



Beauty & Personal Care



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MyParfum creates personalized fragrances in-store

- MyParfum allows customers to create their own fragrance online
- The company ran into trouble when it overstretched itself and nearly went into liquidation
- Now, MyParfum has supplemented its online service with a flagship store

MyParfum turns online fragrance selection into an in-store experience

MyParfum was founded in 2005 by brothers Matti and Yannis Niebelschütz. Their business concept – the mass customisation of fragrance – was simple, and so was the reasoning behind the idea. The German fragrance market is dominated by mainstream fragrances, they argued, and consumers are bored with wearing the same perfume as everyone else.

The solution: let customers mix their own fragrances. At MyParfum.de consumers can create their own perfume online by selecting from a range of fragrance notes. They then choose a bottle which they can personalize by having names or letters engraved into the flacon, and have the end result delivered to their doorstep. Prices start at €39.99 for 30ml.

Economically the MyParfum concept also made sense. It offered an emotional, easy to understand product that could be produced with inexpensive ingredients and therefore offered high margins. Add to this the low overheads thanks to on-demand manufacturing and direct sales to customers, as well as minimal product returns, and you had what looked like a winning concept.



Company history

MyParfum was successful from the start. Sales went well and external investors came on board. The business grew quickly, new staff was taken on, and in 2011 the company even started to expand into the US market. In 2012 Seven Ventures, the online investment subsidiary of Germany's biggest media group, ProSiebenSat1, bought a stake in MyParfum in return for free advertising time on the group's TV stations.

After the deal with Seven Ventures was struck, MyParfum started a major multimedia advertising campaign, but by that time the online retailer's fortunes had already turned. The company had grown too quickly, the partnership with ProSieben faltered and sales went downhill while costs rocketed. In early 2013, MyParfum was insolvent.



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Start-up realities

The fate of MyParfum is not that unusual. Berlin is the epicentre of the European start-up scene – the city is often called Europe’s Silicon Valley – and over the last few years dozens of start-ups were launched in Germany.

Some have turned out to be very successful indeed, such as www.glossybox.de, which offers monthly subscriptions for beauty boxes, or another mass customization company, www.mymuesli.de which lets customers create their own muesli mixture from more than 80 different organic ingredients. However, many more start-ups have quietly filtered or, like MyParfum, crashed and burned. After the company declared itself bankrupt, MyParfum might have been expected to disappear. The opposite has happened, however.



MyParfum 2.0

The Niebelschütz brothers believed that MyParfum’s business concept was essentially sound and in mid-2013 they bought back their company. They then announced that they would operate the company as a family business, avoiding external investors, and would opt for slow and sustainable growth rather than rapid expansion.

An integral part of the new concept was the opening of a showroom – a “fragrance atelier” – in Berlin. The new store opened in late 2013 and is located just off Friedrichstrasse, in an area that is right on the main tourist trail.

MyParfum’s flagship store is elegant, decorated in stylish white tones and black accents. In the centre of the room is a table which displays the entire MyParfum range of fragrance notes, bottled in stoppered flacons. Customers can smell their way through 46 scents, ranging from Green Tea through Cashmere Wood to Cassis Blossom. A shelf near the back wall displays ready-mixed fragrances and Berlin-inspired creations.

The Berlin store offers the same services as MyParfum’s website. After trying out the different fragrances a client can place a perfume order there and then. Alternatively, they can book a fragrance consultation and have a specialist compose a personalised perfume just for them. The online service still exists, either by following a six-step multiple choice order process or by filling in a psychological questionnaire and letting a professional nose design a fragrance based on the responses.

There are eight bottles to choose from, ranging from the 30ml Flacon Bordeaux priced €39.99 to the 50ml Flacon D’Or, which costs €99.99. Prices for perfumes created by a specialist start at €59.99 and go all the way up to €119.99.



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What's next

MyParfum will develop a multi channel retail model, expanding across Germany

Fragrances are difficult to sell online, unless they are well known brands that consumers have already tried out somewhere else. It is hard for many to imagine what a fragrance smells like based solely on a written description.

One of the reasons why MyParfum stumbled the first time around was that it is more challenging to construct a fragrance from individual notes than it may seem at first glance. Most people know what vanilla, apple, lavender or cinnamon smell like, and some might also be able to identify woods such as cedar and sandalwood. Few, however, would recognise Asian lotus, fougère or osmanthus. Adjectives like spicy, sensual, masculine, feminine, floral or fruity can only give limited guidance.

Opening a bricks and mortar store that allows customers to try out the merchandise in the real world was the obvious solution for MyParfum. The retail space can also be used for events to cement the company's image. For example, MyParfum already stages regular perfumery workshops in the store but it may also consider hosting fragrance or ingredients seminars and renting out the space for fragrance launches and other external perfume-themed events.

The new store is a step towards multi-channel retail, something that other German start-ups have done too. MyMuesli, for example, sells some of its products in German supermarket chain Kaisers and has opened 10 MyMuesli stores in different cities.

MyParfum is already planning to open further fragrance stores across Germany, perhaps in cooperation with partner perfumeries.

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