

NONFOODS MERCHENDISING: ESSENTIAL OILS AND PERFUMES

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Our scientific interest to issue of essential oils as component of perfumes was attracted by facts and documents related with history of perfume industry development in territory of Ukraine, also as members of entrepreneurship, trade and goods expertise department we were motivated by perspectives of work as team-members in startup or brand managers in national or even international companies specialized on producing and/or merchandising perfumes and cosmetics. For this we should be familiar with commercial, historical, technological and quality assurance aspects of producing and merchandising essential oils and perfumes. Tasks of our research are: to analyze different aspects of modern cosmetics and perfumes industry like trends, peculiarities of quality control and certification, mining, processing, labeling and merchandising; to compare different certification systems and methods of quality control of essential oils; to analyze perspectives of organic farming (producing raw material and processing essential oils) for key players of Ukrainian agribusiness.

Perfumery is both a science and an art. Traditionally process of producing perfumes includes extraction of scented ingredients from botanicals, behavior of chemical components, and careful blending of scents to achieve the desired composition. Essential oils may be found in roots, flowers, leaves, fruit, seeds or bark of the plant. Growing and harvesting conditions are optimized for the production of the best fragrances. There are a lot of companies specialized on perfumes and cosmetics industry, who have own fields and gardens organized on principles of organic farming like French Ives Rocher or Turkish Thalia, as like as many others national enterprises and startups.

Global market for essential oils and perfumes is projected to reach equivalent of 51 billion USD by 2022 year. This specific market is measured by compound annual growth rate (CAGR), which indicates measurement of economic growth over multiple time periods. According to opinion of experts, growth of this industry is driven by numerous factors: rising demands for perfumes among consumers; increase in personal toilette for both men and women; accelerated consumer spending on personal and beauty care products and growing awareness that scents greatly enhance personal mood and well being. With a projected annual increase of 5.9% from 2016 until 2026, the natural or pure perfume sector accounts for 19% of the total value share for 2016 and is expected to reach a CAGR of 7.9% over this same period of time.

Comparative researches conducted by cosmetic companies (Avon, Oriflame and Faberlic) around the world indicate that 4 out of every 5 women in developed and developing countries use perfume on a regular basis. Middle East, European Union and North America are key players of global geographic segment for the fragrance industry. Middle East, European Union and North America are key players of global geographic segment for the fragrance industry. North America occupies 34% of all revenues and Europe today is the second-largest sector with 30% of industry sales. South America and the Middle East are burgeoning markets claiming 36% of industry sales respectively.