

# HOME FRAGRANCE AND CANDLE REPORT 2005

## Table of Contents

<b>Chapter 1: Introduction .....</b>	<b>2</b>
Research objectives .....	2
Methodology .....	3
<b>Chapter 2: About Home Fragrance Industry Sales and Growth .....</b>	<b>5</b>
Home fragrance market has achieved steady high rates of growth from 2000 to 2004 with continued strong performance expected through 2010 .....	5
• <i>Figure: Home fragrance consumer expenditure in millions; 2000-proj. 2010 .....</i>	<i>5</i>
Growth in sales of candles trailed rest of home fragrance market in 2004 .....	6
• <i>Figure: Total home fragrance market, 2000-2004: Candles, home fragrance, candle and lighting accents, air purifiers .....</i>	<i>6</i>
• <i>Figure: Candle sales by product form 2004: Glass jars; tea lights; candle gift sets; pillars; votives; essential oil candles; tarts/wax chips; tapers; soy candles; gel candles; floating candles .....</i>	<i>6</i>
Mass merchants are leading retail source for home fragrance products .....	7
• <i>Figure: Home fragrance channels of distribution including candles and other home fragrance products .....</i>	<i>7</i>
Comparable channel of distribution data for retail sales of candles in 2002 and 2004 can be compiled .....	8
• <i>Figure: Candle channels of distribution, 2002 &amp; 2004 .....</i>	<i>8</i>
Projections of home fragrance sales into the future .....	9
<b>Chapter 3: About Home Fragrance Consumers and their Purchases .....</b>	<b>11</b>
Over 80 percent of U.S. consumers purchased home fragrance products in past year .....	11
• <i>Figure: Home fragrance purchase incidence, 2003 &amp; 2005: Candles, home fragrance products, candle and lighting accessories, air purifiers .....</i>	<i>11</i>
Demographics of home fragrance consumers .....	13
• <i>Figure: Home fragrance and candle buyers demographics .....</i>	<i>13</i>
Home fragrance buyers highly likely to buy multiple products within the category .....	14
• <i>Figure: Home fragrance purchasers and their other product purchases .....</i>	<i>14</i>
Demographic distinctives between types of home fragrance products bought .....	15
Total spending on home fragrance products exceeds \$250 .....	15
• <i>Figure: Total spending home fragrance products 2004: candles, home fragrance products, candle and lighting accessories and air purifiers .....</i>	<i>15</i>
Typical candle consumer spends most buying jar candles .....	16
• <i>Figure: Total spending on candles by types; Glass jars; tea lights; candle gift sets; pillars; votives; essential oil candles; tarts/wax chips; tapers; soy candles; gel candles; floating candles .....</i>	<i>16</i>
Home fragrances are luxuries for the 'masses' — Everybody at all income levels buys home fragrances .....	16

- *Figure: Total spending home fragrance products by income*..... 16
- Women on average spend 25 percent more than men on home fragrance products..... 17
- *Figure: Total spending home fragrance products by gender*..... 17
- Consumers aged 25-to-34 years are biggest consumers of home fragrance products..... 17
- *Figure: Total spending home fragrance products by age*..... 17
- *Women's average total spending on home fragrance products by age*..... 18

**Chapter 4: About Candle Purchases ..... 20**

- Majority of candle shoppers bought jar candles most recently ..... 21
- *Figure: About most recent candle purchase; types of candles bought*..... 21
- Typical shopper spent just under \$20 buying candles in most recent shopping trip ..... 22
- *Figure: Average number of candles bought and amount spent on each type of candle purchased in most recent shopping trip*..... 22
- Most candles purchased in last shopping trip were scented ..... 23
- *Figure: Percentage of candles bought in most recent shopping trip that were scented* ..... 23
- Candle purchasers buy primarily based upon scent ..... 24
- *Figure: Why consumers bought candles most recently* ..... 24
- Mass merchants attract more recent candle purchasers ..... 27
- *Figure: Where bought candles most recently* ..... 27
- Candle shoppers are most influenced by good prices, convenience and place to shop for other things in selecting a store ..... 28
- *Figure: Why shopped at this store for candles most recently* ..... 29
- More consumers bought different candles in 2005, while the average number of specific candles bought in the year dropped from highs in 2003 ..... 30
- *Figure: Average number of candles bought by type in past year, 2003 & 2005*..... 30
- Typical candle consumer spent 68 percent more buying candles in past year than they did in 2003 ..... 32
- *Figure: Candle average total spending* ..... 32
- While candles are a popular gift, most candle purchases are made for oneself ..... 33
- *Figure: Percent of all candles bought past year given as gifts*..... 33
- Nearly 90 percent of candle purchases in 2005 were scented ..... 34
- *Figure: Percent of all candles bought past year that were scented* ..... 34
- Mass merchants are way out in front when it comes to retailing candles..... 35
- *Figure: Where bought candles through the past year*..... 35
- Trends are favorable for more candle purchasing..... 36
- *Figure: Trends in spending on candles in coming year*..... 36

**Chapter 5: About Home Fragrance, Candle and Lighting Accessories and Air Purifier Purchases..... 38**

- Purchase incidence of home fragrance products is reaching level of candles ..... 38

Bath and body products, room sprays and car fresheners are top consumer picks in home fragrance products..... 38

- *Figure: Type of home fragrance products bought: personal bath and body products; room sprays, car fresheners, diffusers/plug-ins; incense; potpourris; aromatherapy/essential oils; bed linen sprays, sachets, closet fresheners; simmers/simmering liquids; wax tart burners; other* ..... 38

Purchase incidence of candle and lighting accessories is even with 2003..... 40

- *Figure: Type of candle accessories bought: votive holders; tea light lamps; jar accessories; candle plates; candle sticks; candle stands for pillars; outdoor torches; wall sconces; oil lamps; candle rings; candeliers/hanging candle holders; other* . 40

Less than one-fifth of consumers bought air filtering systems..... 41

- *Figure: Type of electric air purifiers bought*..... 41

Consumers spend most on home fragrance products..... 42

- *Figure: Total amount spent past year on other home fragrance products: home fragrance products; candle and lighting accessories; air purifiers* ..... 42

Mass merchants are tops in home fragrance retailing..... 43

- *Figure: Where purchased other home fragrance products* ..... 43

Home fragrance products have best prospects for growth in 2005-2006 sales years..... 44

- *Figure: Trends in spending on home fragrance products in coming year*..... 44

**Chapter 6: About Consumers' Favorite Home Fragrances and Brands..... 46**

Three types of scents are at the top of consumers' fragrance list..... 46

- *Figure: Scents purchased in past year, including candles and home fragrances* .. 46

Favorite fragrances make one feel good and have a clean, fresh scent..... 47

- *Influencers rated very important in home fragrances*..... 48

There are only six brands that over half of consumers associate with home fragrance .... 49

- *Figure: Home fragrance brand awareness and purchase incidence*..... 49

Marketing profiles of the top ten home fragrance brands..... 51

Bath and Body Workds is top brand associated with home fragrance..... 51

Glade by S.C. Johnson and Son ..... 52

Airwick by Reckitt Benckiser ..... 52

Yankee Candle ..... 53

Avon ..... 53

Fabreze ScentStories by Procter & Gamble ..... 54

Renuzit by Dial ..... 54

Pier 1 Imports..... 54

Martha Stewart..... 55

Blyth ..... 55

**Chapter 7: About Consumers' Attitudes toward Home Fragrance and Different Personalities in Home Fragrance Market..... 56**

Fragrance is chief motivator for candle and other home fragrance product purchases .... 56

- *Figure: Attitude Statements* ..... 56

Four different types of home fragrance personalities are discovered ..... 58

- *Figure: Attitude statements according to different personalities* ..... 59
- *Figure: Home fragrance personalities by share of market*..... 60

Flame-retarding Rachel rejects the flame ..... 60

Candle lifestyle enthusiast enthusiasts Lila gets into all things candle ..... 61

Entertaining Eunice buys candles and home fragrances for parties ..... 63

Fragrance-driven Frances wants the scents but withholds the rest ..... 63

- *Figure: Field guide to candle and home fragrance buying segments*..... 65

**Chapter 8: About Maximizing Sales to the Home Fragrance Market..... 66**

Consumer trends and their opportunities and implications for home fragrance retailers and marketers ..... 66

Review of key business building tactics to increase sales in home fragrances ..... 66

Next steps for candle and home fragrance marketers to increase sales and build market share ..... 68

**Appendix A: Home Fragrance Consumer survey ..... 83**