India's Perfume Industry: A Fragrant Revolution

Follow the Scent: Why India's Next ₹500 Cr Breakout Brand Could Be a Perfume

BRC BYTES

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MARKET OVERVIEW: A SNIFF OF THE OPPORTUNITY

The Indian perfume industry is a **$2.5B market**, growing at a **15% CAGR,**

driven by rising disposable incomes, premiumization, and digital-first D2C brands

Only 30% Organized Market

In 2015, Organized market as % of total perfume market was just 10%

Leaving 70% market for disruption by startups

$1B

Luxury Market, growing at 9% CAGR

$1.5B

Mass & Mid-Premium, growing at 17% CAGR

Driven by rural demand, affordability, and gifting trends

A WHIFF THROUGH TIME: THE HISTORY OF PERFUME

Perfumes in India are not merely products—they are **cultural artifacts** with roots stretching back millennia

4,000 Years of Tradition

- Perfumery in India began with **attars** (natural oil-based fragrances) distilled from flowers, herbs, and spices
- **Kannauj**, the "Perfume Capital of India," has been crafting attars since the **Mughal era** using ancient techniques like *deg-bhapka* (steam distillation)

Colonial Shifts, Synthetic Invasion

- The British introduced alcohol-based perfumes, disrupting traditional attar-making
- By the **20th century**, **synthetic fragrances** dominated due to **lower costs** and consistency, sidelining natural perfumes

Revival of Heritage

- Today, artisans in Kannauj still produce **handcrafted attars**, but they struggle against mass-produced synthetics
- Brands like **Ajmal** and **Adil Qadir** blend ancient recipes with modern packaging to revive India's olfactory legacy

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BUT WHAT REALLY SELLS IN THIS CATEGORY NOW

Have you seen Masaba on Instagram, casually dropping "top notes," "base notes," and "mid notes" while talking about her perfume?

"Two delicious new ***@lovechildbymasaba*** *fragrances for two very different kinda women! Meetha' is my juicy mithai 🍬 in a bottle! 'Power Petal' - imagine the most luxurious blooming garden packed into a bottle! What's your pick?"*

Storytelling par excellence

She's not just selling a fragrance, she's giving it a ***PERSONALITY***.
And her audience is listening.
That moment tells you something big

Perfume in India is finally getting its voice. **Not just as a product, but as a vibe — tied to identity, memory, aspiration**

And yet, there's no clear leader in this **₹2.5 Bn category, growing at 15% CAGR with just 30%** organized retail penetration

THE BIG PICTURE: INDIA'S BPC GOLDMINE

$21 Bn
2024

$34 Bn
2028

BPC Industry size

Major Categories	Market Size (2024)	Growth Rate
Bath & Shower	$4Bn	8% CAGR
Skin Care	$3.5Bn	12% CAGR
Fragrances	**$2.5Bn**	**15% CAGR**
Hair Care	$2Bn	9% CAGR

Perfume is Outpacing All Other Beauty Segments

Significant Market Gap Compared to Developed Nations

<$150 per capita spend on BPC, India is the **fastest growing BPC markets** globally, with lowest per capita spending

$0.22 India vs $26 in US per capita fragrance spending leaves a huge potential for emerging brands

Due to the massive white space, investors have backed BPC startups aggressively, with **over $1B raised across 174 companies since 2014**

Source: LinkedIn, Inc42

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SKINCARE TO SIGNATURE SCENTS

And Fragrance Is the Natural Next Step for BPC Brands?

Brand Extension Play

Perfume is a **natural brand extension**—deeply tied to identity, self-care, and daily rituals

Low-barrier gateway to emotional branding

Distribution Synergy

Same retail shelves, beauty e-com platforms, influencer ecosystem

Perfume is an **easy plug-and-play** into existing D2C and offline channels

Leveraging Loyalty

Scent evokes emotion—fueling story, community, and loyalty

Easy plug-and-play into existing D2C & offline channels

High Gross Margins

Perfume offers **top-tier margins**—boosted by luxury-driven pricing

Small bottle, high price—**unit economics are highly favorable**

Proven Playbook

Plum, Aqualogica, Pilgrim, Masaba—most **scaled BPC brands now sell fragrance**

Inspired by L'Oréal & Estée Lauder: full-spectrum beauty, fragrance and all

PERFUME SCIENCE: THE FRAGRANCE PYRAMID & NOTES

Perfumes are complex symphonies of scents, structured in layers (notes) that unfold over time

The Fragrance Pyramid

Type	Oil Concentration	Longevity	Key Use Case
Parfum (Pure Perfume)	20–50%	8–12 hours	Luxury, special occasions
Eau de Parfum (EDP)	10–15%	6–8 hours	Daily wear
Eau de Toilette (EDT)	3–8%	3–5 hours	Light, daytime use
Eau de Cologne (EDC)	2–4%	2–3 hours	Fresh, post-workout

EDP:
Fastest growing category

Strikes a balance between **longevity** and **affordability**

Accounts for **35% of the perfume market** in India

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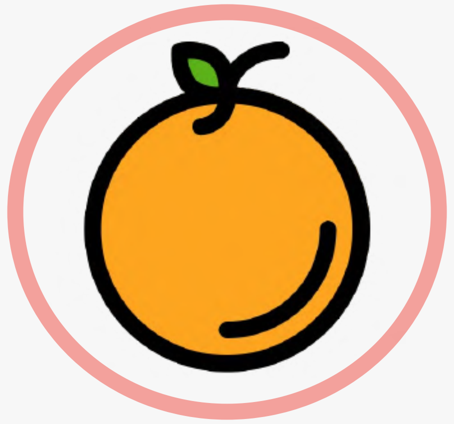
FRAGRANCE NOTES: HOW SCENTS EVOLVE

A perfume’s character unfolds in three stages:



5-10 minutes

Top Note:

First Impression

Example: Fraganote’s “*Citrus Amber*” opens with zesty Lime and Grapefruit

20 minutes- 4 hours

Middle/Heart Note:

Core Identity

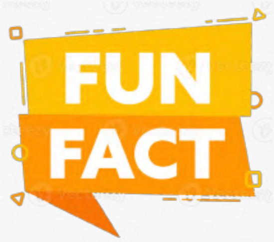
Example: Bombay perfumery’s *“Calicut”* has Nutmeg, Black Pepper as its heart note

4+ hours

Base Note:

Lasting Memory

Example: *Soma Ayurvedic’s* base of Mysore sandalwood lingers for 12+ hours



The same perfume smells unique on everyone due to **skin pH, diet, and body chemistry**. A jasmine-forward scent on one person might turn smoky on another.

Google searches for “perfume notes” in India grew **250%** since 2022—proof of rising consumer curiosity

CONSUMER INSIGHTS: WHAT DRIVES PURCHASE DECISIONS?

Indians don't buy perfume—they buy **emotions packaged in bottles**

Purchase Driver	**Startup Hack**
Confidence & Self-Expression	*Bombay Shaving Company uses distinctive, masculine notes for self-expression*
Gifting & Affordability	*Bellavita* offers a ₹600 mini gift set containing 4 perfumes
Nostalgia	*Bombay Perfumery makes nostalgic through its Moire and Chai Musk*

Other factors include personal hygiene and social appeal

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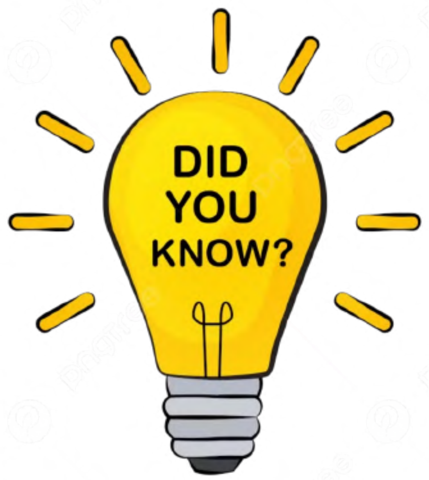

75%

of purchases

are **trial-driven**

Solve this with

Scent strips on QC orders can be tested

Phygital Stores: Stores can use **QR codes** to let shoppers watch **artisan stories**, enhancing the brand narrative

LANDSCAPE: INCUMBENTS VS. DISRUPTORS

The perfume market in India is **dominated by deodorants**, accounting for around **55% of the segment**. As a result, most **incumbent brands** you see are primarily deodorant players

Key Traits of Incumbents

Solid parent company

Backed by **reputable parent companies** like Axe (Unilever) and Fogg (Vini Cosmetics)

Mass Appeal

Focused on affordability, with deodorants priced at ₹200–500 and perfumes at ₹300–800

Marketing Power

Strong advertising campaigns and celebrity endorsements (e.g., Denver with Shah Rukh Khan)

Standardized Offerings

Limited customization; products cater to mainstream preferences

Distribution Channels

Dominant presence in offline retail stores and supermarkets

THE WAVE FOR PERFUMES HAS JUST BEGUN IN INDIA

which is why **new entrants** are focusing more on **perfumes and attars** rather than deodorants

Key Traits of Emerging Players

Niche Positioning	Innovative Features	Sustainability	E-commerce Focus	Cultural Inspiration
Target specific audiences such as Gen Z or luxury buyers (e.g., Villain, ISAK)	Focus on personalization (e.g., Fraganote's customizable scents)	Emphasis on cruelty-free, vegan, organic ingredients s (e.g., Forest Essentials, Boond)	Strong reliance on D2C models and online platforms	Use of native Indian ingredients and heritage-inspired fragrances (e.g., Bombay Perfumery)
VILLAIN, BELLAVITA, ISAK	FRAGANOTE, HOUSE OF EM5™	adiveda natural, बूँद, FOREST ESSENTIALS	ADILQADRI, NASO, THE MAN COMPANY	BOMBAY PERFUMERY, AJMAL

MASS TO CLASS: HOW INDIAN PERFUME BRANDS ARE REDEFINING THE GAME

Think back to your teenage years—remember the deo or perfume you used? Chances are, it was one of the few Indian brands catering to just one segment: **MASS**. Back then, there was no concept of luxury or niche positioning—it was all **about affordability and basic appeal**

Fast forward to today, and the game has completely changed. The **next-gen brands** have cracked the code of **smart positioning**, carving out distinct identities in this fragmented and easy-to-enter market

Luxury players like ISAQ offering premium, indulgent scents

Masstige brands like Bella Vita striking the perfect balance between affordability and aspiration

Niche, experience-driven brands like Adil Qadir, Bombay Perfumery are tapping into attars, mists, and sustainable fragrances

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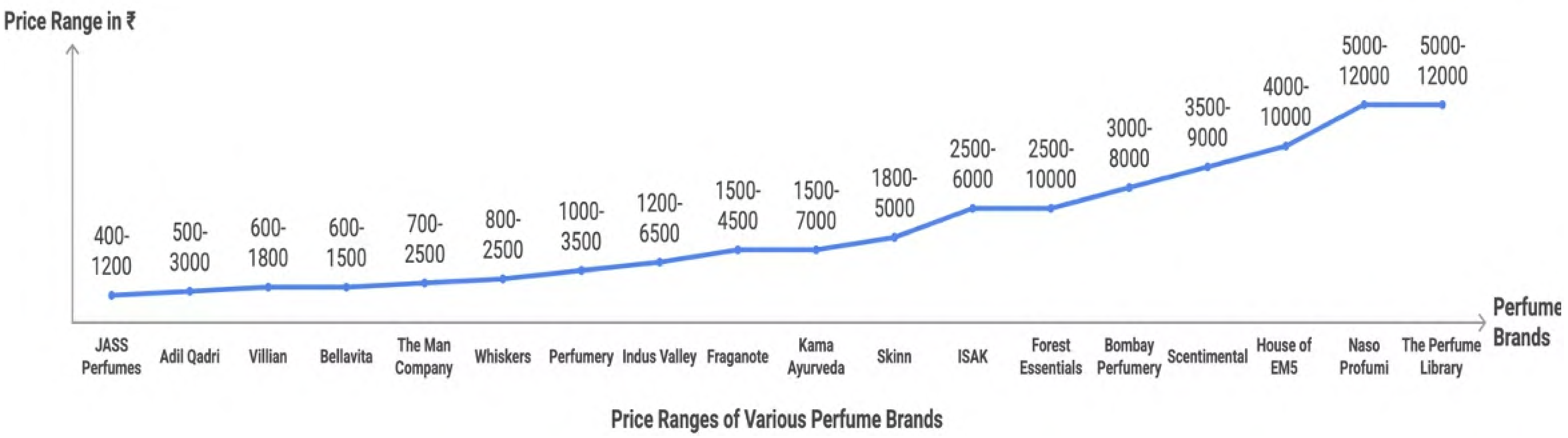
NEW-AGE BRANDS ARE SERVING EVERY WALLET, EVERY WHIM

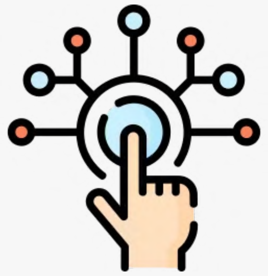


These brands are no longer just selling scents—they're selling lifestyles and aspirations, creating their own lanes in a once one-dimensional market

India is at the cusp of a fragrance revolution

These brands are challenging legacy fragrance houses

There is a Shift toward accessibility & personalization



Digital-first distribution rewriting rules

FROM MASS PRODUCTION TO CUSTOMIZATION: THE MANUFACTURING SHIFT

Legacy brands

- Rely Large-scale contract manufacturers like Keva, Privi Organics, and S.H. Kelkar
- Benefiting from mass production efficiency
- Long-standing supplier contracts

VS

Emerging brands

- Small-batch manufacturing
- Sustainable sourcing
- Custom formulations (e.g. Make you own perfume (MYOP) offers personalized scents)

Can manufacturing be a differentiator?

While incumbents focus on **scale and cost efficiency**, new-age brands are turning **manufacturing into a USP**. By partnering with **niche, artisanal producers** or setting up **in-house facilities**, they ensure **higher quality control, longevity, and exclusivity**. Moreover, brands promoting **sustainable production** (e.g., Naso Profumi using locally sourced attars) stand out in a market increasingly driven by conscious consumers

CASE STUDY: HOW FOGG BECAME A ₹1000+ CR BEAST

*They didn't **disrupt** the deodorant game with fragrance. **They did it with longevity***

Founded in **2011**

led by **Darshan Patel**

The Insight

Tired of deodorants running out, Patel spotted the issue: **gas-filled cans with fewer sprays- clear market gap**

The Innovation

Fogg launched as a **"No Gas Body Spray", promising 800 sprays/bottle**, shifting focus from smell to value for money

Slogan That Sold

The catchy campaign **"Fogg chal raha hai?"** became a pop-culture phrase, making the brand unforgettable

IMPACT

₹100 Cr in revenue within a year of launch	₹610 Cr by 2016 (in 5 years) and ₹1,125 Cr revenue in 2024	30-40% YoY sales growth	Backed by Sequoia Capital, holds 12% equity in Vini Cosmetics

KEY TAKEAWAY

Fogg won by solving a real consumer pain point, using clever positioning, and nailing distribution—making it a category leader in record time

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CASE STUDY: BELLA VITA - MAKING LUXURY SCENTS AFFORDABLE

Bridging the gap between luxury and affordability *in India's fragrance market*

Founded in **2018** led by **Akash Anand**

The Insight

Akash saw a gap in the **Indian perfume market—no affordable yet premium-feeling** fragrance brands

The Innovation

D2C first: 80% of sales online

Tier 2 & 3 Focus: Tapped into rising demand for affordable luxury beyond metros

Positioning

Premium perfumes at ₹399–₹1,999, made luxury accessible for value-conscious, aspirational consumers

IMPACT

₹186 Cr revenue in FY23 (in 5 years)	Strong traction in Tier 2 & 3 cities	Created a new consumer segment: aspirational affordability	Expanded from perfumes to skincare and grooming

KEY TAKEAWAY

Bella Vita cracked the code of affordable luxury—by pairing premium quality with smart pricing and Bharat-first marketing, it became a D2C powerhouse in just 5 years

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KEY INSIGHTS

Fragrance at a Tipping Point

India's fragrance market at **$2.5B**, growing at **15% CAGR**, but remains largely unbranded — **70% still unorganised**

From Deodorants to Affordable Luxury

Gen Z and millennials are fueling demand for **differentiated, experiential fragrances**, driven by social media and evolving lifestyle aspiration

What Holds Back Fragrance Brands

Scent performance (**longevity** in Indian weather) and **brand fatigue** (undifferentiated launches) remain key challenges

BPC's Natural Extension: Perfume

High-margin, emotional, and low-complexity — perfumes drive brand recall, lift AOV, and tap into the growing gifting economy

Key Differentiators for Success

Mid-premium positioning, **AI-driven personalization, and sustainability** through refillable bottles and clean formulations

Conclusion: The next ₹500–₹1,000 Cr fragrance brand will be built on **deep consumer understanding, multi-channel execution, and a strong emotional brand connect** — not just price arbitrage

BRC FRAGRANT INSIGHT

It's not just about the product—it's about the play. Brands that spot the gap, price it smartly, and tell the right story win the game

Emerging Trends
What's Shaping the Future?

- Rise of Indie & Niche Brands
- Gender Neutral Scents
- Solid Perfumes
- Digital-First Discovery

Fragrance Power Moves: Winning Tactics

- Rethink Distribution
- Ingredient Storytelling
- Tap Tier 2/3 Cities
- Go Phygital

Landmines to Avoid

- Over-reliance on Discounts
- Regulatory Hell
- Counterfeit Crisis
- Inconsistent Quality

VC CHEAT SHEET

Bet on: Mid-premium D2C brands, AI customization, sustainable packaging	**Avoid:** Mass-market sprays (commoditized), copycat "dupe" brands	**Wildcard:** Metaverse-enabled scent experiences (yes, it's a thing)

FRESH TAKE:
WHY FRAGRANCE IS POISED TO BE INDIA'S LOUDEST QUIET CATEGORY

Attars, Reimagined

Legacy scents from Kannauj are getting the Gen Z treatment. **Adil Qadri turned nostalgic attars into a ₹100 Cr+ brand** with slick packaging and street-savvy marketing

Luxury, for the Masses

Bella Vita cracked the D2C code: **premium-feel perfumes** at **wallet-friendly prices**. 80% online sales. Tier 2 and 3 cities can't get enough. Sales now north of ₹150 Cr

Niche with Narrative

ISAK (backed by Piyush Bansal) and Bombay Perfumery are playing the long game—**artisanal blends, personalized profiles, sensory storytelling**

If Lipstick Made It, So Can Perfume

You can't smell scent online—just like you can't try lipstick. But **beauty brands still grew with bold packs, big stories, and smart creators**. Perfume can too

The White Space

No one has bottled the full spectrum of Indian scent culture — where fragrance is emotion, ritual, nostalgia, and self-expression

RECENT FUNDRAISES

Companies	Total Raise	FY24 Sales	FY24 Ebitda	Investors
Bella Vita	485	186	-39	Angels
Scentials	97	19*	-19	Indus Way Emerging Market, Shekama Family Trust
Adil Qadri	1	80	1	Vineeta Singh
House of EM5	1	8	0.1	Aman Gupta
ISAK	0.8	3	0.3	Piyush Bansal and Culture cap

Source: Tracxn

**FY23 numbers, ***All numbers in ₹ Cr*

The Indian perfume market is **buzzing with new entrants,** but very **few have scaled** to a level that attracts serious funding

Few Indian perfume brands have scaled because **the category lacks differentiation, is discovery-led (not search-driven), and requires heavy offline investment**—making it tough to build repeatable, high-LTV businesses that attract serious funding

WE DIDN'T JUST STUDY PERFUME, WE MADE IT

The Fragrant Formula

- **60–100 drops** of essential oils make up a 30ml perfume, depending on strength
- Oils are split across **5–6 notes** (top, middle, base) — **not mixed equally**
- Blended with perfumer's alcohol (PGA), which helps bind oils and boosts longevity
- **Aged for 1–6 months** (or up to 12 for luxury) to let the blend fully mature

FUN FACT

Most of our DIY perfumes ended up smelling like toilet cleaners... so we wisely decided to stick to our core business instead!

THANK YOU

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