Puig and Tmall partner to reach China's fragrance consumers

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Scent Visualizer enables users to discover, recognize and visualize the scents of perfumes

Chinese e-commerce site <u>Tmall</u> has identified perfume as a strategic growth opportunity and partnered with Barcelona-based fragrance brand <u>Puig</u> to launch Scent Visualizer on their platform. The platform enables everyone to browse, compare and choose fragrances from a constantly updated library which currently includes some 21,500 scents (WikiParfum).

As noted in a press release, currently in China just 5% of the population wears fragrance (according to a 2022 BCG report). From 2015 through 2020, the Chinese fragrance market maintained a compound annual growth rate of nearly 15%. Over the next five years, market growth is expected to surpass 22%, three times the rate of the global fragrance market (Kantar & Eternal Fragrance Report 2021).

To reach these consumers, Tmall has launched the Scent Visualizer, an innovative digital technology developed by Puig that enables fragrance newcomers to discover, recognize and visualize the scents of perfumes. The Scent Visualizer displays the main olfactive ingredients in a perfume which allows the user to picture, literally, how the perfume smells.

Twenty-five renowned international brands have participated in a Scent Visualizer pilot on Tmall over a seven-week period, which delivered promising results: just by adding a simple picture for each perfume, brands' online gross merchandize volume (GMV) increased by 5% on average. Both conversion rate and average transaction value (ATV) were improved, as consumers made purchase decisions more quickly when they could "read" the scent and were willing to pay more to appreciate the precious ingredients when those were displayed in a clear and coherent way across brands they like.

The Scent Visualizer is a collaboration with Fragrances of the World, the most extensive and complete source of information supplied by perfume brands to the industry.

In the near future, Tmall plans to launch the Fragrance Finder, a tool powered by the Scent Visualizer that generates personalized recommendations for specific perfume brands and products, based on users' preferences in terms of ingredients, perfumers, or mood.

"We are happy to share our expertise and digital ecosystem of technologies to introduce more shoppers to the pleasures of fragrance. We have specially adapted the fragrance descriptions and visualizations to the Chinese consumer, by working hand in hand with Tmall, which has a very impressive consumer-centric and perfume expert team. We expect this first phase to be the beginning of a long-term collaboration which will elevate the fragrance category for China's fragrance' lovers," said Camila Tomas, Puig Global Innovation & New Technologies VP.

Bao Ling, Fragrance Category Director from Tmall, added, "As China's fragrance market continues to grow, there is tremendous interest from Chinese consumers in finding out about new fragrances, as well as buying their favorite scents. We are excited by the results of this initial Scent Visualizer pilot, in partnership with Puig and look forward to seeing further growth in this category."