Fragrance makers set sights on Southeast Asia for expansion starting point

By Jen King
March 11, 2015

France's Fragrance Du Bois is helping fellow perfumer Xerjoff build awareness in Southeast Asia by hosting the Italian brand at its Singaporean flagship.

Given the young age of these fragrance makers, both were founded in the mid-2000s, entering an emerging market through a retail partnership may be beneficial as many consumers in the Southeast Asia region may be unfamiliar. Placement in Fragrance Du Bois' already established flagship will help Xerjoff to continue its global expansion plans.

"There is a vast array of untapped opportunities in Southeast Asia – the countries in the region are fast growing economies with an ever increasing ability to spend on luxury as the consumers get more sophisticated," said Nicola Parker, brand director of Fragrance Du Bois, Paris. "This raising sophistication also results in consumers looking for niche brands that use the finest quality ingredients in fragrances and also allows them to stand out from the crowd.

"Fragrance Du Bois's first flagship boutique was opened in Singapore as it is one of the trendiest fashion capitals in the world, and Singapore perennially tops the charts for being the most competitive economy in Southeast Asia," she said.

"At Fragrance Du Bois we have seen a substantial interest for niche perfumery in Southeast Asia. This will benefit Xerjoff as it will serve as a gateway for opportunities for Xerjoff to expand its worldwide presence to countries around the region. Xerjoff already has a strong following in Europe and the United States, hence it is an excellent time to expand and an important step for the brand to be in one of the fastest growing markets in the world."

Fragrant roomies

Xerjoff's niche perfumes will be showcased at Fragrance Du Bois' flagship at the Fullerton Hotel in Singapore. Entering the Southeast Asian market through Singapore is a ideal as the city-state is considered one of the trendiest fashion cities in the world.

"There, Xerjoff can appeal to Asian consumers' affinity for distinct perfumes and their appreciation of the unique identity that the perfume imbues the wearer and which, traditionally in Asia, signifies upper class," said Thomai Serdari, Ph.D. brand strategist and adjunct professor of marketing at New York University, New York. "Let's not forget that that particular region of Asia is in the middle of a financial boom that has stirred interest in all fields of luxury consumption from fashion to design and art collecting.

"Strategically, it is a smart move to enter a market that values the product (because of tradition) and can afford it because of the financial boom," she said.

The Italian brand was an ideal choice for Fragrance Du Bois as the Italian perfumer creates traditional scents in modern, handcrafted bottles. Mr. Momo draws inspiration from his Italian heritage and his dedication to craft has resulted in original fragrances that pay homage to nature.

For its bottles, Xerjoff uses a combination of semi-precious hand-cut stones, quartz and Murano glass, wood, brass, bronze, gold and leather. These characteristics, of both scent and aesthetic, will interest fragrance aficionados who may have grown tired of what is currently available from primary perfumeries.

To highlight its dedication, Xerjoff has created two collections using the "mystical and enigmatic" Oud oil. Presented in crystal bottles, the fragrances' ingredients were sourced from Southeast Asia including Laos, Indonesia, Thailand, India and Cambodia.

"Oud is a heavy and distinct substance that is ingrained in Asian consumers' memory and invokes wealth, status and nobility," Ms. Serdari said. "By sourcing the material in Southeast Asia, Xerjoff contributes to the revitalization of the regional industry that gives jobs to locals, utilizes natural resources in a sustainable manner and ensures the continuation of Asian traditions.

"These are additional messages that will resonate with the Asian consumer," she said. “One needs to remember that there has been no break in traditions in that part of the world.

“Today, as more wealth is created in the region, traditions are celebrated rather than rejected--they are showcased alongside new ideas and brands imported from the West. Local traditions and crafts are as important for the young cosmopolitan Southeast Asian consumers as other types of luxury they choose to consume.”
Currently, Fragrance Du Bois operates boutiques and lounges in Bangkok, Thailand, Kuala Lumpur, Malaysia, Hong Kong and Dubai, United Arab Emirates. At these locations, consumers are presented with a luxury fragrance experience and Fragrance Du Bois' work with Xerjoff will help to enhance its current offerings.

In time, Fragrance Du Bois plans to increase its retail collaborations with other niche perfumers to expand its own offerings and the availability of smaller scent makers.

Beyond the BRICs

Luxury brands are expanding beyond the BRICs to reach a blossoming middle class consumer.

Growth extends beyond China and the other BRICs to include what McKinsey calls the “Next 15.” These additional 11 countries are set to drive 80 percent of emerging market growth even though they only account for 25 percent of the global GDP.

These regions include South Korea, Indonesia, Mexico, Turkey, Iran, Egypt, the Philippines, Nigeria, Pakistan, Bangladesh and Vietnam. With 60 percent of the world’s population living within these countries, brands now have opportunities for growth outside the traditional established markets (see story).

Southeast Asia has untapped potential for brands and retailers that has yet to be explored to the same degree as China.

With a regional population of more than 600 million people, Southeast Asia is gaining steam in the luxury market space in both product purchase and hotel stays, according to a panel at the 2014 FT Business of Luxury Summit.

The panel focused on Southeast Asia and how investors, consumer brands and hoteliers can get a handle on the large and complicated area. Southeast Asia’s marine- and land-based economies throw a significant challenge to brands who must rethink current models to adapt to the region’s nuances (see story).

“Fragrance Du Bois has already established itself in the Southeast Asian market primarily because of its strategy in sourcing natural oils from the region,” Ms. Serdari said. “That has created new jobs and opportunities for the locals as well as reinforced the discussion of sustainability and utilization of local resources in a responsible manner.

“Having established its presence in the market for several years, Fragrance Du Bois is the ideal partner for Xerjoff that enters this market for the first time,” she said. "While Xerjoff is an Italian brand and Fragrance Du Bois is French, in other words both are European, Fragrance Du Bois provides a bridge between the East and West by allowing the locals to take pride in their homegrown natural resources, which are then converted into unique fragrances in the South of France, a region renowned for perfume making.

"Xerjoff brings the clout of an Italian house interested in signature scents (and not mass-produced, celebrity-driven product) which, additionally, it packages in elaborate bottles, an idea that has always been appealing to the South East Asian consumer. In uniting their powers, both companies gain in synergies: Xerjoff gains through a partner with an established presence and known name in the market; Fragrance Du Bois gains through a partner that brings innovation and appeals to the taste of the local market.”