



* ----- RETAIL SUPPORT ----- *



THE SCENTS OF RETAIL

What's in a nose? Smell is the most powerful and persuasive of all our senses and an increasing number of retailers are tapping into that power by using fragrances in the retail environment.





In a world where consumers are constantly bombarded by retail marketing, fragrance is a new weapon. "If you think about the visual impact of marketing, it's all about things that jump out at us. Fragrance is more mysterious – and it hasn't really been that explored but there is great research on scent and how it affects people," says Absolute Essentials' aromatherapist Bo Hendgen.

Some of that research has been conducted in the retail environment. A study run by Dr Val Clulow of Swinburne University of Technology in Melbourne showed that using in-store aromas meant customers stayed longer in a store, bought more and had a better perception of the quality of the store's product and services.

These results are backed up by several other studies around the world, including one in a US mall that showed an increase in the average spend of between US\$50 and US\$90.

WHY SMELL?

The reason smell is such a powerful sense is that the nose is directly connected to the olfactory lobe and the limbic system, which is the part of the brain that deals with emotion.

Humans have only four genes for vision and 1,000 for smell and it's estimated that 75 per cent of our

emotions are based on what we smell – rather than what we see or hear.

Though there is much research showing the connection between aroma and emotion, Michael Morrison, the principal researcher at Monash University's department of marketing in Melbourne, says it's something we know without doing any research.

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Nearly everyone has experienced the connection between scent and memory. A scent has the power to instantly trigger a childhood memory. Geraniums might remind you of your grandmother; water melon of summers on the beach. "Aroma has a very powerful link to the emotions and, unlike hearing and sight, the sense of smell doesn't deteriorate as you get older," he says.

Morrison says in-store aromas are just one part of what's known as experiential retailing. "It's about selling experiences and wanting to give customers experiences about a brand."

This form of emotional branding can connect a business to its target market in an incredibly powerful way.

Morrison has focused his research on how to connect with customers using the five senses. "You're trying to make a connection with the consumer and it's a competitive market. It is about points of difference, store-stay time, and return to store. If you can excite all the five senses, I guarantee people will return to your space," Morrison says.

Hendgen says some scents have therapeutic effects. "Peppermint clears the sinuses and makes people feel cool, which in summer is a really nice thing. There was a test done that showed businesses saved 20 per cent on air conditioning in offices by putting peppermint into the air.

Though the use of in-store aromas is in its infancy in New Zealand, Europeans have been using it for years. "I think it is French in origin and that's no surprise when you think of the number of perfumes that come from France. I'm sure the French have been pumping out aromas since things have existed," Morrison says.

In-store aromas are popular with US chain stores – from clothing shops to homewares and food outlets. Starbucks lets its odoriferous product speak for itself – but the chain takes aroma into account by banning staff from wearing perfumes or aftershave that might interfere with the coffee smell.

In New Zealand, in-store aromas are on the increase according to Paul Keane of Retail Consulting Group. "They're more widespread than people think," he says. "This shows that the aromas are quite subtle. Their use is driven by branding, but even more to convert the customer and distinguish one retailer from another."

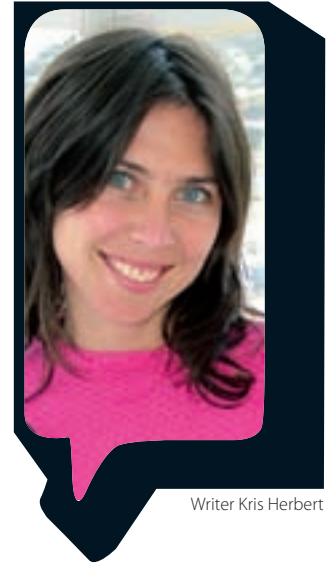
In-store fragrance distributor Bruce Maxwell from Ecomist Canterbury says the use of in-store fragrances is continually increasing in New Zealand. "It's mainly in the chains and luxury stores at the moment. The idea is a person will remember the fragrance rather than the shop name and that their nose will always take them back to where they were. It registers in the brain through the senses."

Morrison believes in-store aromas will be adopted by many more retailers, "... once they realise how powerful it can be."

USING AROMAS IN-STORE

Almost anyone can find an appropriate in-store aroma.

Bread manufacturers pump out the smell of baking bread when their ovens aren't on. Travel agents use a subtle odour of coconut. The smell of freshly cut grass might be wafting around the golf section of a sporting goods store. Even banks have been



Writer Kris Herbert

known to fill their offices with the smell of money. Lavender calms people down. Peppermint makes them feel cool.

A store might develop a single signature aroma or use different scents with different seasonal promotions. "It might be built around the colour of a garment," Morrison says. "If this season's colour is water melon, you might have visual promotions about water melon and that would be backed up with a water melon aroma, so you are making the connection on many levels instead of just one or two."

This multidimensional connection is a key strategy for the Australian chain SUPRÉ. "It's part of our strategy to appeal to all five senses," says international brand manager Cathy van der Meulen.

"SUPRÉ is one of the pioneers of retail aroma in Australia," Morrison adds. "They are using fragrances like vanilla and melon to link to their target market – which is quite varied, but distinct. For SUPRÉ, aroma is one part of a multidimensional connection that includes lights, music, staff dress and merchandising."

Morrison suggests starting with one fragrance first. "If I was a brand I'd have

one aroma initially, to establish credibility, and then I would build on that. It's like Coke and then Coke with a twist of lime or a twist of lemon. You have to keep extending brand perception."

He suggests there is no one fragrance that will appeal to everyone. "Younger consumers might like citrus and older women might prefer vanilla."

Hendgen warns that it's important to remember that scents are being used in a public environment. "You have to be aware that there may be people who are pregnant, or have health conditions, and some oils are contraindicated for those conditions. And with scent, we haven't got the choice of not smelling it – so scent can be even more intrusive than music. You have to consider people who work in that space and the aromas have to be quite subtle. A fragrance needs to give customers a hint of something – but it doesn't need to be in our faces."

Ecomist business development manager Helen Thompson Carter says high quality fragrances are important to protect people with allergies. "You've also got to get the cultural mix right.

To the Chinese, frangipani is a death flower, but for Polynesians it's a really important part of everyday culture. There are all these things you have to think about."

SUPPLIERS

Compared to other marketing strategies, using aromas to develop a branding connection is remarkably cheap. For as little as \$300 a year, a retailer can put the power of a fragrance to work in their store.

Ecomist is the nation's largest supplier of in-store fragrances. The company has more than 100 fragrances in its range – which can be used on their own or blended with an odour neutraliser. It sources all its oils from France and supplies large chain stores like SUPRÉ, Stacks and Bendon. It also exports New Zealand manufactured fragrances to Australia.

Unlike hearing and sight, the sense of smell doesn't deteriorate as you get older.

The fragrance is circulated through the store by using a 30 cm-long machine that takes 350 ml cans of fragrance.

The same machine can also be used for insect control. The machine costs between \$70 and \$90 and Maxwell says one \$19.50 can last an average of one month.

"A lot of stores have the machines positioned near changing areas – and then the scent overflows into the store."

Absolute Essentials supplies its retail blends to pharmacies, health stores, department stores, gift stores, and beauticians nationwide. Hendgen came up with three essential oil blends for retailers. The first helps to increase customer decisiveness and aids clarity for shop staff. Another uses geranium to create a pleasant atmosphere; and Retail Remember Me is a blend is beneficial for memory and recall. Made from medicinal-quality essential oils, Hendgen says the oils are fine enough to be absorbed into the olfactory lobe.

The essential oils can be distributed through a simple light bulb ring, a candle diffuser, an electric aroma stone, or an aromatiser machine. Hendgen estimates most retailers would use around \$30 to \$50 in oils each month. ■

By Kris Herbert, a freelance writer based in Lyttleton.