expenditure needs a sufficiently clear justification. For them, perfumes are more like a refined accessory for social and formal occasions, while fragrance products are more commonly used in functional scenarios such as clothing and laundry care. Olfactory consumption for them is not an impulsive emotional release, but a form of practical self-management under rational budgeting.



3.4 The Self-Cultivation Logic of Olfactory Consumption: Four Dimensions of Value

Looking further inward through the differences among consumer groups, olfactory consumption has moved beyond questions of what to buy and where to use it, toward a deeper question: why consumers continue to use it. Perfume and fragrance products are gradually becoming a medium through which consumers organize their daily states and express their relationship with themselves. The meaning of consumption is shifting from product ownership toward self-cultivation centred around experience, emotion, identity, and the body and time.



Experience is evolving from a supporting action before purchase into an integral part of perfume and fragrance consumption itself. Scent is difficult to fully communicate through online language alone, and consumers need to complete their judgement through trial, explanation, comparison and immersion: which fragrance suits them, which atmosphere represents their current state, and which service can reduce uncertainty in decision-making. Therefore, the value of experiential spaces lies not only in facilitating transactions, but also in transforming abstract scents into personal choices that can be perceived, compared and confirmed.

If experience determines how consumers identify and choose a perfume or fragrance, emotion determines whether it will be repeatedly used. When scent remains only at the level of pleasant smell, it can often deliver only a one-time sensory pleasure. When it can be continuously incorporated by consumers to regulate their states during bedtime, moments of solitude, commuting and stressful periods, it truly enters everyday life. Overall, emotion has become an important role positioning for perfumes and fragrances: more than half of consumers view perfumes as part of their lifestyle rituals, while nearly half regard them as a tool for emotional regulation. This demonstrates that the value of scents is extending from sensory preference to state management, with emotional support becoming an important reason for continued usage and increased investment.

When scents extend into self-expression, consumers begin using scents to confirm their cultural positioning and aesthetic origins. The key competition in cultural narratives is no longer about how many cultural elements are incorporated, but whether culture can be translated into a fragrance identity that consumers are willing to recognize and claim as their own.

When scents extend from identity expression into lifestyle organization, consumer attention moves from self-recognition toward continuous self-management. In the dimensions of body and time, consumers are no longer concerned only with how to express themselves at a particular moment, but with how to maintain better physical states, aesthetic capabilities, cognitive growth and lifestyle order over the long term. Research shows that the vast majority of consumers agree they are willing to pay for long-term physical and mental well-being, improved aesthetic taste and expanded cognitive abilities. This indicates that self-investment has evolved from a stage-based consumption behavior into a continuous personal development process, and perfume and fragrance products are beginning to enter the sensory toolkit for long-term state management.

IMPLICATION OF THIS CHAPTER

Key Takeaways

The core change in scent consumption is not merely the expansion of usage scenarios, but the fact that scents have begun to enter everyday state management. Perfumes increasingly serve external presentation, relationship expression and occasion matching, while fragrances are becoming deeply integrated into home environments, personal care, sleep and in-car scenarios, supporting continuous spatial atmosphere, emotional states and lifestyle organization. Different consumer groups also understand the value of scents through different life roles rather than simply purchase preferences: the Quality Classic segment values stability and refinement; the Advanced Connoisseur segment develops aesthetic judgement; the Emotional Experience segment uses fragrances as daily emotional support; the Rational Practical segment emphasizes clear returns; and the Emerging Explorer segment uses scents to explore the boundaries of personal style.

These consumer-side changes should be understood from the fundamental mechanism of olfactory consumption. As consumers' reliance on scents moves beyond product functions to psychological and emotional dimensions, the commercial logic of the olfactory economy is also being redefined. The next chapter elaborates on the basics of olfactory science and physiology to explore why smell has become a highly discussed field within the sensory economy and how its commercial value is rooted in biological instincts and emotional mechanisms.

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4 The Fundamental Logic of the Olfactory Economy: The Return of Sensory Sovereignty and the Reconstruction of Value

Overview

“ At a time when vision and hearing have been extensively exploited by algorithms and traffic-driven attention economies, fragmenting human attention into second-by-second intervals, why has olfaction emerged as a sensory dimension within the sensory economy that deserves deeper exploration? More fundamentally, upon what physiological instincts and emotional mechanisms is its commercial value built? This chapter seeks to answer these fundamental questions. From olfactory pathways, scientific validation, industrial value and public psychological support, four dimensions collectively point toward the same conclusion: the olfactory economy is a structural force rooted in physiological instincts and responsive to the emotional realities of our time. It can reach the depths of human perception while providing gentle support for everyday emotional care. ”

4.1

The Essence and Rise of the Olfactory Economy: The Physiological Monetization of Emotional Value

Olfaction requires neither visual nor auditory resources. A single breath can reach the depths of emotional processing. Its rise is not a commercial trend that has been artificially “created” , but rather a physiological monetization of emotional value amid the upgrading of consumption.

4.2

The Trust Foundation of the Olfactory Economy: How Neuroscience Establishes Scientific Validation of Olfaction

The maturation of neuroscience tools is transforming fragrance efficacy from “I feel it works” into “data demonstrate that it works” , providing the underlying support for olfaction to move from subjective perception toward a value anchor that can be scientifically validated.

4.3

The Industrial Landscape of the Olfactory Economy: The Synergistic Integration of the Four Layers of Olfactory Value

China’s perfume and fragrance industry is undergoing a four-layer value evolution, moving from social symbols to lifestyle aesthetics, and from emotional tools to complementary health applications. These four dimensions coexist and interact within the same market ecosystem, collectively shaping a comprehensive industrial development landscape.

4.4

The Social Function of the Olfactory Economy: Scents as a Flexible Supplement to Public Psychological Resources

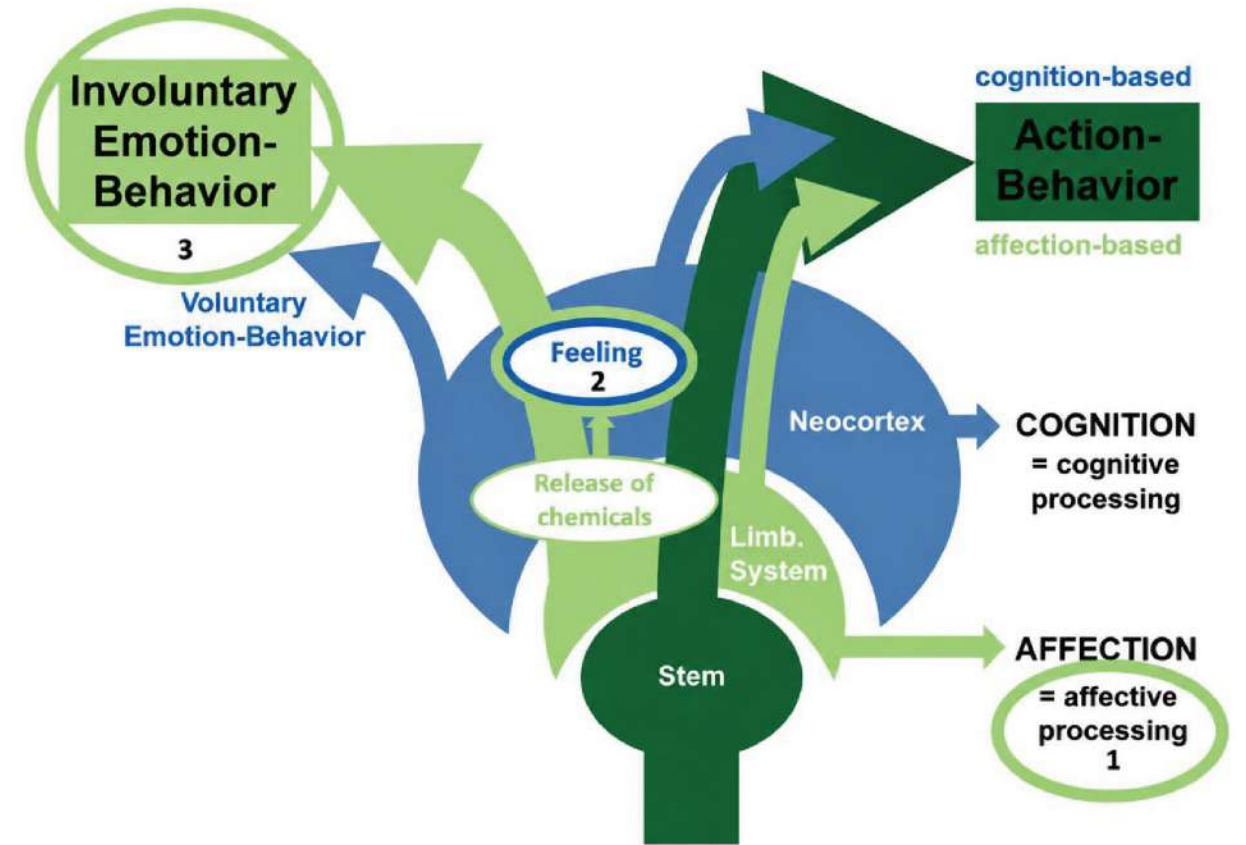
As demands for emotional management and psychological well-being continue to receive increasing attention, scents are responding to the subtle depletion experienced by contemporary individuals amid difficulties in self-expression and the pressures of efficiency-driven life. Through a low-barrier and low-burden approach, they have become gentle regulators of psychological balance.

4.1 The Essence and Rise of the Olfactory Economy: The Physiological Monetization of Emotional Value

Compared with vision and hearing, olfaction remains at a relatively early stage of development. Vision and hearing have already been saturated by algorithms and traffic-driven attention economies, fragmenting attention while continuously increasing the burden of information processing. Scents, by contrast, require neither visual nor auditory resources. A single breath can reach the depths of emotional processing in a way that is natural, minimally intrusive, and unavoidable.

As consumption shifts from material satisfaction toward psychological care, olfaction has become a scarce and differentiated market entry point precisely because it operates beyond rational control and is less susceptible to marketing influence. It does not rely on competing for attention, yet reaches the underlying layers of perception and triggers authentic emotional responses. This unique pathway granted by human physiology enables emotional value to bypass language, transcend media, and be realized at an unconscious level.

The rise of the olfactory economy is not accidental. Rather, it represents a physiological monetization of emotional value amid the upgrading of consumption. It represents not a commercial trend that has been artificially created, but an innate human capability that has been rediscovered. Beyond today's overloaded media environment, scents are becoming the most authentic channel connecting commerce and emotion.



Data source: The Olfactory Origins of Affective Processing: A Neurobiological Synthesis Through the Walla Emotion Model

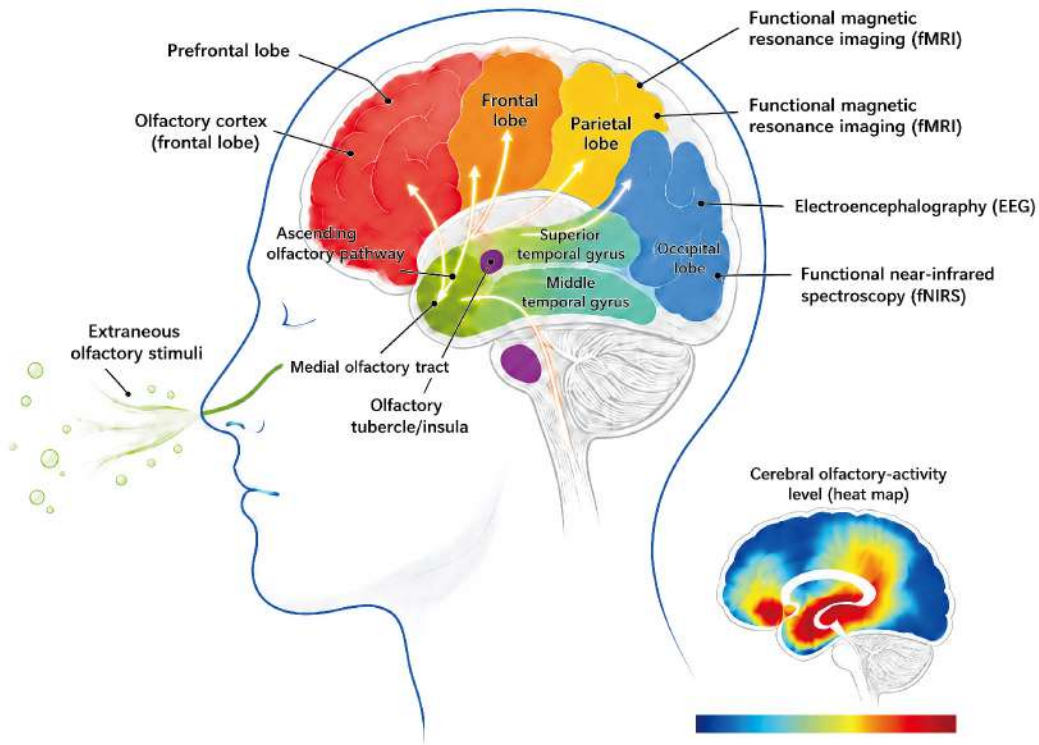
This conclusion is not a subjective assumption, but is supported by clear neuroscientific evidence. Within the human brain lies the thalamus, a neural center that functions like an information security checkpoint for the brain. Signals from all other senses, including vision, hearing, touch and taste, must pass through it for filtering and processing before reaching their corresponding functional regions in the brain. This process is subject to the filtering effects of rational cognition. Olfaction, however, is the unique exception: once odor molecules enter the body through the nasal cavity, olfactory signals bypass the thalamus entirely and directly reach the amygdala, which is responsible for emotional processing, and the hippocampus, which plays a central role in memory storage. With an exceptionally short transmission pathway, olfaction is the fastest of all human senses in triggering emotional responses.

This physiological characteristic reveals the deeper logic of the olfactory economy: its unique ability to establish "deep emotional binding". Vision and hearing primarily provide momentary stimulation, whereas olfaction, through its physiological "unavoidability", permeates private spaces and bypasses rational resistance, allowing emotional influence to occur subtly and naturally. It is not an isolated commercial sector, but rather a catalyst that transforms fleeting experiences into long-term emotional assets. This is precisely the core value that makes it irreplaceable.

4.2 The Trust Foundation of the Olfactory Economy: How Neuroscience Establishes Scientific Validation of Olfaction

The previous major challenge facing the olfactory economy was that its effectiveness depended entirely on individual "perception". One person may feel relaxed, while another may experience no noticeable response. A scent may appear effective today but ineffective tomorrow. It is also difficult to determine whether the perceived effects come from the essential oil itself or from accompanying factors such as soothing music or a calm environment. This subjectivity has kept fragrance efficacy in an ambiguous realm of "it works if you believe it does", making it difficult both to establish cumulative industry knowledge and to provide consumers with certainty beyond personal experience.

Resolving this dilemma relies on the intervention of multi-modal brain science measurement technologies. Today, multiple cutting-edge techniques, including electroencephalography (EEG), functional near-infrared spectroscopy (fNIRS), functional magnetic resonance imaging (fMRI), and animal behavioral experiments, have established an evaluation system that enables cross-validation between subjective and objective measures from different dimensions, including electrical signals, hemodynamics, and behavioral phenotypes. This system can penetrate the fog of individual subjective perception, transforming vague experiences such as "relaxation" and "refreshment" into quantifiable and reproducible physiological indicators, thereby providing definitive experimental data on fragrance efficacy that goes beyond individual perception.



1. EEG-BASED EVALUATION OF THE EMOTIONAL EFFECTS OF FRAGRANCE

EEG is currently one of the more widely used objective evaluation methods in functional fragrance research. By recording changes in electrical activity across different brain regions before and after participants smell a fragrance, researchers can determine whether a scent produces relaxing, refreshing, pleasurable, or calming effects. The indicators analyzed include power across the δ , θ , α , β , and γ frequency bands, the α/β ratio, frontal α asymmetry, and functional connectivity between brain regions. In general, increased α -wave activity and decreased β -wave activity are associated with relaxation and calming effects, while increased β -wave activity may indicate heightened alertness and attention. Through power spectral density and topographic map analyses using EEG, Zhu et al.^[1] found that after participants smelled *Cyperus rotundus* essential oil, the frontal, central, and parieto-occipital regions of the brain were significantly activated. Energy in the low-frequency δ and θ waves, which are associated with deep relaxation, increased significantly, while β -wave energy decreased, objectively confirming that the fragrance successfully induced a state of deep relaxation and sleep promotion in the cerebral cortex.

2. fNIRS-BASED EVALUATION OF THE EMOTIONAL EFFECTS OF FRAGRANCE

fNIRS is a brain function measurement method that has attracted considerable attention in emotion research. It primarily determines whether a particular region is activated by detecting changes in the concentrations of oxygenated and deoxygenated hemoglobin in the cerebral cortex. In general, the prefrontal cortex is closely associated with emotional regulation, attentional control, and stress responses. Therefore, when participants smell a particular fragrance, systematic changes in prefrontal oxygenated hemoglobin levels may indicate that the scent affects emotional processing and psychological states. Mark et al.^[2] used fNIRS to investigate whether the scent of a novel essential oil blend, Genius, could improve cognitive performance and emotional states in healthy adults. They found that the Genius blend promoted metabolic activity during task performance, while participants demonstrated greater alertness and reduced feelings of fatigue.

3. fMRI-BASED EVALUATION OF THE EMOTIONAL EFFECTS OF FRAGRANCE

fMRI can be simply understood as a method for "seeing which parts of the brain are working". When people smell a fragrance, it is not only the nose that responds. Brain regions responsible for odor recognition, emotion, memory, and pleasure are also activated. Generally, the stronger the activity in a particular brain region, the more actively that region is involved in processing olfactory information. Ferdowsi et al.^[3] used fMRI to investigate brain responses to different olfactory stimuli and found that pleasant odors enhanced functional connectivity among the posterior piriform cortex, insula, thalamus, and right orbitofrontal cortex. This suggests that a fragrance is not simply something that "smells good", but may actually engage neural networks associated with pleasure, emotion, and memory. Accordingly, fMRI can help researchers more intuitively explain why certain fragrances may make people feel relaxed, happy, or at ease.

4. FRAGRANCE EFFICACY EVALUATION BASED ON ANIMAL BEHAVIORAL EXPERIMENTS

This method evaluates fragrance efficacy using animal behavioral models and standardized behavioral observation apparatuses to record changes in spontaneous activity, sleep duration, and anxiety-related behaviors in test animals, objectively determining the effects of fragrances in areas such as calming and emotional relief while avoiding subjective bias arising from human sensory evaluation. Niu et al.^[4] used rosemary essential oil as the research subject and further improved the sample's scent through fragrance blending and other methods. In the tail suspension test and forced swim test, rats treated with the fragrance-blended sample showed significantly less immobility time than the blank control group, demonstrating an antidepressant effect.

Data sources: Please refer to "Data Sources" section for the sources of [1], [2], [3], and [4].

EEG, fNIRS, fMRI, and animal experiments form a mutually validating evidence network across different dimensions and scales: some capture electrical signals, some track changes in blood flow, some reveal functional connectivity between brain regions, and some observe behavioral responses. Collectively, these studies support the core proposition that "scent produces objective physiological effects".

Under controlled conditions, changes induced by olfactory stimuli are not merely the result of psychological suggestion, but are also accompanied by quantifiable brain and physiological responses. When "I feel that it works" is supported by brain science data, olfaction begins to move from subjective perception toward scientifically verifiable understanding. This provides an important foundational basis for building deeper trust in the olfactory economy.

4.3 The Industrial Landscape of the Olfactory Economy: The Synergistic Integration of the Four Layers of Olfactory Value

Driven by the broad expansion of the olfactory economy, the value evolution of China's perfume and fragrance industry has developed into a clear multi-layered structure. It extends from outward-facing social expression, including identity symbolism and gifting functions, to personal spatial sensory experiences centered on lifestyle aesthetics and spatial ambience; from there, it further advances toward refined regulation of physical and emotional states through emotional care and everyday companionship, while gradually exploring scientific pathways for standardized, non-pharmaceutical health support interventions. These four value dimensions should not be understood as successive "stages" replacing one another over time, but rather as a simultaneous "value matrix" in which they coexist, intersect, and complement one another within the same market ecosystem. Together, they form the comprehensive industrial landscape of China's perfume and fragrance industry. The emergence of this structure also reflects a profound shift in Chinese consumer demand, from "social symbol consumption" toward "self-care consumption".



The First Layer of Value: Social Currency – the Traditional Value Foundation of Perfumes

Perfumes represent the first segment within the perfume and fragrance industry to achieve industrialization and branding, being the most mature segment of this market. Their core value is built around three social functions: identity expression, social etiquette, and interpersonal acceptance. Scent has therefore become a distinctive personal signature in social interactions. On the one hand, through brand positioning and differentiated fragrance profiles, perfumes enable consumers to communicate their aesthetic preferences and achieve self-expression. On the other hand, they enhance olfactory experiences during close interpersonal interactions and improve social comfort. At this stage, consumers tend to select products that align with mainstream aesthetic preferences, with positive social feedback serving as a primary motivation. Wearable bottled perfumes have established a solid foundation for the industry, representing a mature market with stable competitive dynamics and steady growth. Meanwhile, the industry continues to explore more diverse product formats and consumption scenarios to meet younger consumers' increasingly personalized needs for self-expression.



The Second Layer of Value: Lifestyle Aesthetics – the Evolution of Perfume and Fragrance Products into Spatial Storytelling

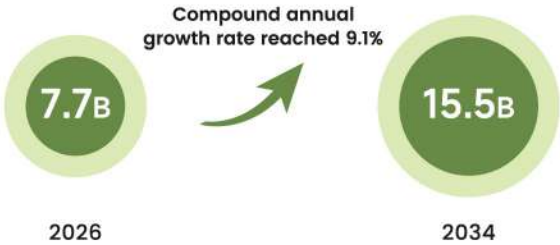
Driven by consumption upgrading and the rise of the scenario economy, the perfume and fragrance industry has moved beyond traditional wearable applications and expanded into diverse spaces including homes, offices, travel environments, hotels, and commercial complexes, achieving comprehensive coverage across lifestyle scenarios. The essence of this transformation lies in the fundamental evolution of olfactory economic value: scent has progressed from a "personal identifier" to a form of "spatial expression". It no longer serves only interpersonal interaction, but has become a silent statement of spatial quality and lifestyle identity. Product formats have consequently diversified. Categories including reed diffusers, in-vehicle fragrances, and commercial scent diffusion systems have experienced rapid growth, while consumer adoption has continued to expand from high-end niche segments toward broader mainstream markets. Fragrances are evolving from optional lifestyle products into an everyday essential, which establishes a solid consumer foundation for the subsequent expansion of functional fragrances.



The Third Layer of Value: Emotional Management—the Current Growth Logic of Functional Fragrances

As the pace of modern life accelerates, consumers are placing significantly greater emphasis on physical and emotional well-being. Functional fragrances have thus become one of the most prominent growth segments within the olfactory economy. According to market forecasts, the global functional fragrance market is expected to reach USD 7.7 billion in 2026 and grow to USD 15.5 billion by 2034, achieving a compound annual growth rate of 9.1%.

Global Functional Fragrance Market Size Forecast (Unit: USD 1 Billion)



Functional fragrances are developed around objectives including emotional relaxation, improved sleep quality, and enhanced cognitive performance, driving fragrance beyond aesthetic consumption toward practical applications in physical and emotional care. These products rely on brain-targeted intranasal aromatherapy, utilizing olfactory pathways including the nasal cavity and olfactory bulb to influence key brain regions and regulate neural activity, thereby achieving emotional regulation effects.

As consumer awareness of psychological health continues to rise, individuals are increasingly inclined to regulate their physical and emotional states through non-pharmaceutical approaches. The application scenarios of functional fragrances continue to expand, covering home bedrooms, office spaces, and vehicle environments, while extending further into therapeutic settings such as aromatherapy clinics and wellness institutions. These products are attracting consumers seeking moments of calm amid increasingly demanding urban lifestyles. On the market side, brands are building functional value upon aesthetic storytelling, enabling functional fragrances to gradually gain broader consumer acceptance and providing individuals with an accessible, self-directed complementary pathway for everyday emotional care.

The Fourth Layer of Value: Health Support – the Emerging Frontier of Medical-Grade Fragrances

The deepening demand for physical and emotional care is driving the perfume and fragrance industry toward frontier exploration in health-support applications. Unlike conventional commercial perfumes and fragrances that rely primarily on subjective sensory experiences, medical-grade fragrances are attempting to establish objective and quantifiable efficacy evaluation systems based on neuroscience and clinical medicine.



Existing research has applied assessment tools including the Pittsburgh Sleep Quality Index and Visual Analogue Scale to preliminarily validate the positive effects of inhalation aromatherapy in anxiety reduction and sleep improvement among diverse populations, including cancer patients and emergency nurses.

However, this field continues to face two major challenges: an incomplete evidence system and the absence of dedicated regulatory approval categories. Further scientific accumulation and policy coordination will therefore be required before standardized implementation can be achieved. Nevertheless, this exploration itself demonstrates that scent is extending beyond aesthetics and everyday care toward more rigorous forms of health intervention, opening a broader and more imaginative space for value creation within the industry.

4.4 The Social Function of the Olfactory Economy: Scents as a Flexible Complement to Public Psychological Resources

As emotional management and psychological well-being receive continued attention, perfumes and fragrances are evolving from aesthetic embellishments into everyday emotional interfaces. Language often becomes inadequate when confronting complex emotional experiences, and public psychological resources remain insufficient. The rapid rise of the olfactory economy may appear, on the surface, to be driven by consumption upgrading and the evolution of perfume and fragrance products, but its deeper logic is closely connected to the changing psychological needs of individuals amid contemporary social development.

Perfumes and fragrances do not replace professional treatment. Rather, they respond to the subtle depletion accumulated through difficulties in self-expression and the pressures of efficiency-driven life through a low-barrier and low-burden approach. This transformation did not originate from consumption upgrading alone, but from modern individuals' self-directed search for ways to restore their psychological equilibrium.

From Language to Sensory Experience: How Olfaction Responds to Emotional and Social Needs

A NATURAL COMPLEMENT TO EMOTIONAL EXPRESSION

Much of contemporary psychological exhaustion stems from the constant need to explain oneself: to articulate emotions, psychological states, and personal choices to the outside world. Yet some experiences inherently exist beyond the boundaries of language. Olfaction requires no verbal translation. A familiar scent alone can prompt the body to respond first: breathing slows and the shoulders relax. It provides a non-verbal channel of perception, allowing emotions that cannot easily be expressed in words to find a place of recognition and release.

EMOTIONAL REGULATION IN SOCIAL SETTINGS

The same applies in social interactions. Self-introductions require careful wording, while clothing and appearance inevitably invite evaluation. Fragrance, by contrast, quietly leaves an impression when people come into proximity, without the need for explanation. Because scent intensity can be freely controlled, olfaction becomes a gentle form of social support: neither deliberate nor revealing, yet precisely addressing the subtle psychological tension of wanting to be seen while fearing excessive scrutiny.

A NATURAL RETURN WITHIN AN EFFICIENCY-ORIENTED SOCIETY

In everyday life, olfaction also creates a space for pause without the demand for outcomes. When attention becomes consumed by efficiency, work must deliver results, rest itself is measured by productivity, and even moments of leisure become instrumentalized, a candle or a trace of essential oil cannot solve concrete problems. Yet it allows individuals to step away from the constant question of "What should I do next?" and return to "What am I experiencing in this moment?" In an efficiency-driven society, this sense of existence without the need for justification is exceptionally valuable.

Taken together, these three functions demonstrate that the olfactory economy delivers far more than products. It provides an on-demand "psychological microenvironment" that can be accessed whenever needed: offering an outlet when words fail, reducing social pressure during interpersonal interactions, and creating moments of pause amid constant busyness. It cannot resolve concrete problems, but it provides a gentle buffer for emotional regulation needs, allowing individuals to reclaim a small yet meaningful sensory space of their own within the constraints of language and efficiency.



An Effective Complement to Public Psychological and Healthcare Resources: How the Olfactory Economy Can Be Integrated into Public Health Support Systems

As individuals seek olfactory experiences as a means of emotional regulation and social expression, a broader question naturally emerges: can this personalized approach to emotional support be incorporated into wider public psychological health support systems? The answer is yes.

The rationale for this integration is first supported by authoritative medical recognition. Wang Gang, President of Beijing An Ding Hospital affiliated with Capital Medical University, has noted that positive sensory stimulation through olfaction is one effective approach for relieving stress and regulating emotions. Clinical practice has further demonstrated its feasibility. At Beijing Children's Hospital, "aromatic care" programs have been used to help relieve stress among family members of critically ill children. At Tsinghua Changgung Hospital, essential oil inhalation combined with meditation has been applied to alleviate occupational burnout among nursing staff. These applications demonstrate the practical feasibility of olfactory interventions.



Meanwhile, institutional investment in psychological health services at the national level is accelerating. In 2025, under the National Health Commission's Mental Health Service Year initiative, psychological outpatient clinics and sleep disorder clinics were established across 333 prefecture-level cities and 87 counties and districts nationwide. Compared with the same period in 2024, service utilization increased by 17% and 39%, respectively. The national unified psychological assistance hotline, "12356", has received more than 700,000 calls and successfully conducted nearly 10,000 crisis interventions. In addition, multidisciplinary expert teams jointly established by multiple government departments have delivered more than 10,000 public psychological health lectures, directly reaching over 1.75 million participants.



The rapid development of the public psychological service system reflects the urgency of growing emotional care needs among the population. According to the Annual Report on Social Mentality of China (2025), "anxiety" and "worry" are among the most prominent emotional states reflected in contemporary social mentality. Against the backdrop that professional psychological resources are still unable to cover all everyday needs, scents, as a gentle and accessible approach to emotional regulation, are gradually being integrated into everyday psychological health management and serving as a valuable complement to the public psychological service system.



IMPLICATION OF THIS CHAPTER

Key Takeaways

This logic was vividly demonstrated through the Blooming Through Scent Emotional Sensory Symbiosis Exhibition at Shanghai Xintian-di. During the 2026 Shanghai International Flower Festival, Huangpu Greening, together with the Shanghai Mental Health Center (600 Wanping Road South), Yongye Group, Shanghai Xintiandi, and NOSE IDEA, the olfactory art IP developed by Eternal Beauty Holdings, jointly created China's first systematic innovation integrating olfactory art with psychological health. Grounded in psychological science and connected through olfactory art, the exhibition featured eight themed scent installations and an Emotional Sensory Hug Tree. Through differentiated fragrance experiences representing diverse emotional states such as calmness and trust, the exhibition enabled every visitor to discover a scent that resonated with their own emotional experience.

Unlike traditional psychological counseling, which often involves barriers to access, this free public exhibition integrated professional psychological care concepts into a springtime urban walking experience, extending emotional care from consulting rooms into everyday public spaces. Limited-edition commemorative products, including magnolia-scented plush fragrance charms, further transformed the therapeutic experience into a sustainable companion for everyday life. After the exhibition concluded, the scent installations were relocated to the Shanghai Mental Health Center for permanent display. This cross-sector collaboration represents a typical example of how perfumes and fragrances can serve as a forward extension of public psychological healthcare resources, making emotional support more accessible and more widely integrated into everyday society.



The olfactory economy is emerging as a lightweight support system aligned with the psychological needs of contemporary consumers. Leveraging the natural connections between scent, emotion and memory, it responds to subtle individual needs in social expression, emotional regulation and everyday life management. From personal sensory experiences to public health, from aesthetic consumption to emotional well-being, perfumes and fragrances are becoming an accessible entry point for everyday emotional care.

As the value logic of the olfactory economy becomes clearer, the next critical question is how brands should position themselves within this ecosystem, upgrade their strategies and expand their boundaries. Chapter 5, "Future Development Pathways of the Olfactory Ecosystem", systematically explores how perfume and fragrance brands can evolve from "product providers" into "ecosystem operators" and capture structural opportunities in the olfactory economy across four dimensions: brand strategy advancement, business model evolution, cross-sector integration and ecosystem co-construction.

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CHAPTER 5

Future Development Pathways for the Olfactory Ecosystem: A Long-Term Development Framework of “Strategic Elevation, Iteration, Integration and Co-Creation”

Overview

“ Against the backdrop of the continued development of the olfactory economy, perfume and fragrance brands are expanding beyond simply providing products that “smell pleasant” toward ecosystem-level capabilities connected with emotional value, identity expression, lifestyle, and public environments. The future role of brands will evolve from being individual product providers into ecosystem participants capable of understanding consumer states, organizing scenario-based experiences, translating cultural value, and continuously managing relationships. This chapter explores four key directions: strategic elevation of brand strategy, evolution of business models, integration of cross-sector interfaces, and co-creation of the olfactory ecosystem. It focuses on how brands can transform scents from a one-time purchase into a long-term relationship and establish sustainable value connections across increasingly diverse life scenarios.

”

5.1

Strategic Evolution of Fragrance Brands: Four Development Pathways and Benchmark Practices

Brands need to evolve from single-product providers into long-term relationship operators that organize value around emotions, scenarios, culture, and experiences. Through systematic upgrades in classification logic, scenario boundaries, emotional expression, and experiential touchpoints, brands can establish clearer strategic positioning within the olfactory ecosystem.

5.2

The Evolution of Business Formats: The Practice Matrix and Future Paradigms of the Olfactory Economy

The commercial models of the olfactory economy will evolve beyond one-time purchases into a practice matrix jointly composed of content, spatial experiences, services, and membership relationships. Future competition will no longer be limited to selling products, but will focus on continuously creating scent-based lifestyle scenarios that can be experienced, repurchased, and shared.

5.3

Breaking Down Cross-Sector Interfaces: The Convergence of the Olfactory Economy and Emerging Growth Economies

The olfactory economy is rapidly penetrating diversified growth tracks including the pan-2D sector, the silver economy, the pet economy, cultural tourism, sports and other sectors. Ranging from the embodied olfactory experience of IP characters and sensory intervention for elderly health care, to scent serving as a companion medium for emotional pets and an anchor for sensory memories of travel destinations, and further to the translation of collective emotions at sporting events into scents, the sense of smell has evolved from a consumer good into a cross-scenario emotional infrastructure, unlocking incremental potential far beyond the confines of a single product category.

5.4

Co-Creating the Olfactory Ecosystem: The Core Capabilities Perfume and Fragrance Brands Must Develop in the Future

Sustained competitiveness of perfume and fragrance brands in the future stems from the synergistic construction of four core competencies: systematic identification and long-term cultivation of olfactory demands, expansion to and infrastructural construction of cross-scenario solutions, co-creation and narrative translation of cultural ecosystems, as well as olfactory entry and cross-border integration into emerging tracks. The spiral interplay of these competencies elevates brands from mere consumer goods suppliers to olfactory ecosystem operators, enabling them to become pivotal builders of the sensory infrastructure for modern life.

5.1 Strategic Evolution of Fragrance Brands: Four Development Pathways and Benchmark Practices

Within the rise of the olfactory economy, the role of brands is no longer limited to providing individual fragrance systems. Instead, brands are increasingly expected to translate scent into emotional and lifestyle languages that consumers can understand and willingly embrace, becoming responders to emotional needs, operators of consumption scenarios, translators of cultural value, and designers of experiential journeys.

Reconstructing Classification Logic: From Ingredient-Oriented to Emotion-Oriented

Traditional perfume and fragrance classification systems are built around the chemical properties of fragrance ingredients, organizing product portfolios according to fragrance families such as floral, woody, and Oriental accords. In essence, this represents an industry language designed primarily for professionals, creating relatively high barriers for consumer decision-making. Leading brands are now initiating a paradigm shift in classification logic: using consumers' emotional states and usage scenarios as core labels to reconstruct the entry point for product selection and narrow the communication distance between brands and consumers. This transformation is unfolding simultaneously across two dimensions.

Case Study | Maison Margiela: Removing Notes and Focusing on "Moments and Emotional States"

In April 2026, Maison Margiela officially launched The Scentsorium, a haute parfumerie fragrance collection that marked a systematic challenge to traditional fragrance classification among leading brands. The six fragrances in the collection no longer identify themselves through conventional fragrance families. Instead, they directly use six "contrasting deep emotional narratives" as the core classification system and naming framework of the products. Blaze of Stillness portrays the quiet tension of hopeful anticipation; Silent Fury expresses restrained and suppressed anger; and Tender Defiance represents self-directed rebellion rooted in gentleness. Consumers no longer need to understand fragrance terminology. They only need to identify their own current emotional coordinates to complete product selection. Fragrance chemistry is effectively treated as a "black box", while emotional resonance becomes the core purchasing signal.



When scent is redefined through the language of emotion, it no longer functions merely as something worn on the body. Instead, it becomes an emotional anchor embedded within consumers' living environments. This represents the fundamental significance of reconstructing classification logic.

Expanding Scenario Boundaries: From "Personal Wearing" to "Integrated Environmental Scenting"

The penetration logic of perfumes and fragrances is undergoing a fundamental shift, expanding from the traditional "personal layer" toward comprehensive integration across the "home layer, mobility layer, and public space layer". Scents are no longer merely the final expression of self before leaving home, but rather an emotional backdrop accompanying consumers throughout their entire daily routines. Three structural drivers, including the upgrading of emotion-oriented consumption, the normalization of IP-driven cross-sector marketing, and the refinement of home-based consumption scenarios, are jointly driving the olfactory economy into a clearly defined growth cycle. Brands are building comprehensive product matrices encompassing perfumes, home fragrances, automotive fragrances, personal care extensions, and spatial scent services, extending consumer touchpoints from "the final step before going out" into "emotional companionship throughout the entire day".

Case Study | Diptyque: Connecting Sound and Scents to Extend Brand Reach across All-Daily Scenarios

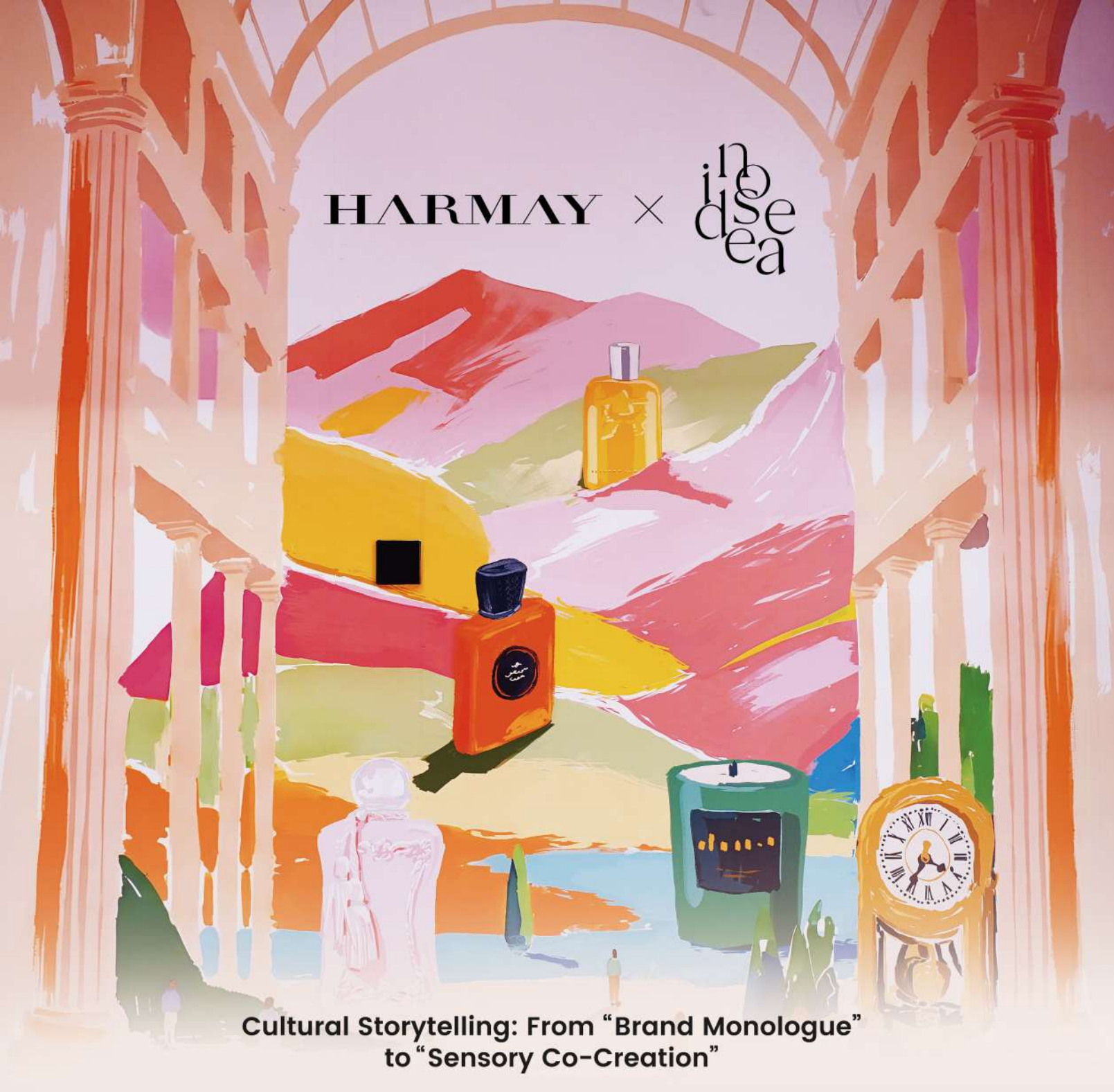
In 2025, Diptyque launched the Orphéon Nights global traveling pop-up program. The Shanghai edition featured a limited-time immersive exhibition centered on recreating a vintage jazz atmosphere and club setting, extending Orphéon's woody tobacco fragrance profile from personal wear into an offline immersive environment.

At the beginning of 2026, this narrative underwent a significant upgrade. The product line expanded into a complete matrix covering perfumes, body care products, and home candles, encompassing both personal fragrance and home scenting throughout the entire day. During the same period, Diptyque introduced vinyl listening-themed pop-ups at its boutiques in Paris and London, transforming the stores into jazz vinyl listening spaces. Orphéon's signature scent continuously diffused throughout the venues, while consumers could immerse themselves in music experiences through headphones while exploring the fragrance. The brand also collaborated with Mercury Prize-winning jazz ensemble Ezra Collective and music platform COLORS x STUDIOS to create an exclusive reinterpretation of Orphéon, expressing the essence of this scent through contemporary jazz and achieving a sensory fusion of sound and scent.



During the summer of the same year, Diptyque launched the "Le Jardin des Eaux Limited Collection", breaking fragrance language down into more fragmented everyday scenarios. Shower gels and after-sun lotions created subtle fragrance foundation on the skin; hair perfumes naturally released scent through movement; pine forest-inspired candles and incense extended fragrance into homes and balconies; portable incense expanded the experience into outdoor camping environments, creating relaxed atmospheres in nature.

The underlying logic behind both initiatives remains identical: scent is no longer dependent upon exclusive moments, but instead permeates every layer of daily life, including washing, dressing, home living, social interaction, and outdoor activities. As consumers remain continuously surrounded by fragrance, brands complete a fundamental identity transformation: from perfumes worn close to the body to the enduring olfactory atmosphere of everyday life.



Cultural Storytelling: From “Brand Monologue” to “Sensory Co-Creation”

The formation of narrative barriers does not depend on the depth of a story itself, but on the ability to translate perception. Whether a brand can transform its cultural heritage and aesthetic philosophy into consumer experiences that can be perceived, participated in, and retained directly determines the effectiveness of brand recognition. Traditional brand storytelling primarily relied on one-way communication centered around product specifications and brand history. Leading brands are now shifting toward experiential storytelling: through spatial curation, visitor journey design, and interactive mechanisms, abstract brand culture is transformed into immersive sensory experiences, allowing brand value to penetrate consumer perception naturally.



Case Study | NOSE IDEA × HARMAY “Hidden Glory” : Translating Brand Culture into an Immersive Sensory Experience

Faced with HARMAY, a leading retail platform combining traffic, aesthetics, and social influence, NOSE IDEA did not remain focused on brand history introductions or product displays. Instead, it used the Royal Cabinet of Curiosities and the Museum of Perfume as narrative frameworks, translating the cultural references and emotional qualities behind niche perfumes into spatial environments, visual language, and interactive experiences.

The store reorganized the consumer journey through an exhibition-style circulation route. Content sections such as “Illustrating the Art of Scent” and “Daily Lives of the Aristocracy” were

distributed throughout the space, allowing consumers to naturally understand the stories behind fragrances while exploring. Interactive mechanisms including fragrance sampling, social media check-ins, and developing photographic postcards were seamlessly integrated, transforming previously abstract brand expressions into accessible participatory experiences. A niche perfume category that once appeared distant and difficult to approach gained a tangible entry point through a curated spatial environment. Rather than relying on explanation, the brand allowed atmosphere and experience to naturally complete the process of brand recognition.



Technological Empowerment: Making Emotional Value Scientific and Verifiable

Advances at the intersection of olfactory science and digital technology are addressing the industry’s challenge that the value of emotional fragrance is difficult to verify. Through the combined advancement of fundamental research and technological tools, previously subjective emotional value is being transformed into measurable and reproducible product efficacy, which establishes rational foundation for brand trust.

At the foundational research level, Givaudan is committed to activating silent olfactory receptors to provide scientific support for the development of fragrance products targeting emotional benefits. At the consumer interaction level, Jo Malone London introduced its AI olfactory advisor that significantly reduces the decision-making cost of fragrance selection based on users’ emotional profiles and demand indicators.

Technology is not merely a supporting tool behind research and development. It has become a scientific language directed toward consumers. It enables emotional fragrances to become evidence-based product promises, establishing a rational foundation of trust beyond emotional storytelling.

The four pathways, namely the reconstruction of classification logic, expansion of scenario boundaries, transformation of cultural storytelling, and scientific empowerment through technology, each emphasize different aspects of brand development. Yet together, they point toward the same direction: perfume and fragrance brands are evolving from “product providers” into “value operators”, shifting brand management logic from one-time transactions toward long-term consumer relationship operations, thereby giving rise to the multi-layered commercial practice matrix of the olfactory economy.

5.2 The Evolution of Business Formats: The Practice Matrix and Future Paradigms of the Olfactory Economy

The evolution of business models marks a fundamental shift in the core object of brand management, moving from individual physical products toward relationship-based emotional commitments.

Brand Positioning Transformation: From Brand Management to Infrastructure for Emotional Well-being

Perfumes and fragrances are becoming deeply embedded within emotional moments throughout everyday life, including sleep, recovery, concentration, social interaction, and companionship. Future competition among brands will focus on enabling scent to act more precisely upon consumers' internal states, using products and scenarios as vehicles to provide tangible and perceptible emotional regulation functions.

Case Study | Santa Monica x Zen of Tea: A Breathable Mist of Relaxation Infused with Tea

Santa Monica's content campaign in spring 2026 represents a typical example of this transformation. Rather than constructing its narrative around ingredient stories or perfumer credentials, the brand positioned its fragrance "Zen of Tea" as "a breathable mist of relaxation infused with tea". The core of this positioning was not what the fragrance smelled like, but rather what state it could create for its users. It was anchored in consumers' emotional desire to step away from tension and return to a state of ease and relaxation.



Across social media, the brand did not ask influencers to explain top, middle, and base notes. Instead, it created a complete emotion regulation entry point. Working with still-life photographers, the brand explored outdoor tea gardens and rain-washed green landscapes, while collaborating with lifestyle creators to develop "light-personality healing" content. Rain-soaked tea gardens were transformed into a recurring visual metaphor for relaxation that audiences could repeatedly revisit. What users encountered in their feeds was no longer simply a perfume advertisement, but a miniature healing experience that could be immediately accessed through the senses. This represents how scent functions as infrastructure for emotion regulation: it does not compete for attention, but provides a breathable sense of relaxation precisely when individuals need it.

Case Study | "Psychological Poetry & Healing Market" Jointly Launched by NOSE IDEA x Tmall Global x SOUL x Shanghai Mental Health Center: Translating Scent Prescriptions into an Emotion- Healing Site Backed by Professional Expertise

NOSE IDEA collaborated with Tmall Global, SOUL, and the Shanghai Mental Health Center to launch the "Psychological Poetry & Healing Market" during the Dragon Boat Festival. The event featured an emotional consultation space where visitors completed emotional self-assessment questionnaires and received personalized psychological prescriptions containing a poem, a matching fragrance recommendation, and an audio recording offering psychological guidance. Experts from the Shanghai Mental Health Center simultaneously participated in public education sessions and psychological workshops, elevating fragrance and emotional healing from marketing narratives into health intervention approaches supported by professional institutions. SOUL also launched a user-generated content campaign within its platform, creating a communication loop extending from the physical market experience to online communities.



Together with Diptyque's all-day scenario integration discussed in the previous section, these cases demonstrate two pathways toward the same trend. The former builds continuous emotional companionship through a product ecosystem, while the latter provides professional health credibility through cross-sector collaboration. Although the approaches differ, they point toward the same conclusion: the future value of perfume and fragrance brands will ultimately depend upon their ability to deeply respond to and continuously manage consumers' emotional needs.

Validating the Model Through Flagship Stores

01

Shanghai Dongtaili "Wulixiang", the brand's first local cultural concept store, recreates a traditional Shanghai shikumen residential environment. Through fragrance-themed inner rooms, it creates a homecoming-inspired fragrance experience and establishes a complete experiential loop connecting spatial atmosphere with emotional resonance.

PERFUME BOX

Evolution of Experience Formats : From One-Time Product Delivery to Continuous Relationship Subscriptions

Perfume and fragrance brand operations are no longer limited to one-time product transactions. Instead, brands are building immersive experience pathways that encourage repeated visits, continuous participation, and long-term consumer engagement.

Case Study | PERFUME BOX "One Theme for Each Store, One Character for Each City": Cultivating Long-Term Experiential Consumption Through Thematic Spaces

PERFUME BOX follows an expansion strategy spanning multiple themed stores, including Shanghai Xintiandi Dongtaili "Wulixiang", Shenzhen Haiya Colorful City "Muse Fragrance Box", Chengdu Taikoo Li "Anyi Fragrance House", Shanghai Panlong Xintiandi "Waterside Fragrance Box", and Beijing China World Mall "Fragrance Quartet". Through differentiated store strategies, the brand transforms one-time perfume and fragrance purchases into long-term emotional experiences and builds a continuous consumer relationship management system.



PERFUME BOX 拾氛气盒



Scaling Standardized Themed Stores Across Multiple Cities

After validating the model, the brand expanded into additional cities, customizing dedicated spaces and interactive experiences based on local cultural characteristics:

Shenzhen "Muse Fragrance Box" focuses on gifting scenarios and is supported by social media check-in activities;

Chengdu "Anyi Fragrance House" integrates Sichuan bamboo forest intangible cultural heritage with multisensory experiences including rubbing-print activities and tea-serving rituals;

Shanghai Panlong Xintiandi "Waterside Fragrance Box" creates a Jiangnan-inspired olfactory garden and introduces innovative in-store brand collaboration exhibitions;

Beijing China World Mall "Fragrance Quartet" draws upon courtyard house culture and introduces handmade urban olfactory postcard interactions.

In the spatial narrative of physical stores, retail space takes on an experimental tone, embedding fragrance within consumers' familiar cultural context.

02



Ecosystem Position Dissolution: From Independent Brands to Embedded Nodes Within Symbiotic Systems

The dissolution of brand boundaries often marks the starting point for maximizing ecosystem value. When fragrance no longer appears as an independent entity, but instead becomes a hidden component embedded within the atmosphere of a broader environment, the relationship between brand and scenario evolves from one-time campaign collaboration into long-term ecological value symbiosis.



Case Study | Guerlain × Wuzhen Theater Festival: Embedding into Cultural Ecosystems and Becoming an Invisible Infrastructure of Ancient Town Experiences

In October 2025, Guerlain participated in the 12th Wuzhen Theater Festival for the first time. The uniqueness of this collaboration did not lie in "leveraging the festival for brand exposure", but rather in Guerlain's deliberate withdrawal from visual prominence. Through a comprehensive ambient scenting strategy, the brand embedded itself into the underlying structure of the ancient town wandering experience. In terms of spatial deployment, Guerlain installed targeted slow-release fragrance points along riverside courtyards, stone-paved pathways, and waterside installations within the Xizha Scenic Area. The scent subtly surrounded visitors throughout exhibitions, bridge crossings, and nighttime walks, creating an atmosphere without any sense of artificial fragrance spraying. The three major festival zones each adopted scent strategies corresponding to different behavioral contexts. The perfume art exhibition used screens combined with gentle air diffusion, allowing fragrance to gradually unfold according to the rhythm of visitors' exploration. The contemporary art exhibition zone employed constant-temperature scent diffusion, subtly enhancing the atmosphere for

visitors resting or taking photographs. The theater market area used light scent diffusion as a background layer, matching the relaxed rhythm of strolling and social interaction. The brand deliberately reduced its visible presence, allowing fragrance itself to become the natural olfactory foundation of the water town environment.

This represents the core logic of an "ecosystem symbiotic node". Guerlain did not treat the Wuzhen Theater Festival as merely a promotional venue. Instead, it contributed its olfactory capabilities to the broader cultural ecosystem. Scent, theater, ancient town heritage, and immersive wandering experiences became interconnected, allowing brand boundaries to naturally dissolve within a symbiotic structure. The ultimate purpose of the campaign was not simply to make consumers remember the event itself, but to establish a deep association between the brand's core sensory identity and a distinctive cultural environment.

Exploring Frontier Models: Validating the Value of Multi-Form Business Models

Frontier experiments in business models are simultaneously reshaping the value boundaries of fragrance brands.

Subscription-based fragrance services, represented by Scentbird, replace one-time transactions with recurring monthly deliveries and personalized recommendations. Fragrance as a Service (Faas), represented by Enjoy Scent, provides spatial olfactory solutions through long-term service fee models, transforming scent management into professional service offerings.

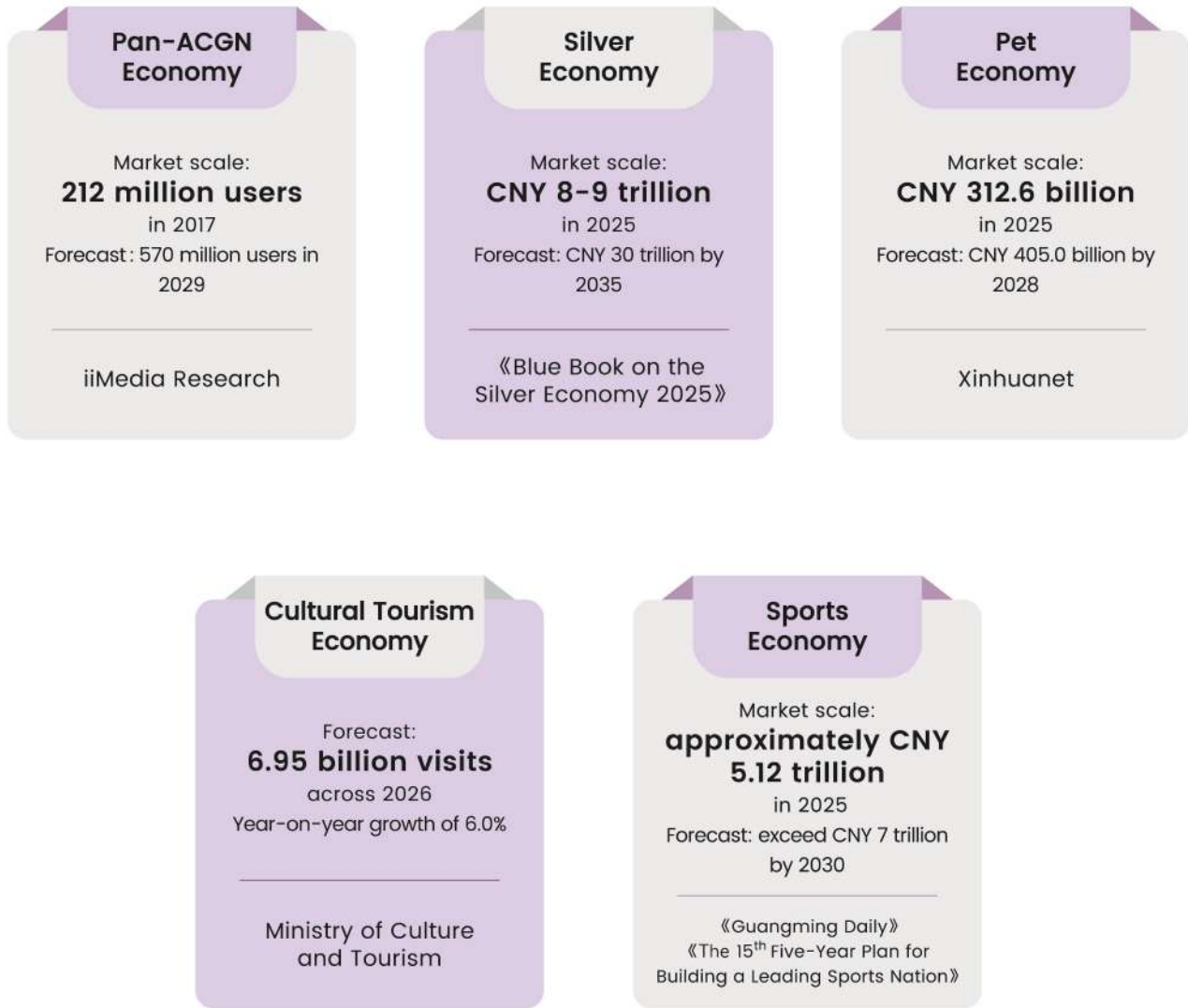
Whether these models will ultimately become mainstream remains subject to market validation. However, the direction of development is increasingly clear: future revenue structures for perfume and fragrance brands will evolve beyond dependence on single-product sales toward diversified composite models built around "olfactory products" as the entry point, "emotional value" as the core, and "long-term subscriptions and ecosystem symbiosis" as extensions. The ultimate objective is to enable brands to remain continuously relevant and continuously needed throughout consumers' lives.

The vertical deepening of business models is expanding the value depth of perfume and fragrance brands, while horizontal integration with emerging growth sectors will open broader pathways for future expansion.



5.3 Breaking Down Cross-Sector Interfaces: The Convergence of the Olfactory Economy and Emerging Growth Economies

The industrial foundation of the olfactory economy has already achieved measurable scale. Continued market expansion provides the underlying capabilities required for entering emerging growth sectors. Emerging sectors in China, including pan-ACGN, the silver economy, the pet economy, cultural tourism and sports, are all generating clear demands for olfactory services, providing directly actionable growth opportunities for perfume and fragrance brands.



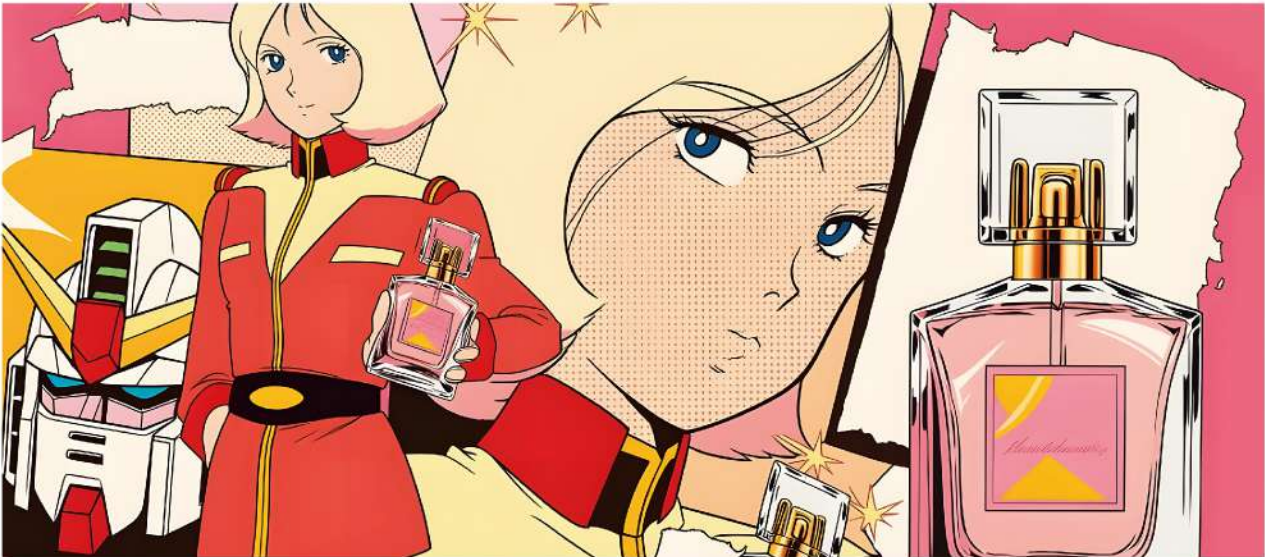
Olfaction × the Pan-ACGN Economy: Embodying IP Personalities Through Scent

Case Study | Primaniacs × Mobile Suit Gundam: Giving IP Characters Wearable Olfactory Personalities

Within the pan-ACGN ecosystem, scents are becoming a perceptible extension of character identity.

In 2026, Japanese niche perfume brand Primaniacs and Bandai Namco launched two collaborative fragrance collections inspired by Mobile Suit Gundam. The exclusive fragrance created for Char Aznable combines leather, tobacco, and spices to reflect the character's dual identity as both "aristocrat and warrior". Customized fragrances for the four main protagonists each employ distinct olfactory profiles, including woody, spicy, floral, and amber accords, to capture their individual personalities. Each fragrance is accompanied by character-specific bottle designs, collectible cards, and limited-edition packaging.

The value of perfumes and fragrances entering the pan-ACGN ecosystem does not lie simply in "creating another merchandise item". Rather, it becomes a physical carrier of emotional attachment within fan communities, extending fans' emotional projection onto characters beyond visual collectibles into wearable and continuously experienced olfactory encounters. Scents therefore become the final layer of embodiment through which IP personalities enter the real world.



Olfaction × the Silver Economy: Embedding Olfactory Services into Healthy Ageing Scenarios

Case Study | Givaudan Silver Radiance™: Bringing Olfaction into Healthy Ageing Systems

Givaudan's Silver Radiance™ initiative addresses the deeper needs of older consumers across three dimensions. Physiologically, it develops "high-intensity fragrance diffusion with low irritation" formulations adapted to age-related olfactory decline. Psychologically, it applies the Proust Effect to develop nostalgic fragrance compositions for mild cognitive impairment interventions in elderly care settings. Socially, it develops low-concentration, socially appropriate fragrances to alleviate concerns related to body odor among older adults. The core opportunity within the silver economy does not lie in developing individual products alone, but in embedding olfactory services into broader elderly healthcare systems encompassing wellness support, companionship, and memory intervention, allowing fragrance to become an infrastructural node within healthy ageing scenarios. Current olfactory demands among older consumers span three dimensions: low-irritation yet highly perceptible products adapted to age-related sensory decline, cognitive intervention products based on memory activation, and socially appropriate fragrances designed for interpersonal interaction. All represent significant market gaps that require brands to address through systematic capabilities.

Olfaction is becoming an organic component of healthy ageing lifestyle systems.



Olfaction × the Pet Economy: Scent as an Emotional Medium Within Human-Pet Relationships

As pet-friendly environments become increasingly common, competition based solely on visual design and fashion-oriented pet products has become increasingly homogeneous. The olfactory economy therefore opens an entirely new growth dimension for the pet sector.

Demand 1:
Low-irritation odor-eliminating fragrances for human-pet shared spaces

HANSCHIU × Maocasa pet-friendly odor removal fragrance series adopts pet-safe formulations to break down household odors, creating a safe scented environment suitable for both humans and pets

Demand 2:
Functional fragrances for pet emotional calming

ScentAir launched PCC pet calming diffuser, which eases negative emotions such as stress and separation anxiety in cats and dogs with a pheromone botanical blend.

Demand 3:
Emotional connection fragrances for pet owners

OHSCENT × ZO & FRIENDS co-branded fragrance series, leveraging celebrity pet IPs, offers portable fragrance bag charms and other accessories to fulfill pet owners' need for emotional connection.

The olfactory dimension breaks through the increasingly similar competition surrounding visual aesthetics and pet styling, creating a new incremental growth pathway.



Case Study | MCM Zoo Universe Collection: Creating Companion "Emotional Characters" Through Scent

In August 2025, MCM launched the Zoo Universe collection. The bottle caps were designed as independently collectible animal sculptures, with the French bulldog, dragon, and rabbit characters each possessing distinct personality settings. Consumers were not purchasing fragrance alone, but rather an emotionally resonant companion character designed to connect with urban younger consumers seeking emotional attachment.

Following the collection's immediate commercial success, MCM expanded Zoo Universe into a continuously operated emotional IP. The newly opened PERFUME BOX flagship store in Shenzhen incorporated an MCM bear character installation to create an engaging experiential space. A Chengdu influencer one-day store manager initiative generated immersive participation. The #AdoptMyNewYearPet UGC campaign encouraged spontaneous user-generated sharing. A collaboration with W Guangzhou transformed fragrance notes into an afternoon tea experience that consumers could taste. Every touchpoint reinforced the same central narrative: "This is not perfume. This is your pet".

MCM did not simply enter the pet economy through cross-sector expansion. Instead, it used olfactory products to embody the emotional core behind the pet economy: companionship, character identification, and collectible repeat purchases. Scents therefore become the lightest and most everyday form of emotional companionship with pets.



Olfaction × the Cultural and Tourism Economy: Anchoring Destination Memories Through Scent

As travel experiences shift from sightseeing toward deeper sensory engagement, scents become a sensory memory that can continue to be recalled long after departure. Olfaction is becoming one of the most subtle yet enduring emotional anchors within high-end cultural tourism.

Case Study | Eternal Beauty × Five Ultra-Luxury Hotels: Christmas Tree Lighting Olfactory JourneyEmotion

During the 2025 Christmas season, Eternal Beauty collaborated with five ultra-luxury hotels, including Amanyangyun Shanghai, Waldorf Astoria Shanghai on the Bund, Mandarin Oriental Sanya, Banyan Tree Sanya, and Upper House Chengdu. Centered around Christmas tree lighting ceremonies, the program connected fragrance salons, fragrance gifting, themed spaces, and charitable markets to create an olfactory cultural tourism route spanning "urban luxury, coastal resorts, and cultural destinations."



The true value of the project did not lie in simply bringing perfume into hotel lobbies, but in deeply aligning fragrance narratives with the unique identity of each destination. Amanyangyun introduced Clive Christian's prestigious luxury fragrances to reinforce its secluded private luxury atmosphere. Waldorf Astoria Shanghai on the Bund used Chopard fragrances to enhance the cultural depth of its century-old architecture. The two Sanya resorts drew upon their coastal characteristics to express different interpretations of island romance and nature-inspired healing. Upper House Chengdu collaborated with MONTBLANC to create a fragrance charity market connected with the city's local elite community. Scent is no longer an additional luxury element, but an intrinsic component of destination storytelling.

This model creates reciprocal value. From the tourism perspective, cities gain distinctive olfactory identities. From the commercial perspective, fragrance brands leverage hotel ecosystems to precisely reach high-net-worth consumers, completing the pathway from immersive experience to commercial conversion.

The core logic of olfactory cultural tourism is clear: olfactory memory is the travel experience that continues even after departure.

Olfaction × the Sports Economy: Translating Sporting Experiences Through Scent

The collective emotional resonance generated by major sporting events is becoming a powerful narrative resource for fragrance brands.

Case Study | AXE × 2026 FIFA World Cup: Building Olfactory Narrative Assets Through Collective Sporting Emotion

AXE secured official sponsorship status for the 2026 FIFA World Cup, moving beyond conventional sports celebrity endorsement strategies and directly anchoring its cross-sector collaboration around the World Cup. This marks a transition in sports olfactory marketing from individual traffic-based approaches toward a new dimension centered on collective sporting emotion.

The core of the collaboration lies in collective resonance. The FIFA World Cup carries shared memories among global fans, including viewing excitement, competitive intensity, and the emotional exhilaration of victory. Building upon these collective emotions, AXE developed three tournament-exclusive fragrances, using differentiated scent profiles to portray distinct

emotional atmospheres associated with the competition. The brand simultaneously launched themed gift sets and personal care collections, while establishing offline experiential spaces in host cities, transforming the atmosphere of the tournament into scent-based assets that could be preserved and shared.

The core asset of sports events lies in collective emotional attachment, while the essence of olfactory marketing lies in long-term emotional anchoring. When these two dimensions converge, commercial partnerships evolve from short-term event marketing into enduring assets rooted in collective sport-memory.



5.4 Co-Creating the Olfactory Ecosystem: The Core Capabilities Perfume and Fragrance Brands Must Develop in the Future

The realization of strategic brand elevation, business model evolution, and cross-sector integration pathways all depends upon the systematic accumulation of foundational capabilities within the olfactory economy. Brands that remain continuously needed are not those that rely on a single moment of inspiration, but those that build and coordinate four core capabilities.

01 The Ability to Systematically Identify and Long-Term Manage Olfactory Value

At its core, competition within the olfactory economy is a competition to deeply understand and continuously respond to human sensory needs. Scent influences multiple dimensions, including memory, emotion, identity formation, social signaling, and biological rhythms. Together, these dimensions constitute a comprehensive map of olfactory demands, while emotional value represents merely the first dimension to receive widespread recognition. Brands must transform this understanding into continuously evolving product and service systems.

However, identifying olfactory value is only the starting point. The more fundamental challenge lies in long-term management: how can brands continuously create olfactory connections throughout the consumer lifecycle? How can an accidental encounter with a fragrance be transformed into a stable and enduring relationship? How can a brand's olfactory language continue to evolve alongside consumers' personal growth? Identification and management together form a complete value cycle. The deeper a brand's understanding of olfactory needs, the more precisely it can manage long-term relationships; meanwhile, the consumer data and emotional feedback accumulated through ongoing engagement continuously enhance the next cycle of demand identification. Remaining continuously needed represents the most difficult competitive barrier for brands within the olfactory economy to replicate.

What brands truly need to establish is the ability to recognize the complete spectrum of consumers' olfactory needs across different stages of individual life.

02 The Ability to Extend Across Multiple Scenarios and Become Olfactory Infrastructure

The commercial value of olfaction continues to expand as it enters new scenarios. From personal wear to domestic spaces, from retail environments to hotels and cultural tourism, from wellness settings to urban public spaces, every new scenario represents another sensory anchor through which olfaction becomes embedded within human life. Wherever scenario boundaries expand, the olfactory economy can extend accordingly.

Brands therefore need the ability to systematically design and continuously deliver cross-scenario olfactory solutions. This is not simply an extension of fragmented product lines, but rather a holistic solution capability built upon spatial logic and centered around sensory experience. When olfactory capabilities become genuinely embedded within the underlying structure of scenario experiences, rather than remaining temporary atmospheric enhancements, brands complete a fundamental transition from consumer product providers to operators of scenario-based value.

The infrastructure development of olfaction represents the pathway through which brands move from being selected by consumers to becoming relied upon by them.

The Central Proposition of Ecosystem Co-Creation

Together, these four capabilities point toward a shared ecological objective: transforming perfume and fragrance brands from consumer product providers into operators of olfactory ecosystems encompassing sensory insight, scenario expansion, cultural co-creation, and sector integration.

These four capabilities do not exist independently. Instead, they form a continuously upward-spiraling system. Deep identification of olfactory value guides strategic decisions regarding scenario expansion. The sustained accumulation of scenarios provides authentic foundation for cultural storytelling. In turn, cultural ecosystem co-creation strengthens the brand potential and strategic value of cross-sector integration. The ultimate destination of the olfactory economy is a future in which scent becomes an indispensable sensory infrastructure of modern life. Brands capable of systematically co-creating such ecosystems will become the core builders of this infrastructure and its long-term beneficiaries.

03 The Ability to Co-Create Cultural Ecosystems and Translate Cultural Narratives

The deeper competitive barrier within the olfactory economy does not lie in the uniqueness of fragrance formulations, but in whether brands can embed olfactory experiences within broader cultural ecosystems and make scent an inseparable sensory component of those environments. Perfume and fragrance products have never been merely individual commodities. They are distillations of contemporary emotions, declarations of cultural identity, and carriers of collective memory. A brand's ability to harness these cultural dimensions determines the depth of its position within the olfactory economy.

This requires brands to develop bidirectional narrative translation capabilities. Internally, brands must transform their aesthetic philosophies and cultural heritage into immersive experiences that consumers can perceive, participate in, and share. Externally, brands must embed olfactory language within broader cultural narratives encompassing art, theater, music, and local cultural traditions, establishing deep connections with cultural environments through symbiosis rather than simple placement. Brands with genuine ecosystem co-creation capabilities do not merely leverage cultural attention; they actively participate in cultural communication and narrative development.

When brands become participants in cultural ecosystem co-creation rather than passive observers, the sense of identification they cultivate will exceed anything achievable through conventional communication investment.

04 The Ability to Enter Emerging Growth Sectors Through Olfactory Integration and Cross-Sector Collaboration

Olfactory demands already exist across a wide range of emerging growth sectors. Yet within most emerging scenarios, it remains an underdeveloped sensory dimension that has not been systematically explored. This creates a structural first-mover opportunity. Brands that establish cross-sector integration capabilities ahead of competitors will be able to achieve deep alignment between olfactory language and emerging scenario needs before these markets become saturated.

The essence of cross-sector integration capability does not lie in simple collaborations or opportunistic partnerships, but in a genuine understanding of the emotional foundation and scenario logic of emerging sectors. Every growth sector contains its own distinctive consumer emotional structures and experiential expectations. Olfactory solutions must originate from these underlying structures rather than attempting to force existing products into unfamiliar contexts. The ability to identify sensory gaps within emerging sectors, fill these gaps through differentiated olfactory language, and establish collaborative co-creation mechanisms with IP owners, institutions, and platforms across different ecosystems constitutes the complete capability. Brands that systematically build cross-sector integration capabilities ahead of competitors will secure the entry point into the next major growth cycle of the olfactory economy.

The ultimate goal of cross-sector integration is not merely riding on trends, but to become the leading definer of the sensory language for emerging tracks.

IMPLICATION OF THIS CHAPTER

Key Takeaways

The future development of China's olfactory ecosystem is shifting from product competition toward the construction of systematic capabilities. Brands must evolve from single-product suppliers into value operators centered on emotion, scenarios, cultural expression, and scientific validation. Business models will likewise extend beyond one-time purchases toward long-term connections built through experiential spaces, content services, membership relationships, and cross-sector scenarios. As the olfactory economy continues to integrate with emerging growth sectors including the pan-ACG economy, the silver economy, the pet economy, the cultural and tourism economy, and the sports economy, scents are becoming a sensory interface connecting lifestyles, cultural expression, and emotional relationships.

With the future pathways of the olfactory ecosystem now clarified, the next key question concerns how different industry participants perceive these changes, opportunities, and challenges. Chapter 6, "Expert Interviews", will introduce perspectives from experts across industry, brands, scientific research, and public health, further validating and enriching the previous analysis of industry trends, consumer needs, scientific value, and ecosystem co-creation, while providing practical insights for the next stage of development within China's olfactory ecosystem.

Conclusion

China's perfume and fragrance industry is standing at a turning point from "category-driven growth" toward "ecosystem building". Against the dual backdrop of turbulence in global supply order and reassessment of Chinese consumer-market structures, scent demonstrates a unique capacity to withstand cycles. On one hand, it ties to supply-side systemic capabilities covering raw materials, perfumery, regulations and branding; on the other, it links to demand-side dimensions including emotional restoration, identity expression, spatial management and the order of daily life. As consumption shifts from "acquiring more products" to "cultivating a better self", perfumes and fragrances are no longer merely a niche product category. Instead, they serve as a sensory gateway for understanding the logic of China's new-wave consumption: the parallel advancement of scale effects from commercial perfumes, aesthetic upgrading driven by niche perfumes, and cultural identity built by homegrown brands with locally-rooted narratives jointly underpin the structural expansion of the market. Value divergence among five consumer groups, together with the unfolding of four dimensions, experience, emotion, identity, body and time, signals that olfactory consumption has evolved from product acquisition into ongoing practices of self-cultivation.

Within the evolution process, breakthroughs in olfactory science have delivered unprecedented certainty for this industry. Brain science research confirms that scent bypasses thalamic screening and directly reaches the amygdala responsible for emotion and the hippocampus for memory, making it the most direct emotional pathway among the five senses. A body of evidence built on neuroscientific studies and ethological experiments is transforming the efficacy of scents from subjective "I feel it works" to "data demonstrate that it works". With emotional value anchored in physiological foundations and verifiable mechanisms, the olfactory economy is no longer a conceptual fad. It has become a structural force rooted in human instinct and responsive to contemporary times. Four tiers of value, namely social currency, lifestyle aesthetics, emotion regulation and health support functions, overlap and resonate within the same market landscape. Accessible and low-burden, scent is also being integrated into public mental health support systems, acting as a gentle moderator of modern people's mental well-being.

Looking ahead, the rules of competition in this industry have been rewritten: competition is shifting from "whether brands can rapidly launch new perfumes and fragrances" to "whether they can create and communicate olfactory value in a stable, transparent, and compliant manner"; from "selling products" to "cultivating long-term sensory relationships". As olfaction keeps integrating with emerging growth sectors including pan-ACG, the silver economy, pet-related industries, cultural tourism and sports, scent is emerging as a perceptual interface connecting lifestyles, cultural expression and emotional bonds. The strategic direction of China's olfactory ecosystem has become increasingly clear:

Only by achieving coordinated development across four dimensions, namely systematic identification and long-term management of olfactory value, expansion and infrastructure development for multiple scenarios, co-creation and narrative translation of cultural ecosystem, as well as olfactory-led entry into cross-sector integration with emerging industries, can brands evolve from consumer product providers to builders and long-term operators of the olfactory ecosystem.

From "a bottle of perfume" to "a complete scent lifestyle system", from "a single fragrance encounter" to "a long-term sensory relationship", the construction of China's olfactory ecosystem has only just begun. Only by anchoring a long-term development framework of "elevation, iteration, integration, and co-creation", and enabling scents to establish stable connections across the body, spaces, mobility, healing experiences, and community lifestyles, can China's perfume and fragrance industry write a new chapter of Eastern sensory civilization within the global olfactory economy.

FERRAGAMO





CHAPTER

6 Expert Perspectives: The Olfactory Market Through Cross-Disciplinary Lenses

Overview



The depth of an industry white paper depends not only on the expertise of practitioners within the field, but also on the perspectives of observers beyond it. In this chapter, we seek to move beyond a single, industry-centric narrative by inviting experts and opinion leaders from diverse disciplines and cultural backgrounds to examine the present and future of China's olfactory ecosystem through the unique lenses of their respective fields.

We extend our sincere gratitude to every interviewee mentioned below who generously contributed their time, knowledge and insights to this chapter. Drawing upon their expertise in commercial space operations, academic research and education, media observation, content ecosystem development, popular culture, or the global flavor and fragrance industry, they have provided invaluable points of reference and intellectual resources for understanding China's evolving olfactory ecosystem. It is precisely these authentic insights, viewed through multiple professional lenses, that enable this chapter to transcend the boundaries of the industry and offer more nuanced, multidimensional and objective narratives. The China olfactory market they perceive may be more rational than we had imagined, yet also more deeply emotional. These insights across diverse perspectives offer an important point of reference as we continue to calibrate our understanding of the industry's future direction.



ACCA KAPPA



MEMO PARIS

Clara Molloy & John Molloy

Founders of MEMO PARIS

MEMO
PARIS



1.

Q: MEMO often describes each fragrance as an "olfactory postcard from a journey". When you arrive in a new city or region, how do you capture and select the scent impressions that are worth translating into the perfume?

A: We see our fragrances as "Travel Notes". We play on the word "notes", drawing a parallel between the actual notes of a fragrance and the thoughts or memories we might gather and cherish whilst travelling. Rather than a postcard, what we aim to create is an emotional and olfactory travel journal. A postcard is a predefined landscape; we are looking for a reimagined landscape.

It starts with the sensory experience of the place itself. The scent of the Atlantic after a storm on the Irish coast. The dry heat of a Moroccan medina at noon. The pine trees of southern France in summer... We choose places that still have their mystery and their silence—destinations not yet oversaturated in perfumery. From that sensory memory comes an olfactory impulse: what raw materials can reveal that landscape, what does the air smell like, what emotion does the place evoke? How do we want to be surprised? We try to let ourselves be carried away by these visions, not by seeking to reproduce reality but by imagining them as a collage of sensations. Then comes the talent of a perfumer to translate it freely into a fragrance. The result is not a literal reproduction. It is a reverie about the place.

2.

Q: Starting from olfactory storytelling and creative content, the brand gradually moves towards global layout and commercialization. As MEMO has evolved, how have you navigated the tension between idealistic creative freedom and the demands of building a sustainable business?

A: We believe that it is within this tension, this delicate balance, that something can emerge: a surprise, a bold move. Ever since we began, we have given the perfumer complete creative freedom, without market research or consumer testing. We allow ourselves to be guided by our intuition, our convictions and our creative vision. It seems that this sincerity is key and that it is compatible with business growth, without compromising anything. Also we believe that customers expect creations that are not formulaic.

3.

Q: From your observation, how are Chinese fragrance consumers' tastes and sensibilities evolving? Looking ahead, what kind of brand presence and emotional connection does MEMO hope to cultivate in China?

A: Chinese perfume consumers are increasingly drawn to niche brands like ours; they are looking for a sense of craftsmanship and a story behind every brand and every fragrance. I believe we are able to offer them this added value by providing fragrances that will transport them simultaneously to the heart of French perfumery expertise, Parisian creativity and places around the world where the aura remains intact.

4.

Q: If MEMO were to compose a fragrance inspired by a Chinese city or region, what cultural, natural, or sensory threads would you draw upon?

A: A few years ago, we created Winter Palace, a fragrance as an evocation of imperial China, its gardens and estates where Chinese artistry and refinement are on full display. A snowy landscape, the intensity of red tea, citrus fruits, resins and woods. The meeting of fire and ice, symbolized by a dragon on the bottle.

An imagery of China is already part of our world, but we could certainly consider exploring a new place, and an idea springs to mind: linking the destination to a typical local speciality—such as a fragrance that evokes the sensation of a steamed dumpling, whose broth releases all its flavour from the very first bite... something both enveloping and unexpected, with the relevant and fragrant ingredients of course. Why not ?!

ICR

Roberto Martone

President of ICR



1. **Q: Against the backdrop of the rapidly growing olfactory economy, high-end fragrance manufacturing has emerged as an increasingly pivotal pillar underpinning the entire industry value chain. Could you please share your perspective on how you would define the core value of the global perfume and fragrance manufacturing sector in today's market landscape?**

A: The core value of the global perfume and fragrance manufacturing sector lies in its ability to turn creative vision into products that are safe, scalable and capable of preserving their identity overtime.

High-end manufacturing is where creativity, scientific knowledge and industrial excellence come together. Today, manufacturers are not simply executors, but strategic partners supporting brands across formulation, production, quality, regulatory compliance, sustainability and logistics.

As consumers increasingly look for performance and responsible production, our role is to safeguard the creative essence of a fragrance while delivering it at scale. For ICR, this also means expressing the strength of Italian manufacturing, combining craftsmanship and attention to detail with innovation and advanced industrial capabilities.

2. **Q: From a global supply chain standpoint, ongoing geopolitical dynamics and constrained natural raw material supplies continue to reshape the broader industry landscape. Given ICR's standing as a trusted core manufacturing partner for leading international luxury fragrance houses, could you share the company's assessment of the long-term implications of this trend for industry consolidation?**

A: Geopolitical uncertainty and pressure on natural raw materials are making the fragrance supply chain more complex. Over time, this may lead brands to rely on a smaller number of trusted, solid manufacturing partners able to guarantee quality, continuity of supply and regulatory compliance across markets.

However, consolidation does not mean that size alone will determine success. In high-end fragrance, flexibility, precision, craftsmanship and sensitivity to each brand's creative identity will remain essential. The strongest manufacturers will therefore be those able to combine industrial resilience and scale with the agility and attention to detail required by high-end fragrance brands.

3. **Q: The olfactory economy has expanded well beyond personal fine fragrances to encompass home scents, automotive fragrance solutions, and a widening range of other consumption scenarios. Drawing on ICR's frontline industry expertise, could you share what adaptive adjustments to fragrance formulations and manufacturing processes the company has observed across the industry amid cross-category expansion?**

A: As fragrance expands into new categories, formulations and manufacturing processes must increasingly be adapted to the specific way each product is used.

A fine fragrance, a home diffuser, a candle or an automotive fragrance require different levels of diffusion, longevity and stability. They may also imply different safety standards and production technologies, but it is worthwhile considering the current trend of the market.

This cross-category expansion is therefore encouraging manufacturers to develop more specialised capabilities, while maintaining olfactory identity. The key challenge is to translate the same creative vision into different applications, ensuring that each product delivers the right performance and experience.

4. **Q: Looking ahead over the next five years, in your view, what will be the most profound and transformative shift across the global fragrance industry? And what core strengths and capabilities will ICR draw upon to proactively navigate and adapt to this industry evolution?**

A: Over the next five years, the fragrance industry will be reshaped by the convergence of creativity, technology and sustainability. At the same time, fragrance is increasingly evolving from a discretionary purchase into an essential part of consumers' daily well-being and self-expression. Brands will therefore seek faster innovation, greater customisation, stronger supply-chain resilience and more transparent production.

ICR will respond by combining industrial scale with flexibility and artisanal precision across production, quality, regulatory compliance and logistics. Its key strength will remain the balance between advanced technology and the human creativity and attention to detail that define high-end perfumery.



DSM-Firmenich
Angelina Yu
BD Manager, Fine Fragrance China

The Return of Joy: Reshaping Everyday Life

— China’s Perfume and Fragrance Market Enters a New Era of Emotional Transformation and Cross-Scenario Expansion

1. From “Stress Relief” to “Active Emotional Uplift”

China’s perfume and fragrance market is undergoing a profound transformation in its underlying narrative. Beyond its traditional role as a visible marker of social identity and personal taste, fragrance is increasingly becoming a medium through which individuals turn inward, actively cultivate joy, and reconnect with the authenticity of everyday life.

According to DSM-Firmenich’s latest consumer research conducted in April 2026, Chinese consumers have shifted their attention away from the macroeconomic uncertainties that dominated previous years. Instead, their primary concerns have returned to the fundamentals of everyday life. Budget management and savings, employment, and children’s education have emerged as the three issues receiving the greatest public attention.

TOP 3 PRIORITIES NOW

Apr 2026

Latest
evolution vs
previous
wave

1.



37%

Budgets and saving

2.



30%

Employment

3.



27%

Education

Within this increasingly pragmatic and rational outlook on life, consumers’ emotional well-being has not deteriorated. On the contrary, it has demonstrated steady resilience and gradual improvement. The survey shows that 60% of Chinese respondents reported experiencing positive emotions in their lives, representing a 6 percentage-point increase over the same period in 2025.



This renewed focus on the realities of everyday life is also fundamentally reshaping consumers’ motivations for using fragrance. Beyond the traditional expectation that fragrance should passively relieve anxiety or provide emotional refuge, Chinese consumers are increasingly seeking more proactive emotional benefits. According to DSM-Firmenich’s China consumer study conducted in September 2024, respondents identified the following as the three most important emotional benefits fragrance brings to their psychological and physical well-being:

Core Emotional Value of Fragrance for Chinese Consumers Share



Responding to consumers’ growing desire to use fragrance to foster positive emotional connections and enhance social confidence, DSM-Firmenich’s EmotiOn™ emotional fragrance technology platform recently introduced a new patent-pending innovation: EmotiOn™ Social Connection. This development marks a new stage in the evolution of functional fragrance. Fragrance is no longer expected merely to improve subjective emotional states; it is now being explored for its ability to influence behavioral tendencies and patterns of social interaction. While consumers have long used fragrance to evoke romance, an important new question has emerged: can scent also transcend the individual and encourage genuine emotional connection between people, enabling richer and more confident social interaction in everyday life? This question lies at the heart of EmotiOn™ Social Connection. Drawing upon neuroscience and rigorous clinical validation, the platform is designed to promote interpersonal connection through fragrance, empowering consumers to engage more confidently and naturally in their social lives.

2. Integrating Bright Modernity with Ethereal Healing

Reflecting this broader emotional shift, the conceptual direction of Chinese perfume and fragrance brands continues to evolve. Increasingly, brands are exploring how to combine the uniquely Chinese aesthetic of ethereal transcendence with brighter, more playful, and distinctly contemporary themes and olfactory elements. Whether expressed through vividly recognizable and juicy Chinese fruits such as guava, green apple, and pomelo, or through evocative imagery such as Paper Airplanes of Youth and Spring Picnics, these creative directions all point toward the emergence of positive nostalgia and joyful delights as defining creative trends within China’s perfume and fragrance market.

Building upon these insights, DSM-Firmenich curated a special olfactory art exhibition entitled Dose of Pleasure at Notes Shanghai, the boutique fragrance exhibition held in April 2026. Inspired by the landscapes, flavors, and cultural traditions of Asia, the exhibition began by reinterpreting familiar fruit notes before tracing the irresistible appeal of Asian desserts, exploring the sensory boundaries of sweetness, sourness, saltiness, bitterness, and umami. It further expanded this journey through contemporary interpretations of Asian spirits and tea culture, ultimately introducing the emerging olfactory trend of Olfac-treat. Through this curatorial approach, the exhibition achieved a uniquely Asian balance between readability, wearability, and artistry, generating broad resonance both within the fragrance industry and among the wider public.

Preface

To broaden the perspectives through which the olfactory economy is examined, this year’s White Paper invited Mr. Li Zhenhui, Senior Commercial Director of Shui On Xintiandi (Shanghai) for an in-depth interview. As the future community brand under Shui On Land, Xintiandi has consistently positioned humanistic innovation rooted in the integration of Eastern and Western cultures as its core DNA, maintaining its leadership within the industry. Today, perfume and fragrance have also become a key component of Xintiandi’s flexible commercial ecosystem, serving as a medium for shaping spatial atmosphere while creating new pathways for experiential innovation and sustainable growth in offline retail.

1.

Q: As one of China’s leading urban commercial destinations, Xintiandi has long championed the idea that “innovation is not only about brands, but also about lifestyles”. Could you elaborate on how this philosophy is put into practice?

A: China’s market is characterized by vast regional diversity, rapidly evolving consumer demands, and a high level of consumer receptiveness. As a result, commercial operations must always be tailored to local contexts. For more than two decades, Xintiandi has remained committed to exploring urban regeneration and community building, pioneering the open-block commercial model and consistently setting new industry benchmarks. Shanghai Xintiandi’s Shikumen-style district preserves the original architectural façades through meticulous restoration, transforming the area into an internationally recognized destination for fashion and culture. Panlong Xintiandi presents a contemporary interpretation of traditional Chinese culture integrated with modern lifestyles. Meanwhile, Xintiandi Dongtaili has developed a tenant mix specifically designed to meet the lifestyle expectations of affluent residential communities nearby. These projects allow visitors to experience Shanghai’s uniquely inclusive urban culture while simultaneously serving the refined lifestyle aspirations of local residents.

Scenario-based marketing has also become one of our core strategies. For example, in April, Parfums de Marly created an outdoor rose fountain installation in front of its concept store. By leveraging the visibility of the street-facing location, every corner of the district became a vehicle for communicating refined visual aesthetics, achieving a deeper integration between commercial space and everyday lifestyle aesthetics.

2.

Q: Within a premium commercial environment, what role do perfume and fragrance products play? How do you evaluate their value?

A: Within the ecosystem of high-end retail, perfume and fragrance products serve as a core element of what I would describe as a “soft commercial format”. They balance the overall commercial atmosphere, elevate consumer experience, and carry significant emotional value. Their role is therefore irreplaceable.

Traditional luxury categories, such as fine jewelry and high-end fashion, often create an atmosphere that can feel somewhat imposing or distant. Perfume and fragrance, by comparison, have a relatively accessible price point and appeal to a much broader audience. They soften the commercial environment, encourage consumers to linger, and enhance both the experiential quality and inclusiveness of the retail district.

From the perspective of consumption trends, perfumes and fragrances have evolved far beyond a single product category. They have diversified into multiple segments, including home fragrance and scenario-specific fragrance solutions. Increasingly, they have replaced more traditional forms of personal styling, such as changing one’s outfit or tie, becoming a subtler expression of individual identity and contextual self-presentation. At the same time, consumer behavior itself has undergone a fundamental shift. Purchasing decisions are no longer driven primarily by the satisfaction of acquiring a product. Instead, consumers increasingly seek enjoyable experiences first and decide whether to purchase afterwards. Experiential value has effectively moved to the very beginning of the purchasing journey and become one of its primary drivers.

Shui On Xintiandi (Shanghai)
Li Zhenhui

Senior Commercial Director



3.

Q: If there were no limitations, and you were free to imagine creating an “olfactory space” for Xintiandi, what possibilities do you envision?

A: Ultimately, the future of commercial competition will center on the ability to create meaningful resonance between physical environments and emotional value. The immersive olfactory space we envision would be fundamentally different from a conventional product display. Rather than focusing on merchandise itself, it would be organized around authentic everyday living scenarios, allowing visitors to discover fragrance solutions naturally as they move through a sequence of interconnected spaces. By recreating familiar environments such as home studies, lounge bars, bathrooms, and other everyday settings, each paired with perfumes or fragrances reflecting distinct moods and personalities, every scenario could acquire its own unique olfactory identity. For example, an ATKINSONS scented candle placed within a study would evoke an atmosphere of quiet restraint and intellectual calm. A Dr. Vranjes Rosso Nobile diffuser displayed in a lounge bar would introduce elegant wine-inspired notes complemented by refined woody accords. In a bathroom setting, Hermès premium bath and body products, together with their accompanying fragrances, could create a ritualistic sense of luxury within everyday personal care.

This immersive journey would significantly reduce the uncertainty many consumers experience when selecting perfumes and fragrances. More importantly, it would shift the consumer mindset from passively viewing products to actively imagining how fragrance fits into their own lives. In doing so, it would foster deeper, longer-lasting emotional connections between scent, space, and everyday living.

1.

Q: Functional fragrance has become one of the most closely watched topics and a major industry trend worldwide. What recent developments in functional fragrance, both internationally and in China, deserve particular attention?

A: The global fragrance industry continues to evolve rapidly, with functional fragrance emerging as one of its most important areas of innovation. Researchers in both China and overseas have carried out extensive studies in this field, employing technologies such as electroencephalography (EEG), physiological indicator quantification, and other objective measurement methods to scientifically evaluate the emotional and health benefits associated with fragrance. A commonly adopted approach combines natural essential oils with synthetic aroma ingredients to achieve synergistic effects. This strategy not only enriches olfactory complexity but also enhances functional performance, delivering both pleasurable sensory experiences and measurable health-related benefits. In China, research institutions have increasingly focused on indigenous aromatic botanical resources such as mugwort, osmanthus and rosemary to develop fragrance products with distinctive regional characteristics. Overall, two areas deserve particular attention: first, the technologies used to characterize specific fragrance functions, such as cognitive enhancement, sleep improvement and depression relief; and second, approaches for further enhancing the health-promoting effects of fragrance.

2.

Q: What are the key challenges facing China's functional fragrance industry, and how can they be addressed?

A: One of the most significant challenges currently facing China's functional fragrance industry is maintaining consistent raw material quality. Pure natural fragrance ingredients generally exhibit relatively simple scent profiles, while their chemical composition is highly susceptible to variations in growing conditions, harvest timing, and other environmental factors. As a result, the concentration of active ingredients can vary considerably from batch to batch, making it difficult to satisfy the consistency requirements of standardized mass production. To address this challenge, the industry has been exploring a hybrid formulation strategy that combines the strengths of both natural and synthetic ingredients. Natural essential oils provide distinctive aromatic bioactive compounds, while high-purity functional synthetic fragrance ingredients are incorporated to achieve molecular-level synergistic enhancement. Through scientifically optimized formulations, this approach effectively minimizes efficacy fluctuations caused by batch-to-batch variation in natural raw materials, strengthening quality control while maintaining high fragrance quality.

3.

Q: What is the current application status of functional fragrances? What important application directions and trends do you foresee over the coming years?

A: At present, functional fragrances remain concentrated primarily in daily consumer products, including fine fragrances, personal care products, and home fragrance applications. Large-scale adoption across other industries is still largely at the pilot stage. Looking ahead, one important direction will be their practical application within mental healthcare institutions, where functional fragrances may serve as non-pharmaceutical complementary interventions to help alleviate anxiety and improve sleep quality among patients. At the same time, fragrance-infused functional textiles designed for sportswear, as well as intelligent time-controlled scent diffusion systems for office buildings, are expected to emerge as promising new application scenarios. Other specialized segments, including calming fragrances for pets and functional flavoring for food products, are also anticipated to experience rapid growth in the coming years.

4.

Q: How is talent development progressing for China's functional fragrance industry?

A: Functional fragrance is inherently interdisciplinary, and expertise in perfumery alone, or in any single discipline, is no longer sufficient to meet industry needs. Shanghai Institute of Technology provides a representative example. Its program in perfumery and flavor science was established in 1956 and is widely recognized as one of China's longest-standing academic programs in the field, maintaining particularly close ties with industry. To address the growing demands for interdisciplinary talent, the university has established an integrated education, research, and industry platform for intelligent fragrance and flavor manufacturing, bringing together specialists in materials science, biology, chemistry, fragrance technology, and related disciplines. The program adopts a dual-supervisor model jointly led by academic faculty and industry professionals, enabling students to participate throughout the entire product development process, from raw material screening and formulation design to efficacy validation and commercialization. In addition, the university provides long-term industry internships through integrated academia-industry partnerships and collaborates with leading enterprises to establish employer-sponsored training programs. Graduates have gone on to join internationally and domestically renowned fragrance and flavor companies, while increasing numbers continue their studies at leading universities in China and abroad. The university has also established international training platforms in partnership with universities and global companies worldwide, further broadening students' professional perspectives and industry exposure.

Shanghai Institute of Technology Niu Yunwei

PhD and Professor at School of Perfume
and Aroma Technology
Shanghai Institute of Technology

As a Doctoral Supervisor, Niu concurrently serves as Director of the Engineering Research Center of Perfume, Aroma and Cosmetics of the Ministry of Education, and Director of the China National Light Industry Council Key Laboratory of Aroma Synergy and Controlled Release Technology. He is a recipient of several prestigious talent initiatives, including the Shanghai Oriental Talent Program (Leading Talent Track), the Shanghai Outstanding Academic Leaders Program, the Shanghai Shuguang Program, and the Shanghai Pujiang Talent Program.



Ferragamo Global Fragrance Ambassador

Wang Junkai, Karry

Youth Actor and Singer

1.

Q: In your life, do you see fragrance more as a daily ritual, an emotional trigger, or a language of self-expression? As you have grown through different stages of life and accumulated more experiences, has your relationship with fragrance changed as well?

A: I think it's all of those. In the past, wearing fragrance was more of a pre-work ritual, something that helped me switch into the right mindset. Now, I pay much more attention to how a fragrance makes me feel, and I choose different scents depending on my mood or the occasion. In many ways, different fragrances represent different versions of myself at different moments.

2.

Q: When moving between different emotions or life scenarios, do you ever use a particular scent to help shift your state of mind? Is there a certain type of scent that instantly brings a particular person or place to mind?

A: Definitely. When I'm working, I tend to choose notes that feel clean and have a sense of strength. In my personal life, I prefer notes that are more comforting and relaxing. Scents are also closely connected to memory. For example, whenever I smell Signorina, I'm reminded of the atmosphere in Florence during my very first Ferragamo campaign shoot. And the Sublime Leather always takes me back to the days we spent filming Chinese Restaurant in Chiang Mai, with its vibrant streets and everyday warmth.

3.

Q: Having worn Ferragamo fragrances for many years, what single word best captures the essence of the brand for you? Does it reflect the kind of lifestyle or aesthetic that you personally appreciate?

A: The word that comes to mind is composure. It's never overly flamboyant, but it has depth and leaves a lasting impression. That's also the kind of quality I appreciate in life. I don't feel the need to express everything immediately. I'd rather move at my own pace and focus on doing things well.

4.

Q: If you were to compare a fragrance you've worn for many years to a "quiet companion", what would you say is its greatest value? Could you share one or two moments associated with fragrance that have stayed with you over time?

A: I think its greatest value lies in its ability to preserve moments. Sometimes, all it takes is a familiar scent, and the memories, the atmosphere, and the emotions from that moment come rushing back. To me, fragrance is more than just a scent. It's a vessel that carries so many memories.

FERRAGAMO



菲拉格慕香水全球代言人 王俊凯

Jingzhi Media Group

Gu Xiaofeng, Charlie

Founder, Chief Executive Officer
Editor-in-Chief, BeautyMatter (China)



1.

Q: From your observation of the overall market, what fundamental changes are currently taking place in China's perfume and fragrance consumer market?

A: First, we are witnessing a significant shift in the underlying needs of consumers. Chinese consumers are becoming increasingly sophisticated and individualistic in the way they choose perfumes and fragrances. In the past, they primarily served as an outward expression of social identity or functioned as a gift. Today, however, consumers' primary motivation is shifting from "wearing fragrance for others" to "wearing fragrance for oneself". More and more consumers regard scent as an integral part of self-care, emotional regulation, and psychological companionship, using different fragrances to complement different emotional states and moments in their lives.

Second, China's influence within the global fragrance industry continues to grow. The industry is evolving from viewing China merely as a market to be observed into recognizing it as an active contributor to the language and discourse of the global fragrance industry. Asian olfactory aesthetics, Chinese consumers' understanding of emotional value, and the exploration of indigenous ingredients and scenario-based storytelling by local brands are increasingly becoming important sources of inspiration for the international fragrance community.

These developments are, in turn, encouraging global brands to rethink their approach to the Chinese market. The relationship between China's fragrance industry and its international counterparts has evolved beyond the traditional one-way export of brands into China. It is increasingly characterized by two-way exchange and, in many cases, collaborative co-creation. China is contributing not only to industry growth but also to new ways of imagining the future of fragrance.

2.

Q: How are these changes in consumer demands reshaping the requirements for international perfume and fragrance brands entering the Chinese market?

A: In the past, international perfume and fragrance brands could successfully enter the Chinese market largely on the strength of their overseas reputation. Today, however, Chinese consumers possess a far more sophisticated understanding of perfume and fragrance, and their preferences are evolving rapidly. Simply replicating products and marketing narratives developed for overseas markets is no longer sufficient to establish sustainable competitiveness. International brands must therefore undertake three essential forms of localization.

The first concerns product development. Compared with the bold and expressive scent profiles that are often favored in some Western markets, Chinese consumers generally show greater appreciation for fragrances that are softer, more nuanced, and less overpowering, as well as scent languages inspired by Asian aesthetics, such as tea accords. International brands therefore need to invest far more seriously in understanding Chinese fragrance habits rather than treating China merely as a sales destination.

The second involves the localization of brand storytelling. What brands need is not simply the translation of existing brand stories, but the translation of cultural contexts. They must identify meaningful connections between their own cultural heritage and the emotional experiences and everyday lives of Chinese consumers.

The third concerns channel strategy and operational capabilities. China's perfume and fragrance retail ecosystem is highly complex, and the category remains strongly dependent upon offline sensory experiences. Brands therefore need the ability to create compelling digital content, drive consumer discovery, deliver high-quality offline experiences, and understand the distinct role that each channel plays throughout the consumer decision-making journey. Entering China is no longer simply about opening stores or expanding distribution; it requires building an entirely localized operating system centred on the Chinese consumer.

3.

Q: In recent years, original Chinese perfume and fragrance brands have attracted considerable attention from international buyers at global trade fairs. How do you envision the long-term pattern of two-way exchange between China's perfume and fragrance industry and the global market?

A: I believe that two-way exchange between China's perfume and fragrance industry and the global market will become the industry's long-term norm. On the one hand, international brands will continue entering China through increasingly refined and localized strategies. On the other hand, a growing number of Chinese perfume and fragrance brands will expand internationally. More outstanding independent perfumers and creative talents are gaining global recognition by developing distinctive creative languages rooted in Asian ingredients, traditional Chinese incense culture, and contemporary aesthetics. China's long-established fragrance culture has also given rise to diverse scent-related lifestyle scenarios, including incense sticks, home fragrances, and many other olfactory experiences, offering fresh inspiration for international brands as well.

In reality, the Chinese and international perfume and fragrance industries possess strong complementarities. International brands bring mature perfumery systems, rich brand heritage, and extensive expertise in cultivating the luxury market. Chinese brands, meanwhile, excel in digital content operations, scenario-based olfactory storytelling, rapid product innovation, and responding quickly to the evolving emotional needs of younger consumers. Future competition will therefore not simply revolve around which brands enter which markets, but around how both sides learn from and strengthen one another across different segments of the value chain.

In the long run, the perfume and fragrance brands with the greatest vitality will not be those that are understood only within a single market. Rather, they will be the brands capable of creating meaningful resonance across different cultures.

Jiefang Daily
Ye Yu

Business and Finance Reporter



1.

Q: As a business and finance journalist, how do you view the economic significance of the perfume and fragrance industry evolving from a niche category into a high-growth sector?

A: This trend carries significance on three levels. First, it creates new momentum for consumer spending. China's the 15th Five-Year Plan places strong emphasis on stimulating domestic consumption, and perfumes and fragrances align closely with the emotional and aesthetic aspirations of today's younger consumers. As both international and domestic brands accelerate their investment in the market, they are injecting new momentum into the supply side, unlocking fresh consumer demands and expanding consumption potential.

Second, it is driving the upgrading of the industrial value chain. Taking fragrance ingredients as an example, global leaders such as IFF and Givaudan have established innovation centres in China, while domestic companies continue to increase investment in research and development, including the development of proprietary specialty ingredients. Growing consumer demands are accelerating both the localization and premiumization of the upstream and downstream segments of the industry.

Third, it is fostering the development of Chinese brands. During this latest wave of market growth, a new generation of domestic brands has successfully differentiated itself by embracing Generation Z aesthetics and building narratives rooted in Asian culture. Many have already begun expanding internationally. For example, the Shanghai-based premium fragrance brand Documents opened its first overseas boutique at Dubai International Airport, while international visitors increasingly include To Summer's Huaihai Road flagship store on their travel itineraries, viewing "Chinese fragrance" as a distinctive souvenir from China.

2.

Q: China's perfume and fragrance market continues to rank among the fastest-growing in the world. In your opinion, what is the primary force driving this latest wave of growth?

A: Without question, the most important driver is the profound transformation of consumer demands. Today's consumers increasingly seek products and experiences that deliver pleasure, emotional fulfillment, and positive energy. As the skincare and color cosmetics categories approach maturity, a growing share of disposable income is shifting toward emotionally driven and experiential consumption. Perfume and fragrance products, associated with premium lifestyles and refined sensory experiences, have effectively absorbed such expanding demands.

Another important catalyst has been China's highly developed omnichannel retail ecosystem. On the digital side, content-driven platforms such as rednote and Douyin have significantly improved perfume and fragrance literacy by educating consumers through fragrance note analysis, reviews, and sampling content. Offline, flagship stores and multi-brand perfume and fragrance boutiques provide the sensory experiences that complete the consumer journey. At the same time, the emergence of the "sample economy" has substantially lowered the barriers to trial, creating a new consumption pathway that moves consumers from perfume and fragrance samples to full-size purchases while accelerating the cultivation of perfume and fragrance-wearing habits.

3.

Q: As the number of original domestic perfume and fragrance brands continues to grow rapidly, product homogenization is becoming increasingly evident. Where do you believe Chinese brands should focus in order to build sustainable long-term competitiveness?

A: To differentiate themselves successfully, Chinese perfume and fragrance brands need to cultivate highly specialized scenarios and focus on clearly defined consumer segments. From the perspective of usage scenarios, brands can develop perfumes and fragrances tailored to specific emotional needs, such as relieving workplace stress, supporting relaxation before sleep, or creating moments of quiet reflection. They can also design perfumes and fragrances for distinct spaces, including bathrooms, bedrooms, and studies. From the perspective of target consumers, brands should focus on specialized groups, such as business fragrances for men, lightweight fragrances for students, or fragrances designed for outdoor activities. By developing product lines tailored to the lifestyles and preferences of these specific consumer segments, brands can establish stronger authority within clearly defined niche markets.

4.

Q: Looking ahead to 2026 and beyond, what new characteristics do you expect to emerge at the intersection of the perfume and fragrance industry and the olfactory economy?

A: Looking forward, I believe the convergence of the perfume and fragrance industry and the olfactory economy will be shaped by three mutually reinforcing forces: evolving consumer behavior, technological innovation, and growing cultural confidence, together creating a more integrated and multidimensional ecosystem.

The first trend will be the increasing refinement of usage scenarios. Statistics indicate that more than 40% of consumers already choose different fragrances for different occasions. In the future, fragrance will extend far beyond traditional social settings into everyday moments such as morning routines, work, commuting, and travel, becoming an essential element of daily rituals and lifestyle expression.

The second trend will be technology-enabled innovation. For example, Eternal Beauty has already introduced EEG-based fragrance emotion assessment technology, transforming emotional responses into measurable data to support more targeted product development. Meanwhile, digital scent technologies will increasingly bridge physical and virtual olfactory experiences through innovations such as whole-home scent diffusion systems, in-vehicle scent modules, and olfactory installations for cultural tourism venues and cinemas. These developments will position scent as an integral component of fully immersive, multisensory experiences.

