

SENSE & SCENT

BUILDING EMOTIONAL BONDS THROUGH ENGAGEMENT MEASUREMENT

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WAKING UP TO SMELL THE PROVERBIAL COFFEE

The Fragrance Industry has recently acknowledged the need to learn to better measure the emotions, insights and expectations of today's "bionic" consumers. Today, these industry targets are more visually and brand literate than ever before. Their values shift months – and sometimes years – ahead of focus group articulations and "trends" too invasive to ignore. These consumers have more gate keeping power than ever before, and more choices than gate keeping power, all of which makes it more and more difficult for business-as-usual approaches to bring the brand "magic" back to a new generation of fragrance consumers.

In fairness, the industry *has* acknowledged the need to evolve from a functional to emotional paradigm. Most recently, an article in the June/July 2007 issue of *International Cosmetic News* noted that industry analysts question whether today's fragrance marketers are really focused on building sustainable brand identities, which can't be done in the absence of an emotional connection. Don Loftus, president and CEO of Procter and Gamble Prestige Products, noted the need for "understanding the consumer perceptions of a certain brand universe ... to develop meaningful propositions." You can't do that in an emotional vacuum either. And while these problems are receiving greater notice, it seems that the role that consumers play at the front end of the product and brand development process continues to be somewhat less than "fundamental."

Yes, fragrance marketers deal with what is essentially an experiential category that is, or should be, grounded in emotion. But beyond the most fundamental imagery, more (and more often) commonplace visual metaphors, creative bottle and package design, and the too often reliance on "borrowed" celebrity equity, the fragrance industry has not developed the tools to help them link consumers' emotional values and expectations – and the possible brand positionings that could be fashioned from such insights – with sensory cues.

SENSE

New York-based Brand Keys, Inc. and London-based MGN Limited have developed an emotional engagement-based assessment that allows Fragrance Marketers to predictively link consumer values and sustainable brand values to actual fragrances.

The methodological framework is based upon the psychological framework of "emotional brand bonding." This approach has been proven to correlate extraordinarily highly with loyalty, positive consumer behavior toward the brand, sales, share-of-market, and, ultimately, corporate profitability.

The methodology has a test/re-test reliability coefficient of .93 configured off National Probability Samples in the United States and the United Kingdom. The approach has been successfully applied in 26 countries across a wide variety of products and services in both B2C and B2B categories.

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The technique is a blend of cognitive psychological assessments and higher-order statistical (factor, regression, and causal-path) analyses. The formula “fuses” emotional and rational elements to elucidate three specific outputs that can be used to link consumers’ emotional values with – in the instance of the fragrance category – sensory cues. (See figure 1.)

The output specifically includes three elements:

- 1) The consumer’s four-factor, category-specific drivers,
- 2) The attributes, benefits, and consumer and category values (ABVs) that form the components of those drivers, and
- 3) The unconstrained-by-reality expectations consumers actually hold for each of the drivers.

The first element is an identification of the category drivers that define *how* the target audience *views* the category, *compares* brand offerings, and, because they are correlated so highly to actual behavior, ultimately how consumers will *buy* in the marketplace.

The second output-element is the identification of *how* the ABVs come together to form the drivers themselves. (The causal path analyses can also provide the

percent-contribution made to engagement (and sales) by *any* marketing element or variable included in the assessment and the drivers themselves. This can include *any* consumer or category attribute, benefit, or value, and – although we did not avail ourselves of this output for this survey – can be quite useful in identifying critical elements for strategic brand planning and determining how to most effectively and efficiently sequence marketing initiatives.

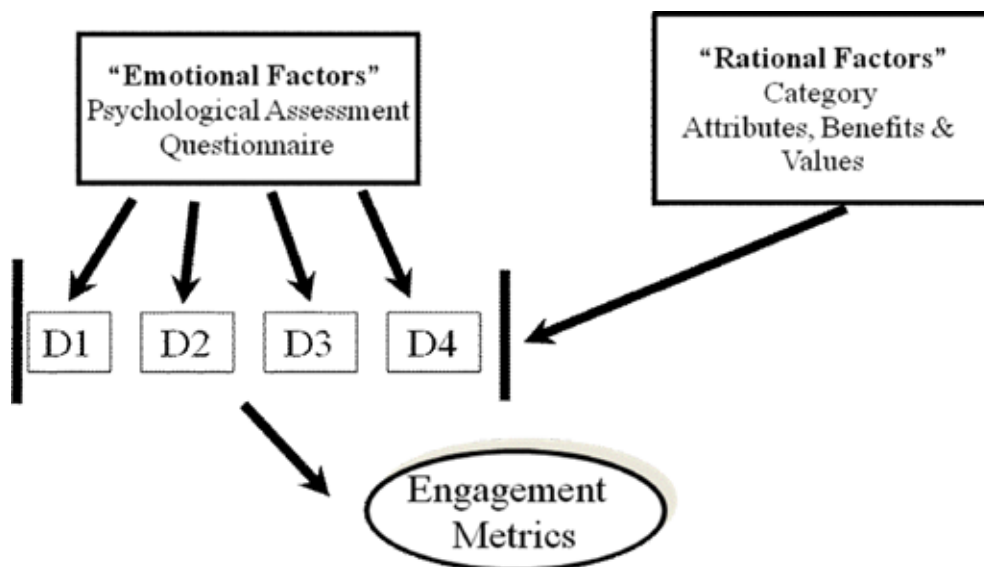
The final element is an indexed identification of the levels of expectation consumers hold for each of the category drivers. This provides an emotional – rather than rational – identification of how “high” is actually “up” for key influencers. It is most useful when used to identify gaps between what is really expected and what is currently on offer.

SCENTS

The study was conducted in New York City, United States, and London, England among 400 men and women, 21 to 34 years of age.

All participants were self-classified “users of fragrance on a regular basis.” Respondents were provided with a list of 10 fragrances and were asked to identify

FIGURE 1
ENGAGEMENT THEORETICAL FRAMEWORK



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any that they “would absolutely *not* consider using.” Only respondents who *did not* reject the fragrances to be used in this study – albeit on a blinded basis – participated in the category and sensory engagement assessments, although they were *not* told the names of the fragrances they were assessing.

Respondents rated their Ideal fragrance and 44 fragrance-related attributes, benefits, and values, nine of which were occasion-based items. Then respondents were asked to smell an unidentified fragrance and – using the same psychological rating – assessed the fragrance.

The female segment in New York City was exposed to *Betsey Johnson* from Betsy Johnson. The female segment in London was assessed *Stella* from Stella McCartney. The men – in both cities – were exposed to *Pursuit* from Alfred Dunhill.

The assessments identified four drivers for the category. These (alphabetically) were:

- Image,
- Ingredients,
- Reaction,
- Scent.

Each driver was made up of the following attributes, benefits, and values (*n.b.*, the nine “occasion-based” attributes were included in a separate measurement

exercise that will be discussed later in this paper.) (See table 1.)

The order of importance of the drivers, that is, the emotional basis consumers use to view the category – and ultimately “compare” (and bond to) fragrance offerings – showed *no geographic differences* between the US market and the UK market. There were, however, differences between how women saw their Ideal, and how men viewed their Ideal.

The order of the drives for the women’s Ideal was:

- 1) Scent
- 2) Reaction
- 3) Image
- 4) Ingredients

The order of the drivers for the men’s Ideal was:

- 1) Image
- 2) Scent
- 3) Reaction
- 4) Ingredients

There were, however, geographic differences in *consumer expectations* for their Ideal fragrance.

In London, women’s expectations looked like this (see figure 2).

TABLE 1
CATEGORY ATTRIBUTES, BENEFITS, AND VALUES

Image	Scent	Ingredients	Reaction
Adventurous	Burnt	Colorful	Flirty
Classic	Floral	Complex Mixture	Inspired
Down-to-Earth	Musky	Dense Atmosphere	Powerful
Innovative/Novel	Resinous	Exotic Elements	Pulsating
Modern	Spicy	Fresh	Rhythmic
Original	Sweet	Light	Sensual
Sexy		Natural Ingredients	Strong
Sociable		Original	Subtle
Traditional		Simple/Basic	Unexpected
Vintage			

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FIGURE 2
WOMEN'S FRAGRANCE IDEAL: LONDON

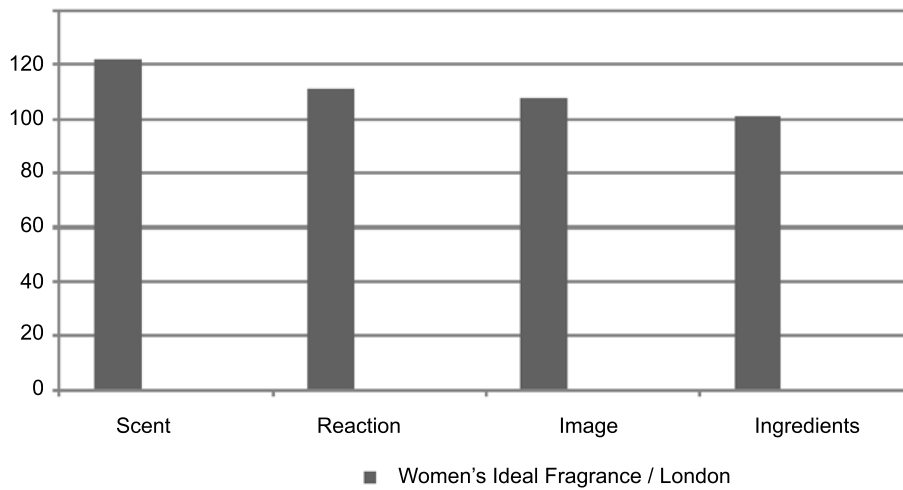
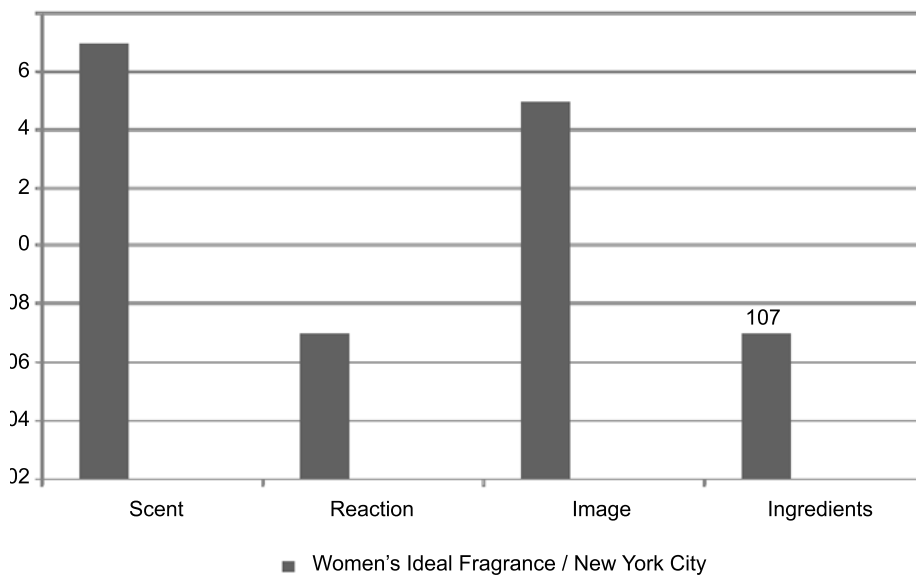


FIGURE 3
WOMEN'S FRAGRANCE IDEAL: NEW YORK CITY



In New York, women's expectations were slightly different (see figure 3).

In London, the highest expectations are invested in the drivers of *Scent* and *Reaction*, with moderate expectations for *Image* and low expectations for *Ingredients*. In New York City, the highest expectations are invested in the *Image* driver too, but also on the *Scent* driver. Women in New York City had moderate

expectations for the remaining drivers *Reaction* and *Ingredients*.

Expectations for men in London looked like this (see figure 4).

In New York City, men's expectations for those same drivers looked like this (see figure 5).

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FIGURE 4
MEN'S FRAGRANCE IDEAL: LONDON

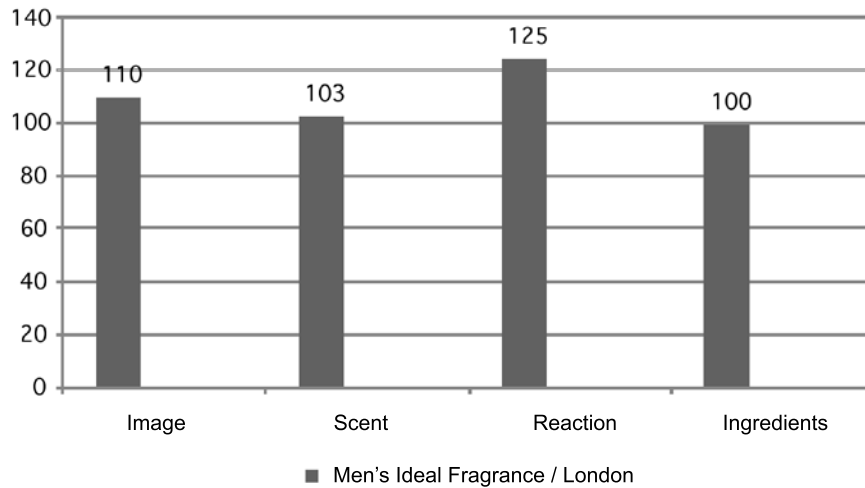
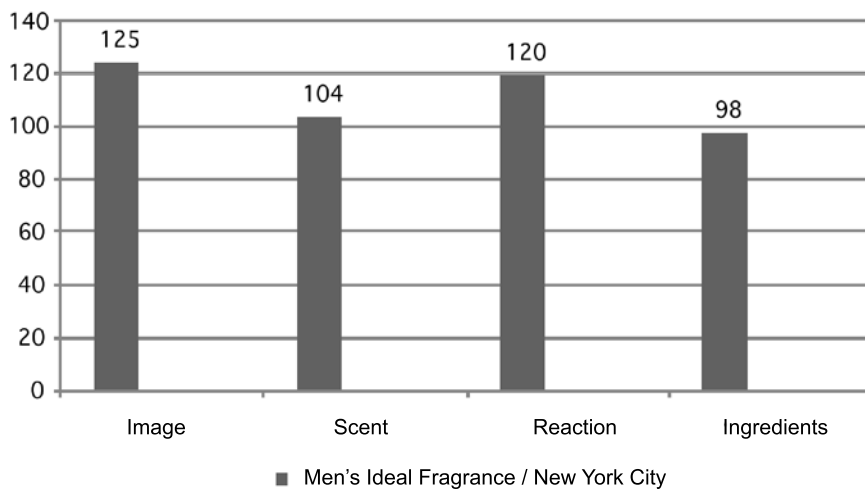


FIGURE 5
MEN'S FRAGRANCE IDEAL: NEW YORK CITY



The differences in expectations between men in London and men in New York City are more obvious and more extreme than those of the women in those cities. In London, *Reaction* is the driver that holds consumers' highest expectations. And, they have moderate to low expectations for the other three drivers. In New York City, however, men's highest expectations were invested in both *Image* and *Reaction*, and have relatively low expectations for the remaining two drivers.

These assessments now provide us with an emotionally-based framework (correlating with consumer behavior) against which actual fragrances can be tested.

THE PROOF IS IN THE PERFUME

Consumers, having been exposed to the test fragrances, rated them in the same way as they had their Ideals. "Emotional fit" can be assessed by calculating strengths and weaknesses between the consumers' Ideals and

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the actual fragrances. This can be identified (at the 95% confidence level) by any difference between the two assessments of + 5 index points. The comparisons of their emotional reactions to the perfumes/cologne to their Ideals looked like this (see figures 6 and 7).

Thus, for the women’s segment in London *Stella* was only seen to meet the emotional needs of the segment’s Ideal on the *Ingredients* driver. For the women in New York City who were exposed to the *Betsey Johnson* fragrance, the only driver where the scent emotionally met the Ideal was on the *Image* driver.

FIGURE 6
WOMEN’S EMOTIONAL ASSESSMENT OF TEST FRAGRANCE: LONDON

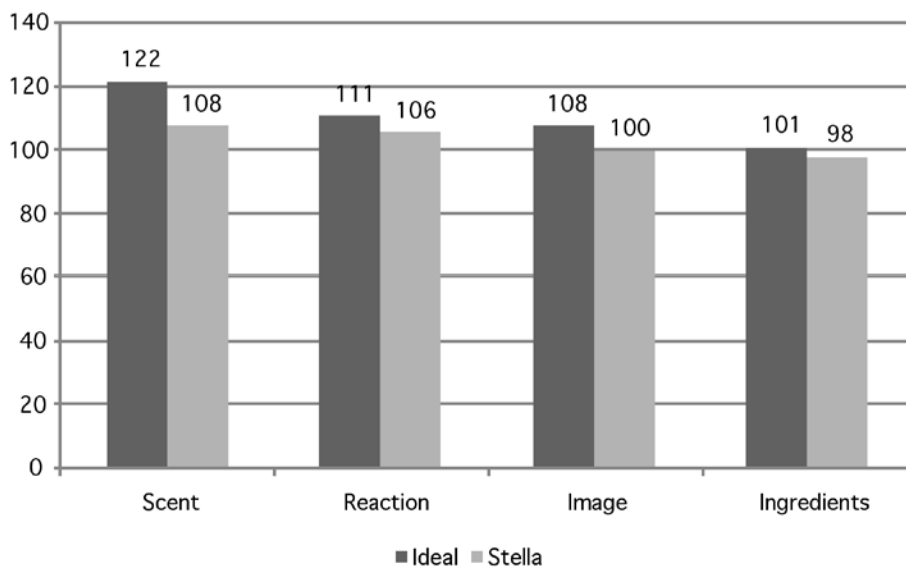
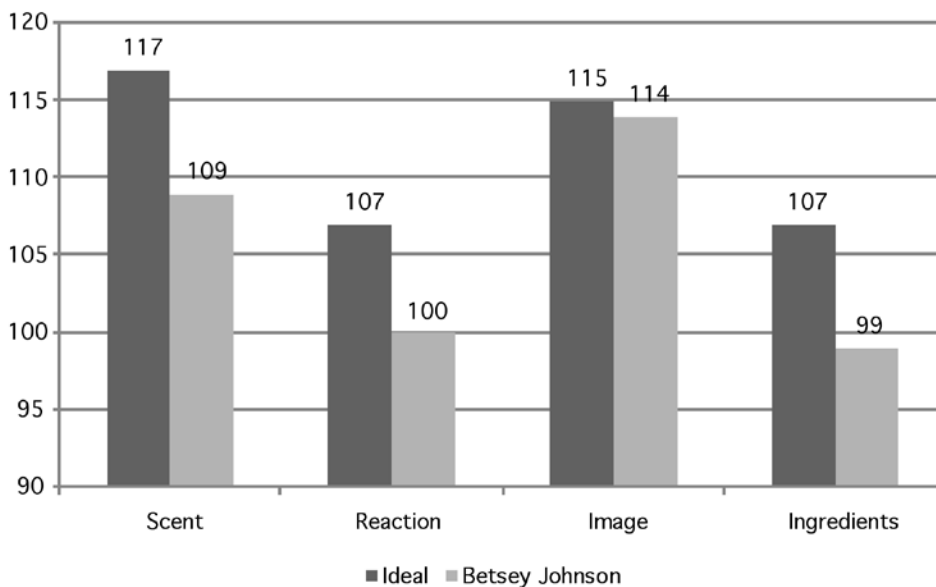


FIGURE 7
WOMEN’S EMOTIONAL ASSESSMENT OF TEST FRAGRANCE: NEW YORK CITY



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For the men, Alfred Dunhill's *Pursuit*, met – and in one instance exceeded – the requirements of the Ideals identified by the men in New York City and London on all drivers. (See figures 8 and 9.)

An engagement approach of this nature – at the front end of the brand development process linking emotional

and sensory cues – makes consumer input far more fundamental. By identifying the drivers (and appropriate components) where the actual fragrance meets or exceeds (or does not meet or exceed) consumer expectations, differentiation, sustainability, and emotional bonding can be addressed and amplified.

FIGURE 8
MEN'S EMOTIONAL ASSESSMENT OF TEST FRAGRANCE: LONDON

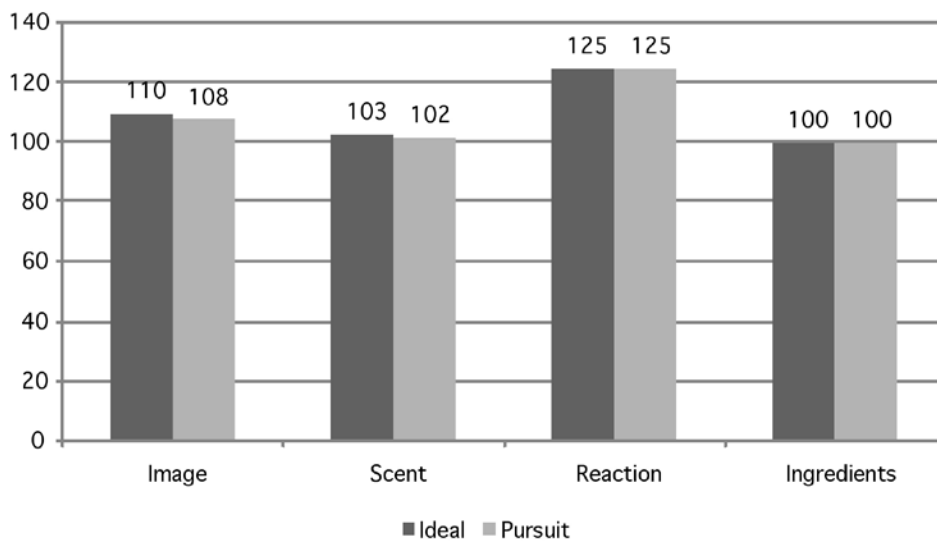
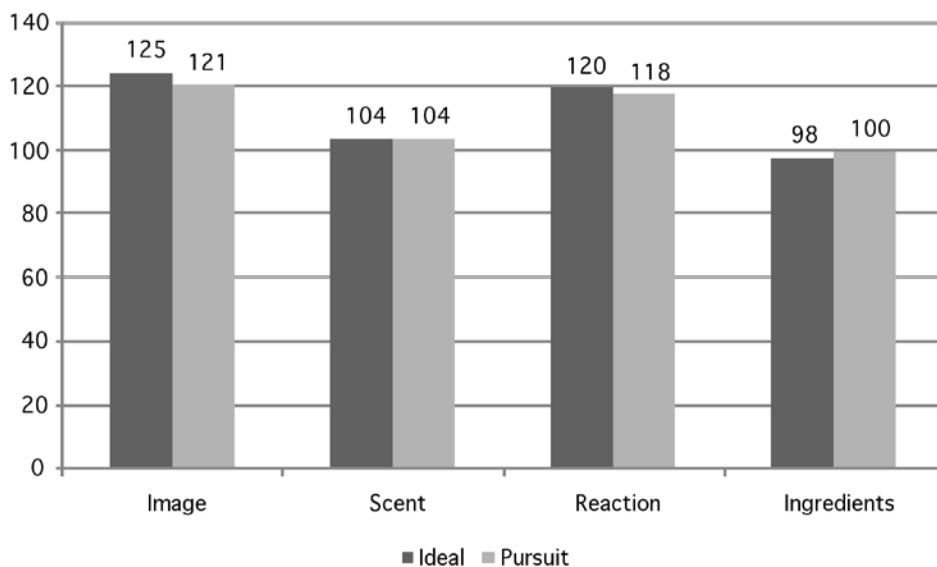


FIGURE 9
MEN'S EMOTIONAL ASSESSMENT OF TEST FRAGRANCE: NEW YORK CITY



A SCENT FOR ALL SEASONS?

Utilizing the engagement assessments we are also able to determine how consumers emotionally associate specific occasions and branding opportunities with *each* of the category drivers. In fact, as purchase and gifting of fragrances tend to be occasion-driven, nine occasions were included in the current assessment, although virtually any event, image, or occasion can be included.

The result of a Total Audience assessment revealed the following emotional associations (see table 2):

While insights of this nature may be less useful for general branding exercises, they can be extraordinarily useful in developing specific messaging for gift-giving occasions. Additionally, any relationship between driver attributes, benefits, and values, and the specific occasions that reside within the drivers can be used to develop richer, more emotionally-driven strategies and tactics for those occasions.

END NOTE

That differentiation and sustainability of fragrance offerings has become more problematic is *not* a surprise to the industry. Neither is the need to bring the brand “magic” – the emotional bond that defines *how* consumers will behave in the marketplace – back to a new generation of fragrance consumers.

Critical issues like more sophisticated consumers (and the difficulties involved in truly engaging them), the commoditization of scents, and the over-reliance upon celebrities to imbue fragrances with meaning can be

addressed via engagement-based assessments. Utilizing this blend of cognitive psychology and higher order statistical analyses, marketers can “fuse” emotional and rational category and customer values to better elucidate consumer need states and identify differentiation and sustainability opportunities, and put the consumer at the forefront of the fragrance brand development process.

Diane Ackerman, in her book *A Natural History of the Senses*, said it best: “Nothing is more memorable than a smell ... Smells detonate softly in our memory like poignant land mines hidden under the weedy mass of years. Hit a tripwire of smell and memories explode all at once. A complex vision leaps out of the undergrowth.”

By first identifying the emotional “tripwire,” (as an adjunct to traditional, experiential sensory-metrics) and identifying the real expectations held by consumers, Fragrance Marketers can now better clarify the links between the two. The result? A better formula for optimum and emotionally-differentiated brand opportunities, positionings, and fragrance formulations.

**TABLE 2
OCCASION ASSOCIATION WITH CATEGORY DRIVERS**

Image	Ingredients	Reaction	Scent
Gift	Graduation	Romantic Gesture	Valentine’s Day
Christmas		Personal Treat	
Mother’s Day		Birthday	
Father’s Day			

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