

Establishing and Operating a Fragrance House in the Middle East

Inside the dynamics driving thousands of launches a year

Amal Boussat, Natalie Pini, Christian Provenzano and Chris Pickthall

According to a 2011 Euromonitor report on the Middle East market, “fragrance ingredients posted a 6% [compounded annual growth] over [2005–2010] compared to a global rate of 2%. Growth rates over 2010–2015 are forecast to be similar (just under 5% for flavours and just over 5% for fragrances), with the Middle East and Africa set to outperform all other regions, even Asia-Pacific and Latin America.”

Responding to this impressive growth rate, CPL Aromas (Bishop’s Stortford, England), building on its 15-year presence in the region, opened a perfumery, sales and applications facility in Dubai’s Jebel Ali Free Zone. The operation features two resident perfumers, including the group’s director of perfumery, Christian Provenzano. Here, Provenzano and several other key company representatives share their collective experiences and insights in the Middle East Market.

—Editor

There are various factors that made Dubai an attractive region for a growing fragrance house. “There is a large availability of good staff with a great work ethic,” says Chris Pickthall, CPL Aromas Group CEO. “Local knowledge is fundamental to operating in these markets and employing locals was very important to us. Personally, we like the fragrance tastes that our customers here have and our perfumers enjoy creating them. We are close to India and have good access and links to Europe and the Far East, which is important to our global company. Also, as a bonus, great restaurants, a fun environment and wonderful weather make it great place to live.”

The Dubai operation has expanded its team from many areas of the globe. Dubai, after all, is a highly multicultural society; only a very small percentage of the population is local/Dubai nationals. And so CPL Dubai employees hail from India, Pakistan, Philippines, France, Italy, Gibraltar, Morocco and the United Kingdom.

Cultural and Market Insights

With the company serving the Middle East and some African countries, an understanding of the cultures is fundamental. For example, Middle Eastern consumers believe the darker the fragrances, the more expensive the ingredients. Some companies have colored their fine fragrances to reflect this. Middle Eastern consumers are driven by a growing trend toward luxury and innovation. These consumers foster an intensified importance in wearing fragrances in order to keep a good personal and



CPL Aromas' Dubai location

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groomed appearance, while also having higher spending tendencies, all of which lead the Middle East fragrance sector to welcome thousands of new launches every year.

“The new Middle East world is sophisticated and modern, while still rooted in its strong traditions,” says Amal Boussat, the company’s Dubai-based marketing manager. “Perfume captures a very special place in traditional Middle Eastern lifestyles. The growing trends toward luxury and high spending will continue in this part of the world. We will see more personalized and refined fragrance launches with sophisticated and attractive packaging. Niche brands will continue to expand, especially in the GCC (Cooperation Council for the Arab States of the Gulf markets)—United Arab Emirates, Saudi Arabia, Qatar, Oman and Kuwait.”

Fragrance and Ingredient Preferences

Traditionally, it was common practice in the Middle East to offer attar (alcohol-free pure oil) or fragrance to guests. This tradition continues to this day in many parts of the Eastern world, including the Middle East, the Far East, India and Pakistan.

Faced with a wider and largely different palette of raw materials compared to Western perfumery, CPL Aromas director of perfumery, Christian Provenzano, says “The Middle Eastern Market is very different in

terms of 'typical Arabic fragrances.' So much so that when Western people smell Arabic fragrances, they usually turn their noses up because it's so strong and say, 'what a horrible smell!' The reason is that the majority of Arabic fragrances are based on a natural essential oil that has been embraced by the Muslim world for thousands of years called *oud*, or *agarwood*.

Oud on its own has strong woody, leathery, fatty and animalic notes. It sometimes reminds you of sheep skin, which of course is not very pleasant, but when combined with other ingredients such as rose oil, saffron, sandalwood oil and various other ingredients, it becomes more pleasant if it's not overdosed. A pure oud oil can cost up to £20,000.00/kg (\$31,770.00/kg). The best oud qualities are produced in Cambodia and India. This oil is now filtered into the Western world of perfumes and can be seen in new launches including Dior, Armani, Tom Ford, YSL and others."

The Alcohol Issue

Perfume and scent is an integral part of Arabic and Islamic culture and religious consideration is of high importance for customers who will market their products to Islamic consumers. Therefore, customers find low- or alcohol-free formulations attractive. To resolve this issue, the company has applied its Ecoboost technology. The technology allows formulators to create high



*CPL Aromas' director of perfumery,
Christian Provenzano*



*Amal Boussat,
CPL's Dubai-based
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*Chris Pickthall,
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impact fragrances that can be dosed at lower levels, thus minimizing the need for packaging and lowering environmental impacts. What it also does is allow perfumers to create these low-dosage, nearly alcohol-free scents for Middle East customers.

Conclusion

To serve the customers in this region, the importance of being nearby cannot be understated. Neither can the importance of employing Dubai locals rather than British ex-patriots. Fully understanding customers' needs and wants paves the way to great customer service. Taking all this into account, along with familiarity with key raw materials, provides the main ingredients to making a success of the fragrance business in the Middle East.

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