

THE THRIVING PERFUME MARKET IN INDIA – A FRAGRANT JOURNEY THROUGH GROWTH AND OPPORTUNITY

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ABSTRACT

India's perfume and fragrance industry has developed from a culturally ingrained handicraft sector into a fast-growing section of the beauty and personal care economy of the nation. This literature review investigates market development and segmentation, regional distribution and consumer preferences, heritage innovation integration, brand landscape and how competition works, celebrity endorsement and brand perception, health and sustainability issue, economic impact and growth drivers, market challenges and difficulties, future potential and strategic alternatives. From its venerable attar heritage, the market which reached roughly USD 1.39 billion in 2024 and is projected to rise at 5-15% CAGR to USD 2.32 billion by 2034 evolves from traditional attar inheritance to a premium-driven industry impacted by rising disposable incomes, urbanization, and digital trends. Segmentation highlights mass/premium distinctions, female dominance (52%), and regional variations (North India leading at 31–40%). Consumer opinions with young people (18–35) driving demand highlight scent, emotional links, and celebrity endorsements. Counterfeits, regulatory complexity, and health sensitivities all present challenges, whereas possibilities in artificial intelligence customization, sustainability, and e-commerce lie. Emphasizing India's cultural blending of tradition and innovation, the study situates the market for worldwide competitiveness via planned adaptations.

Keywords: India perfume market, consumer behavior, celebrity endorsements, market segmentation, attar heritage, sustainability, e-commerce, youth preferences, fragrance innovation.

INTRODUCTION

As investigated from various sources, the Indian perfume market represents a vibrant junction of cultural legacy, financial change, and current consumer goals. From traditional, Mughal-era craftsmanship to a multi-billion-dollar industry shaped by globalization, urbanization, and digital trends ^[1], the industry has grown from ancient customs such as attar manufacture in areas like Kannauj. Driven by growing disposable incomes, a growing middle class, and changing lifestyles especially among millennials and Gen Z reports and research point out the market's potential ^[2, 3]. Many academic studies highlight consumer perceptions, whereby scents represent identity, emotion, and social standing, sometimes connected with celebrity endorsements and brand loyalty ^[7, 9]. With high usage for confidence and pleasure ^[8, 11], youth (18–35) dominates. Drawing on several sources, this introduction prepares the ground to investigate market dynamics and shed light on India's fragrant journey.

MARKET EVOLUTION AND SEGMENTATION

Market segmentation reveals a fragmented yet evolving landscape, with mass perfumes holding 45-58% share due to affordability and accessibility, while premium segments (35-58%) grow at 15.2% CAGR amid aspirational demand ^[1, 3]. UnivDatos segments the market by mass/premium, with premium dominant in 2024 ^[5].

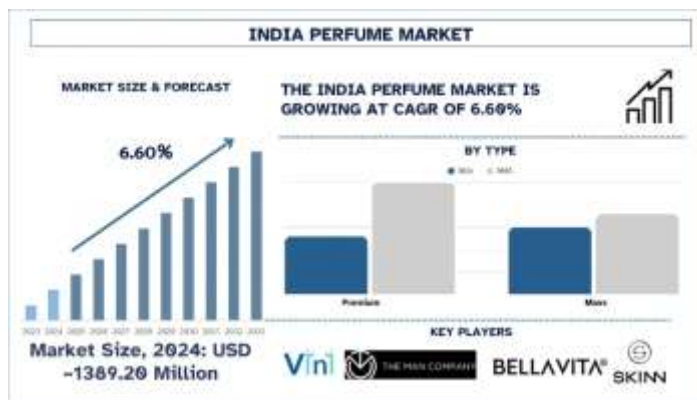


Fig 1: India Perfume Market Size and Segmentation Forecast (Source: UnivDatos, 2024)

By end-user, females lead at 52%, driven by fashion and self-care, followed by males (grooming focus) and unisex [1, 5]. Sanal et al.'s survey (100 respondents) shows 99% usage, preferring Eau de Parfum for longevity [12]. By distribution, offline channels (department stores, specialty outlets) dominate sensory buying, while online grows via e-commerce and influencers [1, 3].

Demographically, millennials (34% of population) and 18-35 groups own 35-52% share, with minimal gender differences [2, 11]. By price, mass (₹100-300) targets youth, premium (₹1000+) appeals to status [4]. Scent preferences favor vanilla, rose, sandalwood, citrus, and patchouli [12]. Packaging influences subconsciously, varying by gender and age [10]. Bamber and Grandsen's segments (brand-driven, fragrance-focused, price-sensitive, etc.) highlight diversity [10]. Singh's factor analysis identifies feelings, frequency, and gender as key influencers [8]. This segmentation underscores India's youth-led, premium-shifting market, evolving from mass dominance to niche aspirations.

DISTRIBUTION BY REGION AND CONSUMER PREFERENCES

India's diversity is reflected in the regional distribution, with North India holding 31–40% share owing to metros like Delhi-NCR, greater earnings, and cultural focus on grooming [1, 5]. While South India (20%) and East/Northeast (10%) lag but have promise [1, 5], West and Central India (30%) flourish in cities like Mumbai/Pune. Maharashtra leads states; Uttar Pradesh emphasizes mass/attars, Karnataka highlights premium through technological centers [5], cosmopolitan culture and e-commerce drive it.



Fig 2: Regional distribution of the India perfume market (Source: UnivDatos, 2024)

Consumers give perfume (scent) the highest rating, followed by price, brand, and packaging [8, 11]. Emotional ties confidence, joy dominates, since health sensitivity impacts natural decisions [6, 10]. Giving gifts during holidays increases sales, therefore reflecting social connection [10]. Decisions are moulded by word of mouth and social media, and young people are willing to experiment [8, 10]. Rastogi et al. emphasize celebrity impact on tastes [9]. Fastest worldwide, Asia-Pacific advances through urbanization; this is contrary to Europe's

historical predominance [6, 12]. This regional perspective reveals localized adaptations, with North India's leadership aligning with aspirational trends.

HERITAGE FROM THE PAST MEETS NEW IDEAS IN THE PRESENT

Based on Mughal-era attars from Kannauj, India's perfume legacy combines ancient distillation with contemporary invention [8,12]. Made from natural oils, jasmine, and sandalwood, attars have cultural meaning and longevity that coexists with alcohol-based scents [6, 10]. Sanal et al. trace origins to Indus Valley and Islamic advancements, with synthetics revolutionizing accessibility [12]. Borgave and Chaudhari note attar's role in self-image [11].

Modern concepts comprise artificial intelligence customization, data for custom scent [5, 10], and sustainability natural ingredients, eco-packaging [6, 10]. Globalization modifies global products to fit local preferences, such as jasmine fragrance [10]. Niche perfumeries emphasize individuality [6,12]. Singh highlights blending tradition with affordability [8]. This integration combines tradition with innovation, appeals to ethical and health-aware customers [10].

BRAND LANDSCAPE AND HOW COMPETITION WORKS

The competitive landscape features domestic (HUL, Godrej, ITC, Titan/Skinn, Bella Vita) and international players (Chanel, LVMH, Dior), with fragmentation encouraging differentiation [3,4,5]. HUL dominates mass via affordability; Skinn offers premium at accessible prices [5]. Recent launches include Skinn's 24Seven (2024) and Chanel's Nykaa entry (2025) [5]. UnivDatos profiles VINI, Emami, and Ajmal, noting acquisitions like Emami's Helios [5].

Competition intensifies via innovation, celebrity endorsements, and digital marketing [1,9]. Rastogi et al. frame celebrities as brands, enhancing recall but risking confusion [9]. Low market concentration drives price competition and niche focus [6,12]. Challenges include counterfeits and saturation [1,2]. Singh emphasizes brand trust and switching [8]. With local brands using legacy for edge, this scenerio captures global local interaction.

CELEBRITY ENDORSEMENT AND BRAND PERCEPTION

Celebrity endorsements significantly affect how brands are viewed in India as celebrities function as symbolic brands transferring aspirational values and lifestyle associations [9]. Although Rastogi et al. find advantages like more visibility, credibility, and emotional connection, they point out downsides including confusion from several sponsorships and credibility concerns [9].

Saiyad and Dhedia's Mumbai study finds likability, credibility, personality, attractiveness, and expertise as key factors, with likability most influential for purchase intention [7]. Singh links celebrity attractiveness to buying decisions [8]. Borgave and Chaudhari highlight celebrity preferences among youth [11]. This dynamic enhances recall and loyalty but requires strategic alignment to avoid controversies [9].

HEALTH AND SUSTAINABILITY CONCERNS

Health sensitivities, such as allergies and fragrance-related discomfort, influence consumption, with some consumers avoiding synthetics for natural alternatives [6,10]. Bamber and Grandsen identify health-sensitive segments preferring mild or fragrance-free options [10]. Sustainability drives demand for eco-friendly practices, including biodegradable packaging and ethical sourcing [6,10]. Research and Markets note rising preference for natural ingredients due to environmental awareness [6]. Singh's findings on quality improvements align with these concerns [8]. These factors promote innovation in clean, sustainable perfumes, appealing to ethical consumers [10].

ECONOMIC IMPACT AND GROWTH DRIVERS

Health sensitivity, including allergies and aroma-related distress, affects consumption, some people avoid synthetic products in favor of natural substitutes [6,10]. Health-sensitive groups choosing faint or fragrance-free alternatives are found by Bamberger and Grandsen [10]. Sustainability fosters demand for ethical sourcing and

eco-friendly behavior including biodegradable packaging ^[6, 10]. According to research and markets, rising demand for natural components results from environmental consciousness ^[6]. Singh's findings on quality improvements align with these concerns ^[8]. These factors promote innovation in clean, sustainable perfumes, appealing to ethical consumers ^[10].

The fragrance industry helps FMCG to expand economically as growing disposable incomes per capita USD 2.54 thousand in 2023, predicted USD 4.34 thousand by 2029 fuels dreams ^[1,5]. Middle-class growth 31% in 2023 to 60% by 2047 adds 100 million households ^[1,5]. Government programs like Make in India and Startup India draw foreign direct investment (USD 148.97 billion, 2014–2023) and help entrepreneurs ^[4].

Drivers comprise urbanization (480 million urban population), e-commerce (300 million buyers, USD 2 billion beauty sales), and young demand ^[3,5]. Social media and influencers raise visibility ^[2,9]. Premiumization reflects status-seeking ^[1,2]. Singh correlates emotional and frequency with economic elements ^[8]. Middle-class expansion throughout the world fuels USD 30 billion luxury market ^[12]. This effect sees scents as lifestyle necessities that improve self-esteem and social movement.

MARKET PROBLEMS AND DIFFICULTIES

High price sensitivity in mass markets, rural distribution gaps, and counterfeit that erodes trust are among challenges ^[2,3]. Import taxes and regulatory issues (chemicals, labeling) increase prices ^[1,5]. Health issues (allergies) discourage purchases ^[6,10]. Intense competition and changing preferences require innovation ^[6, 9]. COVID-19 disrupted sales but shifted to online ^[2, 6]. Singh notes small samples and biases ^[8]. These problems point out structural obstacles; nevertheless, chances in sustainability and digitalization help to lessen hazards.

FUTURE POTENTIAL AND STRATEGIC ALTERNATIVES

Future potential lies in tier-2/3 cities (double growth), AI personalization, and sustainability ^[2,5]. Virtual scent testing and content-based filtering address online limitations ^[1]. Conscious customers are drawn to eco-friendly habits including reusable bottles and organic ingredients ^[6,10]. Reviving attars fits global authenticity trends ^[10]. Strategic alternatives include glocalization, celebrity authenticity, and relationship marketing ^[9, 10]. Sanal et al. predict wearable tech and biotech ^[6]. Unexplored opportunities arise from youth leadership and e-commerce growth ^[5,8].

CONCLUSION

Driven by rising incomes, urbanization, young consumption, and digital retail expansion, the Indian perfume market has developed from a traditional attar-based craft into a fast growing sector of the contemporary beauty and personal care industry. While regional and cultural variety influences consumer tastes, market trends indicate a slow move from mass goods to premium and niche scents.

Strong chances exist via tier-2 and tier-3 city expansion, e-commerce development, environmentally friendly policies, and technology based customization even if difficulties such as counterfeits, regulatory problems, price sensitivity, and health concerns remain.

India's position to reinforce both its home market and its future position in the global fragrance business is reflected in the industry overall, which is a successful combination of heritage and invention.

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