

# *Research on the Marketing Strategies of Chinese Fragrance Brands*

Jialin Cai<sup>1</sup>, Kwok Leung Shi<sup>2</sup>, Jingyu Wu<sup>3,a,\*</sup>

<sup>1</sup>Guangzhou New Channel Zengcheng Experimental School, Guangzhou, 511399, China

<sup>2</sup>Sendelta international academy, Shenzhen, 518000, China

<sup>3</sup>Shenzhen Middle School, Shenzhen, 518001, China

a. [gbrown84345@student.napavalley.edu](mailto:gbrown84345@student.napavalley.edu)

\*corresponding author

**Abstract:** This study takes a step forward by beginning with an in-depth evaluation of the ongoing trajectories and marketing approaches adopted by some prevailing domestic brands, such as To Summer and Documents. Subsequently, it synthesizes common marketing predicaments most Chinese brands face and formulates practical remedies to address these challenges. Adhering to this systematic framework aims to propel domestic brands' growth and development within the fragrance market's intricate landscape. The significance of this research lies in its contribution to the growth and development of domestic fragrance brands within the competitive market. By addressing challenges related to brand awareness, international expansion, and product quality, To Summer and Documents can enhance their domestic and international positions. Moreover, the insights provided here can serve as a foundation for broader discussions within the fragrance industry and offer valuable guidance for emerging brands striving to establish a robust market presence.

**Keywords:** marketing strategies, Chinese fragrance brands, To Summer, documents

## 1. Introduction

### 1.1. Research Background

In the realm of fragrance consumption, the sales data uncover a significant disparity in the market share held by domestic Chinese brands, highlighting their challenging position in the fragrance industry due to their late entry and limited scale. The story told by the aroma industry's sales figures is indeed captivating. In 2020, the global fragrance market boasted an impressive valuation of \$40 billion, while China's fragrance market accounted for only 2.5% [1]. Yet, the horizon shimmers with promise, as forecasts suggest that by 2025, China's fragrance market could reach a substantial \$30 billion [1]. This optimism reinforces the burgeoning trend of the olfactory economy, capturing the interest of an increasing number of consumers, particularly among the burgeoning middle class. These circumstances underscore the vast potential that awaits the future development of Chinese brands. Hence, the primary objective of this paper is to meticulously dissect the marketing strategies employed by two emerging domestic fragrance brands. By identifying the challenges these brands face and proposing effective solutions, this paper aims to steer these brands towards a more prosperous path within the competitive fragrance market. This endeavor has a twofold significance:

it holds intrinsic commercial value, enabling brands to expand their market share, boost profits, and elevate their brand value; concurrently, it contributes to the broader societal landscape by fostering economic growth.

## 1.2. Literature Review

Wu suggests that while famous perfume brands have a long history and remain strong, emerging Chinese niche brands can better tell Eastern stories using locally sourced fragrant plants [2]. This approach showcases Eastern aesthetics and creates Eastern scents, which Western brands find difficult to achieve [2]. From this, it can be seen that as long as Chinese domestic brands grasp the trend, they will have opportunities. This has sparked an interest in exploring and improving Chinese brand marketing strategies, as it's a direction worth pursuing and researching, and contributing to its development is worthwhile. Jon Chambers, Sachin Gupta, Ursula Heng, Mahesh Dodani, and Jane Cheung analyze that the retail industry should use brand value to enhance economic and social benefits [3]. They propose integrating ecological protection, sustainable development goals, and new technologies to drive industry growth [3]. This paper reveals new trends in future development from the perspective of the macro retail industry. It provides a reference for future marketing for domestic fragrance brands. A report from AVI Consultancy indicates that the younger generation is increasingly interested in understanding the latest trends and is willing to spend money on their interests. Most of these interests are closely tied to their everyday consumption habits [4]. Additionally, offline creative stores and unique packaging designs are catching the attention of these younger consumers [4]. This article has informed companies about the preferences of the new generation of consumers, giving them greater confidence in the market for domestic fragrance brands and highlighting the direction in which brands need to focus their marketing efforts [4]. The report on the website 36kr analyzes the reasons for the contemporary fragrance market becoming mainstream - the enthusiasm of young people, as well as the factors of cultural exchange and economic development that drive perfume consumption [5]. It also examines how Chinese domestic brands have taken a unique approach by establishing connections with Eastern culture and emotions to foster their development [5]. However, it points out the shortcomings in the current development of Chinese domestic brands - relying solely on marketing can only generate short-lived popularity, and the supply chain is not sufficiently mature [5]. This report provides a comprehensive overview of the reasons and processes behind the rise of domestic fragrance brands. It analyzes the current situation, development challenges, and opportunities and offers recommendations to address shortcomings, offering a framework and direction for the research in this paper [5].

Interestingly, when delving into existing research, a prevailing tendency to praise the prospective benefits of domestic Chinese brands comes into view, scrutinizing macro trends within the fragrance market and foreseeing opportunities and challenges within the retail sector. Some scholars even emphasize the strengths of homegrown brands, drawing from the surging wave of Chinese culture. However, it's crucial to acknowledge that domestic brands still grapple with challenges in the contemporary consumer landscape, which are often overlooked. Few scholars have provided tailor-made marketing insights to address these specific challenges.

## 1.3. Research Framework

This study, therefore, takes a step forward by beginning with an in-depth evaluation of the ongoing trajectories and marketing approaches adopted by some prevailing domestic brands, such as To Summer and Documents. Subsequently, it synthesizes common marketing predicaments most Chinese brands face and formulates practical remedies to address these challenges. Adhering to this

systematic framework aims to propel domestic brands' growth and development within the fragrance market's intricate landscape.

## 2. Case Description

Since domestic brands began to flourish, the Chinese fragrance market has displayed an ongoing growth trajectory in recent years. To Summer and Documents are the most prominent emerging domestic fragrance brands, attracting substantial attention. Established in 2018, To Summer represents a mid-to-high-end original fragrance brand specializing in oriental botanical scents. Its ascent in the domestic fragrance market has been particularly remarkable. By 2021, the brand had accomplished an annual sales revenue surpassing 100 million RMB, firmly establishing a notable degree of market influence among consumers through diverse marketing strategies. Conversely, Documents, founded in 2021, emerges as a high-end fragrance brand that strongly emphasizes Chinese aesthetics. It adopts a premium pricing strategy and specializes in high-concentration fragrances. In less than a year of its establishment, Documents secured investment from L'Oréal, marking it as the first Chinese fragrance brand to achieve such recognition.

To Summer employs a combination of online and offline sales channels. The brand effectively promotes its offerings via its WeChat official account, successfully amassing a loyal customer base exceeding 100,000 individuals. This feat is accompanied by an impressive repurchase rate surpassing 60%. According to data compiled by CBNDData, To Summer emerged as one of the top twenty brands in terms of sales within the Tmall fragrance market in 2022 [6]. This achievement fully underscores its considerable influence and popularity within the market. The report further reveals that To Summer secured the third spot in this ranking, further underscoring its consistent growth in both consumer perception and market share [6].

As of now, To Summer has established a total of nine physical stores strategically positioned in first-tier and new first-tier cities. In contrast, Documents primarily engages in sales through offline retail outlets, boasting three physical stores situated in first-tier cities such as Shanghai and Beijing. Data publicly released by the brand reveals that within the initial six months following Documents' market launch, the average customer expenditure exceeded 1,500. Approximately 30% of customers will buy in the physical stores, contributing to a repurchase rate of 20%. This statistic strongly emphasizes the robust performance of Documents in offline sales channels.

In summary, To Summer and Documents have secured noticeable recognition and market share within the Chinese fragrance market. Nonetheless, both brands have established official accounts on overseas social media platforms when considered within international markets. However, their global visibility remains limited due to their absence from international markets.

## 3. Analysis on the Problem

### 3.1. Marketing Strategies of Two Representative Domestic Brands

#### 3.1.1. To Summer

To Summer a boutique fragrance brand, caters to the mid-to-high-end market segment by offering original fragrances infused with Eastern botanical notes. The brand employs a dual-channel strategy to target urban youth in first-tier and new first-tier cities. Offline, it establishes physical stores and pop-up shops through collaborations with prestigious art institutions to create immersive, Chinese-inspired luxury spaces. Simultaneously, To Summer enhances its online presence by developing Chinese self-media platforms and engaging with consumers directly. This comprehensive approach centers on celebrating Eastern culture in both product design and brand interactions, aligning perfectly with the preferences of its target demographic.

### 3.1.2. Documents

Documents is a high-end fragrance brand with a unique “Zen Cool” style, specializing in high-concentration perfumes with Eastern influences. Its primary audience comprises affluent Generation Z consumers. Documents implement a hybrid marketing strategy, combining offline and online channels. Offline, the brand establishes branded stores and pop-up shops to provide immersive experiences reflecting its cultural influences. In the digital realm, Documents harnesses the power of popular Chinese social media platforms like Red, TikTok, and Weibo, sharing content that authentically aligns with its brand identity and culture. This integrated approach aims to forge strong connections with affluent Gen Z consumers appreciative of the brand’s luxury and distinctive Eastern flair in high-concentration perfumes.

## 3.2. Problems Identified

### 3.2.1. Limited Brand Influence

One significant challenge facing Chinese brands is their limited brand influence scope. A prevailing phenomenon is that a substantial portion of consumers lack high trust in domestic brands. They often opt for well-established international brands with a rich history when purchasing. Additionally, Chinese brands tend to have relatively low recognition overseas, and in recent years, it has drastically declined in its awareness. It can be proved by The findings from BrandZ’s” Top 50 Chinese Global Brand Builders 2019 report, which ranks Chinese brands on the strength or ‘Brand Power’ of their brand in overseas markets, revealed a 26% decline in awareness of Chinese brands among global millennial consumers (aged 18-34) over the past three years” [7]. Several factors compound this issue. Firstly, international top-tier brands enjoy a rich historical legacy naturally engenders higher customer loyalty and trust.

These global giants boast mature production lines and well-developed marketing strategies, instilling confidence in their product quality. In contrast, many Chinese brands, having risen with the wave of domestic consumer enthusiasm, are closely tied to Chinese culture. While this has allowed them to amass a customer base in China driven by cultural connections, it does not evoke the same level of passion among foreign consumers, who do not make purchases based on cultural sentiment. Furthermore, the promotion efforts of Chinese brands are often limited. Many focus their marketing exclusively on popular Chinese social media or e-commerce platforms, with minimal presence on international platforms. Their physical stores are also predominantly located in first-tier Chinese cities, restricting their exposure to a narrow audience. This combination of cultural constraints and inadequate global promotion has resulted in Chinese brands’ limited recognition and influence on the international stage.

### 3.2.2. Emphasize Content Marketing

Another notable challenge Chinese brands face is the heavy reliance on content marketing as part of their marketing strategy. On one hand, Chinese brands tend to emphasize content and concepts in their marketing efforts, particularly on social media platforms. They use posts, articles, and short video advertisements to inject fun and creativity into their campaigns, aiming to capture people’s attention. However, in the end, it often becomes apparent that the actual quality of the fragrances does not align with the eloquent descriptions, leaving consumers disappointed and disinclined to make repeat purchases. Additionally, many Chinese brands prioritize understanding their target audience’s needs, preferences, and interests to create content that resonates with customers. As a result, similar content is abundant, making it challenging for any brand to distinguish itself. To illustrate the two phenomena, To Summer and Documents both leverage Chinese traditional culture to establish

emotional connections with customers through storytelling, enhancing the overall customer experience. However, a significant drawback arises when customers perceive a gap between the marketed content and the product. This can lead to disappointment and erode trust in the brand.

Prioritizing content marketing will bring several challenges to domestic Chinese brands. Firstly, maintaining and continuously updating content can consume substantial resources, potentially leading to an imbalance in resource allocation, with insufficient funds directed towards product development. Secondly, the market becomes oversaturated with homogeneous content since they are all created based on the same result of research on consumer interests, resulting in a lack of distinctiveness for brands. This necessitates substantial financial investments in innovation to stand out. Lastly, content marketing typically requires an extended period before yielding noticeable results. Ensuring product quality aligns with marketing promises is probably the only way to secure continued customer support.

### **3.2.3. Neglecting Brand Management**

In the highly competitive global fragrance market, Chinese fragrance brands face significant challenges, primarily stemming from their limited emphasis on brand image and reputation. These challenges encompass crucial aspects: First and foremost, the issue of product quality stands out as paramount. As relatively new players, many domestic fragrance brands lack the necessary experience in sourcing materials and crafting scents. Consequently, they are disadvantaged when pitted against established international giants. This discrepancy often leads consumers to uncover disparities between the actual product and the marketing claims, resulting in negative consumer experiences. As a result, these brands witness a decline in their reputation and credibility, further eroding customer loyalty and trust.

Secondly, on one hand, the inclusivity of brand culture may fall short, making it difficult for overseas users to forge emotional connections. Secondly, many domestic brands grapple with effectively communicating their brand stories, hindering their ability to establish deep connections with consumers. For instance, the case of the Chinese brand To Summer. While their product lines and store designs draw inspiration from Chinese cultural customs, their proactive dissemination of this aspect to international audiences remains limited, constraining their recognition and market reach. Additionally, despite providing cultural interpretations for each product, the brand itself fails to convey a profound meaning, resulting in a less-than-robust brand image in the minds of consumers. These challenges collectively underscore the uphill battle that Chinese fragrance brands face in the global market. Reporters also considered that “This observation is important because there are Chinese firms that seem to have everything to win globally except for branding and marketing” [8].

## **4. Suggestions**

As previously mentioned, To Summer and Documents possess robust brand concepts, yet they have struggled to effectively align them with their products, resulting in potential customer attrition. To address this issue, this paper explores three key suggestions:

### **4.1. Crafting Unique Brand Stories**

To Summer relies on Oriental historical narratives as a cornerstone of its appeal. Yet, it has yet to market its brand story, missing the opportunity to resonate with its intended audience. Distinctive brand narratives serve as conduits for consumers to understand a brand’s origins, core values, and unique characteristics. These narratives play a pivotal role in positioning the brand effectively within the target consumer base. For instance, Tiffany has taken the world by storm with the theme of diamonds, love, and romantic stories. Tiffany integrates the founder, diamonds, and love into the

story. Therefore, when consumers buy Tiffany, they buy eternal love and the beautiful expression of romance [9]. This kind of narrative evokes emotional resonance, further imprinting the brand in customers' minds. If domestic fragrance brands can craft a captivating brand narrative and engage in active marketing, they will undoubtedly attract many potential consumers to purchase. Besides, domestic fragrance brands should prioritize increased customer interaction to cultivate brand loyalty. Local brands can introduce personalized fragrance options to bolster loyalty and curb customer churn. This approach empowers customers to select their preferred scents and provides invaluable insights for tailoring future product releases to meet customer preferences. Additionally, implementing membership programs featuring product discounts, special offers, and birthday gifts can incentivize brand loyalty and strengthen customer relationships.

#### **4.2. Expanding into International Markets**

Consumers tend to gravitate toward well-known and trusted brands when making purchasing decisions. A brand's renown plays a pivotal role in shaping consumer choices. However, whether To Summer or Documents, their global recognition still falls short compared to internationally renowned brands. Domestic fragrance brands must consider expanding into overseas markets to augment brand awareness and secure a foothold in broader markets for future international competitiveness. Oriental fragrances, which have always appealed due to their exotic nature, present an excellent opportunity. This article mentions whether it's Guerlain's iconic Shalimar, introduced in 1925, or Bvlgari's fragrances inspired by Darjeeling tea and white tea. These delightful scents remain rooted in India [10].

Consequently, there exists an untapped niche for perfumes that truly cater to the desires of overseas consumers for authentic Oriental fragrances. To establish a brand presence and elevate brand recognition in foreign markets, brands can establish physical stores in key international cities. This approach bolsters market presence and awareness and facilitates direct customer engagement, fostering brand loyalty. Additionally, leveraging overseas social media platforms such as Instagram, Facebook, and YouTube and collaborating with local perfume influencers, celebrities, or bloggers can expedite brand recognition. Moreover, the success of To Summer's recent collaborations with domestic art museums and art exhibitions suggests similar collaborations in overseas markets, such as offering the potential for overseas expansion through partnerships with local artists or designers tapping into regional culture to attract a broader consumer base and fortify brand identity.

#### **4.3. Improving Product Qualities**

Nevertheless, it is crucial to underscore that brand recognition alone does not guarantee success. Product quality stands as an equally pivotal factor. To flourish in international markets, domestic fragrance brands must subject their fragrance formulas to rigorous quality assessments, ensuring compliance with international standards. Seeking certification from authoritative institutions bolsters consumer trust in the products. In addition, brands should cultivate a professional and trustworthy image through marketing efforts, conveying that domestic fragrances are visually appealing and synonymous with quality. Furthermore, environmental awareness holds growing significance for international consumers. Domestic fragrance brands can opt for recyclable materials in packaging, particularly for candles and perfumes, and incorporate this eco-friendly feature into their marketing strategies to attract environmentally conscious consumers.

On the other hand, the survey indicates that some consumers who purchase fragrances from Documents have expressed dissatisfaction with the product's quality relative to its price. They find the brand's premium pricing difficult to justify. As a result, for domestic fragrance brands to continue expanding in international markets, it's imperative to assemble a professional team of perfumers. This

can involve hiring renowned international perfumers, combining their expertise with that of Asian perfumers, and crafting unique oriental fragrances that better align with the preferences of international consumers. Furthermore, domestic fragrance brands should assess whether their product quality justifies its price and make timely adjustments to prevent potential declines in consumer demand. At the same time, domestic fragrance brands should stay updated with the latest trends. They should grasp the evolving dynamics of the global fragrance market, including the popularity of specific fragrance tones and innovative packaging designs. This proactive approach will ensure their products can effectively compete with other international fragrance brands in the overseas market.

## **5. Conclusion**

### **5.1. Key Findings**

In conclusion, analyzing the marketing strategies employed by emerging domestic fragrance brands, To Summer and Documents, reveals valuable insights into their challenges and potential growth. The Chinese fragrance market is rapidly expanding, driven by increasing disposable income and a growing interest in personal care products. Both To Summer and Documents have demonstrated impressive progress within the local fragrance landscape, leveraging unique selling propositions and distinctive marketing approaches.

However, this study identifies critical areas of improvement in their marketing strategies. The lack of effective brand storytelling has hindered these brands' abilities to resonate with their target audiences and establish lasting connections. To address this, crafting captivating and culturally resonant brand narratives is recommended. This strategy has proven successful for renowned brands like Tiffany, underscoring the potential impact on customer engagement and loyalty.

Furthermore, the significance of expanding into international markets cannot be overstated. Leveraging the allure of authentic Oriental fragrances, domestic brands have the opportunity to tap into a global consumer base. Establishing physical stores in key international cities and collaborations with local influencers can bolster brand recognition. However, this expansion should be complemented by a steadfast commitment to product quality and compliance with international standards.

### **5.2. Research Significance**

The significance of this research lies in its contribution to the growth and development of domestic fragrance brands within the competitive market. By addressing challenges related to brand awareness, international expansion, and product quality, To Summer and Documents can enhance their domestic and international positions. Moreover, the insights provided here can serve as a foundation for broader discussions within the fragrance industry and offer valuable guidance for emerging brands striving to establish a robust market presence.

### **5.3. Limitations and Future Study**

While this study sheds light on critical aspects of To Summer's and Documents' marketing strategies, there are certain limitations. The absence of primary data collection, relying primarily on secondary data sources, could impact the depth of analysis. Future research should consider incorporating primary data through surveys, interviews, and consumer feedback to understand consumer preferences and perceptions better.

The journey for To Summer, Documents, and other domestic fragrance brands is not merely about diversifying perfumes but weaving compelling narratives, fostering customer loyalty, and embracing international audiences while staying true to their Oriental essence. Through strategic adjustments

and a commitment to excellence, these brands can flourish in the intricate landscape of the fragrance market.

### Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

### References

- [1] *Moojing Market Intelligence*, "Can a 4-billion-dollar perfume market not accommodate the lingering scent of the East?" 2020.9.5, 2023.9.3, [https://www.sohu.com/a/582571968\\_120154724](https://www.sohu.com/a/582571968_120154724)
- [2] Hou, C. (2023). *Research on Social Media Marketing Strategy of S Brand Fragrance based on SICAS Model* (Master's Thesis, Zhejiang Gongshang University).
- [3] Liu, X. Y. (2023). *Research on Precision Marketing Strategies of Luxury Brands under New Retail Formats* (Master's thesis, Beijing Institute of Fashion Technology).
- [4] Iresearch Consultancy. (2022). *Insights into China's Interest-Driven Consumer Trends White Paper for the Year 2022*, 2022.9.26, 2023.8.16, <https://www.cbndata.com/report/3024/detail?isReading=report&page=2>
- [5] Zhong, M. L. (2017). *Research on Loire Fragrance Product Marketing Strategy* (Master's Thesis, Dalian University of Technology).
- [6] Xie, J. & Yu, H. (2020). *Fragrance Journey: The application of fragrance in hotel marketing and Management*. *Marketing* (28),139-140.
- [7] Hou, M F. (2011). *Leading the fashion fragrance market*. *Daily chemical science* (03), 37-40. The doi: 10.13222 / j.carol carroll nki. Dc. 2011.03.005.
- [8] Liu, J. W., Lin, J. C., Wang, Q. S. & Chen, J. Z. (2018). *The Impact of fragrance on corporate brand identity...* (eds.)*Proceedings of 2018 International Conference on Education, Social Sciences and Humanities(ICESSH 2018)*(pp.312-315).DEStech Publications.
- [9] .(2022). *Smell of local fragrance brands*. *International Brand Observation* (25),48.
- [10] Tian, S. (2007). *What perfumes do successful you choose - Fragrances are part of your personal brand*. *Contemporary Managers* (01),114-116.