

Smells like teen spirit: Premium fragrances for 13-19-year-olds

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Teens have become key spenders; a much-hyped fact that in terms of beauty products has spawned a new category of fun and funky, fashion-led lines and functional, problem-solving brands. Fine fragrances have formerly stood beyond this market, positioned at an older consumer and priced accordingly, but this is starting to change as the premium segment looks for new avenues to growth.

Today's 13-19-year-olds (of which there were 842 million globally in 2005) have far more a spending power than any generation before them and are serviced by a teenagers' products market that is expected to hit an estimated US\$238 billion worldwide this year. Not only are they more affluent, today's teens are generally more sophisticated consumers than ever before. This bodes well for premium fragrances. Perfectly positioned to offer fun and glamour, the dual but often contradictory demands of this demographic; scents are also well-placed to ride the teen trend toward more upmarket masstige and premium products.

An Infant Market

While lower-priced mass fragrances have historically been better placed to appeal to the teen market, prestige brands are beginning to reposition themselves to appeal to the younger set. Ralph Hot, the latest fragrance from fashion house Ralph Lauren launched earlier this year, clearly establishes itself at odds with the traditional brand image, with a bold packaging design and stylish multimedia advertising campaign that includes free internet downloads and the latest beauty and fashion tips to target women aged between 15 and 25. Also new this year and aimed at the Asia-Pacific market, Yves Saint Laurent's Young Sexy Baby combines the label's elegant image with a fresher, more innocent note.

Probably the biggest success on the teen fragrances market right now however is the Curious by Britney Spears brand. The Elizabeth Arden creation only holds a significant presence in five key international markets and yet sales were strong enough to push it into the global top 20 for premium fragrances last year. In the US, the US\$58 million scent, placed eighth and was soon followed by the star's next perfumes, Fantasy and In Control.

Fitting in With Fashionable Teens

Image is vital to hyper-fashion-conscious 13-19-year-olds, making packaging and marketing among the key determinates of success for teen brands. That is exactly why Curious has sold so strongly; Britney Spears has 100% brand penetration in the US according to Elizabeth Arden and every media scandal she survives reinforces her status as a teen role model and further strengthens the brand. Rival fragrance firms have been quick to try and replicate the success of Curious, with other celebrity teen fragrances including Coast to Coast Mary-Kate and Ashley Olsen, and scents from singers/actresses Lindsey Lohan and Hilary Duff.

Innovative advertising campaigns are also central to building brand image but also in reaching this technologically-savvy, increasingly marketing sceptical group. Besides the internet, mobile phones offer an ideal platform. Shiseido and L'Oréal have already started experimenting with this medium and now Procter & Gamble has announced plans to advertise on Amp'd Mobile, which claims 50,000 subscribers and also acts as a market research tool by offering discounts to consumers who provide demographic details. Video games, novels and even school text books are also becoming vehicles for teen-targeted advertisements.

Product innovation is also central to holding the interest of this fast moving trend driven market. Products can expect a relatively short shelf-life and the best shot at long-term brand success is constant evolution. Formulation and packaging are not the only targets for development however, and novel delivery formats can also add appeal. Keeping prices low is also important when selling to this limited-income group, particularly given teens' perpetual need to change and upgrade. This can be an issue for premium products, but instead of compromising on image of quality, manufacturers can reduce unit sizes to bring their brands within reach of teenagers. This approach was emphasised by Elizabeth Arden's International Marketing Director Nina Lund at the Fragrance Foundation Training Seminar, held in London in September, and is already resulting in the increased availability of 30 ml scents.

Retail format is also a key consideration for fine fragrances hoping to attract the teen dollar. Thirteen- to 19-year-olds are less likely to purchase in department stores, so mass merchandisers with self-select or open-sell outlets are prime targets for teen scents. Some retailers have gone so far as to establish speciality stores, or micro-environments, with teenagers specifically in mind.

A Global View

The trend towards premium fragrances with teen appeal is being driven by the world's most developed markets, such as the US, UK and Germany, where manufacturers are looking to revive slowing sales by expanding the consumer base. In the US there are almost 30 million 13-19-year-olds, making this among the largest teen population in the world and an important source of new consumers. In Germany, just one-third of teen girls are wearing fragrances (the statistics are even lower for boys) and it is little wonder scent makers are eager to lift penetration rates among the demographic. In other European markets, including France and Spain, teenage-targeted fragrances are far more established, reflecting the tradition for mothers to use fragrances on their babies and young children. In these countries, the challenge for manufacturers is to encourage the trade up to more premium brands.

Many of the world's emerging markets are home to some of the largest teen populations and could hold potential for future expansion of the trend. Russia, China and India combine large populations with growing affluence and an increasing awareness of consumer brands, although such non-essential items as fragrances, particularly premium ones, are unlikely to be within the means of most of the regions teenagers. In Latin America, Brazil stands out. With a teen population of more than 23 million, 13-19-year-olds make up 13% of the total population; a higher proportion than almost all other countries and a figure that is projected to grow into the longer term. The country too has a tradition of using fragrances from a young age, similar to many in Western Europe.

Scenting Danger

Targeting teens with new scents is not without its challenges. In markets where fragrances are seen as for adults only, manufacturers can face opposition. In the UK, for example, the National Association of Teachers and Lecturers has been critical of the apparent sexualisation of young girls. Television advertisements for Curious were banned from broadcasting before 1930hrs on UK television after regulators judged the content to be too racy for younger viewers.

Since price is key, fragrances also have to compete against more affordable scented body sprays. Body sprays are also seen as a safe entry point for teens whose parents are not quite ready for them to graduate to full-strength perfumes. In the US, Procter & Gamble's Sparkle Body Spray targets younger teens with an internet site that includes free samples, iPod giveaways and cross-promotions with other teen-oriented brands such as fashion label Limited Too. For boys, deodorants such as Unilever's US\$1.2 billion Axe/Lynx/Ego brand and competitor TAG (by Procter & Gamble) are similarly attracting sales away from men's fragrances.

Smell of Success

Despite the hurdles, the trend towards premium teen fragrances is expected to grow and spread into other, less penetrated age categories. Already many prestige brands have expanded into baby scents, with Givenchy, Guerlain, Burberry and Bulgari just some of the names appearing in the category in the US. The next target is expected to be "tweens", an age group with a worldwide spending power of around US\$170 billion. Like teens, this demographic is brand savvy and with the 'age compression' phenomenon (also known as KGOY – kids getting older younger) premium fragrances are likely to appeal to their increasingly mature tastes.

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