

# Smells Like Brand Spirit

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In the battle for consumers' attention, some innovative companies are exploring a new branding frontier: scent. Will they be winners by a nose?

During a weekend in late spring, New York shoppers on the prowl for digital playthings unwittingly stumbled into a covert operation on the olfactory frontier. Riding up the escalator to the third floor of the Shops at Columbus Circle, they encountered a scent like that of a young metrosexual primed for a night at Soho House -- a unisexy, modern fragrance along the lines of Calvin Klein's cK One.

It wasn't emanating from one of the many European tourists cruising the glossy vertical mall or escaping a promotional event at the nearby Aveda store. It was the seductive smell of consumer electronics.

Samsung, the Korean electronics giant, was conducting a test of its new signature fragrance in its Samsung Experience concept store. Researchers waylaid shoppers leaving the store to grill them on whether they thought the scent was "stylish," "innovative," "cool," "passionate," or "cold," and, more important, whether the scent made them feel like hanging around the shop a little longer. Amit Patel, 22, a pharmacist visiting from the UK, was unimpressed. He hadn't noticed the smell but had a strong opinion about the company's priorities. "I think Samsung should stick to what it's good at: making gadgets," he said.

But Nicole Snoeker, 25, a Dutch tourist, was charmed. "I thought the store had just opened," she said. "It smelled very fresh and new." Plus, she volunteered, she probably lingered a bit more than she had intended. "I felt relaxed. It put me in the right mood. That's important in shops nowadays."

And if the company is concerned about reaching hip, young electronics-savvy consumers, it hit pay dirt with 11-year-old Simon Clarke, a precocious redhead from Connecticut who admitted he was already a gadget hound. "I love the smell of technology," he said. "It smells stimulating." Samsung's bid for the hearts and noses of electronics buffs comes not a moment too soon.

Already, across town, the rival SonyStyle store has staged a preemptive strike in the odoriferous battle, with a shop scented with notes of mandarin orange and vanilla. "We wanted to add one extra dimension to differentiate our store from the rest," says Christine Belich, executive creative director of the SonyStyle stores, noting that the company is particularly interested in attracting female shoppers to its 16 mall locations. The company is also exploring a way to make the store's Madison Avenue windows radiate the scent, so passersby might be lured inside to sniff out a laptop or new digital camera.

Sensory branding, the idea that brands should engage consumers on a variety of touch points, is hardly new. There's the visual: Consumers now know instantly that a giant yellow arch indicates the proximity of cheeseburgers, or a certain robin's-egg-blue box signifies a classy token of affection. There's the auditory: A distinctive ring tone tells surrounding theatergoers that the offender is a customer of Nokia or Motorola. And a startup *bong* lets nearby latte sippers know whether the writer huddled over the laptop in the corner bought her operating system from Microsoft or Apple.

The idea of using a signature scent as a brand identifier has been slower to catch on outside the fashion industry (where certain retailers, such as Victoria's Secret, have long used fragrance as part of the sensory environment in their stores). But as it becomes ever more difficult to gain consumers' attention in an increasingly cluttered environment, more and more companies are looking to fragrance to help distinguish their brands from the competition.

Heaven -- and Nielsen -- knows, marketers need the help. With commercials, email, billboards, pop-ups, product placements, and print ads, the clutter problem has grown to epic proportions. A

typical adult is now exposed to 294 TV ads alone per day, according to the industry reference book "TV Dimensions 2005." Fully 83% of all commercial contact is visual -- the 30-second spot, the newspaper ad, the screaming LED screen of an electronic billboard, says brand expert Martin Lindstrom, author of *Brand Sense: Build Powerful Brands Through Touch, Taste, Smell, Sight, and Sound* (Free Press, 2005). Yet an April 2000 CAB/Nielsen study showed a dramatic drop in ad recall as the number of messages soared, estimating that only 10 or 20 will produce a fleeting awareness of the brand.

While vision is unquestionably our most powerful sense, when it comes to garnering an emotional response, scent is a much more powerful trigger. "Seventy-five percent of the emotions we generate on a daily basis are affected by smell," says Lindstrom. "Next to sight, it's the most important sense we have."

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Until recently, though, smell has been the stepchild of the senses. "Smell is fairly dormant in our culture," says Ron Pompei, CEO of the design firm Pompei AD. The reason, he says, is that as civilizations moved from the agricultural to the industrial age, we generated a lot of smells that weren't too savory. Between sewage in the streets and belching factories, "for a couple thousand years, we haven't had an environment worth smelling," Pompei says. "But when we reopen that sense, we open up possibilities."

Savvy brand stewards are pouncing on that opening. The scent of Starbucks coffee, for example, is instantly identifiable, even in the midst of a Barnes & Noble bookstore. Fliers on Singapore Airlines relish the scented towels the airline distributes before meals. Borrowing a scented page from its hip young corporate sibling W Hotels, Westin Hotels recently began a test of White Tea, its new signature fragrance, in eight cities around the world. "We think scent is a pretty exciting element of the whole guest experience," says Sue Brush, senior vice president, Westin Hotels & Resorts. "It's one of those subliminal things you don't necessarily advertise, but we hope it can help guests decompress after the rigors of the road." In developing the scent, Westin rejected florals as too traditional and citrus as too harsh. The fragrance also had to have international appeal. The company's designer, DB Kim, chose White Tea for its simplicity and its ability to both relax and energize. Westin expects to roll out the fragrance to the entire chain by the fourth quarter, deploying scent in the hotels' public spaces via a diffusing machine.

Car manufacturers have long recognized the smell of a new car as one of the most powerful tools in their arsenal for cementing a love affair between their brand and a new owner. When Rolls-Royce buyers began complaining in the mid-1990s that the new cars didn't live up to their predecessors, researchers tracked the problem to its source: the smell. Using a 1965 Silver Cloud as a reference point, the company deconstructed the scent, identifying 800 separate elements. It then recalibrated the aroma and now sprays it under the seats to re-create the scent of a classic "Roller."

Indeed, so alluring is the scent of a new car that manufacturers have bottled it, enabling used-car dealers to spray their inventory with the fragrance to help move jalopies off the lot. But Lexus, which prides itself on the high ranking its vehicles' interiors invariably receive from consumers, disavows such olfactory ruses. "It's the natural components of the vehicle that make the Lexus smell," says Ann Bybee, corporate manager of advertising, brand, and product strategy. Those components include maple, birch, and cowhide leather. "Lexus has a stronger leather smell in our

cars than BMW, maybe because they also have those nonleather, leatherette-type vehicles as well," she sniffs.

A few hundred miles from Paris, Napoleon famously sent an urgent missive to Josephine: "Home in three days. Don't wash."

One needn't have ridden a Paris subway recently to recognize that scent is a powerful force regardless of nationality. According to the Sense of Smell Institute, the average human being is able to recognize approximately 10,000 different odors. What's more, people can recall smells with 65% accuracy after a year, while the visual recall of photos sinks to about 50% after only three months.

Proust may have had his madeleines, but everyday Americans have equally powerful olfactory memories, says Dr. Alan R. Hirsch, founder and neurological director of the Smell & Taste Treatment and Research Foundation, in Chicago. In one study of 989 people, he found that their favorite childhood smells varied based on when they were born and raised. Subjects born between 1900 and 1930 waxed nostalgic about natural smells -- grass, trees, horses, pie. Those born after 1930 were more likely to remember artificial scents from their youth -- Play-Doh, Crayola crayons, Keds, SweetTarts. "That suggests that the things people are nostalgic for are now more artificial and brand-related than in the past," says Hirsch. "If a company can associate a mood state with a smell, it can transfer that happy feeling to the product." Those who don't lock in that connection risk being left behind, he warns.

But experts say simply slapping a scent on a product won't assure a brand's acceptance any more than piping in "Feelings" on the sound system in a department store will make customers buy more socks. For one thing, the scent must match logically with the product and its customers. In other words, infusing pneumatic drills with the scent of lilac probably won't goose sales among construction workers.

Dr. Eric Spangenberg, dean of the college of business and economics at Washington State University, ran a test in a clothing store in the Pacific Northwest to determine how scent affected customers by gender. He diffused a subtle smell of vanilla in the women's department and rose maroc (a spicy, honeylike fragrance that had tested well with guys) in the men's. The results were astonishing. When he examined the cash-register tapes, he found that receipts almost doubled on the days when scent was used. However, if he reversed the scents, diffusing vanilla with the men, rose maroc with the women, customers spent less than average. "You can't just use a pleasant scent and expect it to work," he says. "It has to be congruent." Similarly, he says, the fragrance has to make sense with the product or environment it's supposed to enhance: "When you go into Starbucks, you don't expect to smell lemon-scented Pledge."

Alex Moskvin, director of BrandEmotions at International Flavors & Fragrances Inc. (IFF), spends a lot of time tinkering with variables, attempting to match the right scent to the right brand. He begins by developing a demographic profile of a target customer and by identifying the elements of the brand that consumers find most appealing. Moskvin says he studies the DNA of the brand and its relationship to consumers -- even those who have become disaffected -- to figure out what resonates olfactorily. "It's important for companies like ours to understand the emotional communication of the fragrance and to have a point of view on that," he says. In designing a hotel fragrance, for example, Moskvin would want to know if the chain was positioned as a family-friendly hostelry (think chocolate-chip cookies) or an haute couture, Zen-like retreat (think sandalwood or hinoki). "We want to capture a smell that makes people feel part of the club," he says.

As many global marketers have learned, however, the scent of the club varies depending on where the clubhouse is located. At a seminar in Moscow, for example, Lindstroem polled the audience on their favorite aroma. "Freshly washed clothes, hanging on a line in subzero

weather," they responded enthusiastically. Hispanics, experts say, are partial to vanilla. The Japanese like apple.

And to add to the complexity, much as in the fashion industry, fragrances follow trends. Indeed, says Ted Kesten, CEO of the international fragrance house Belmay, food-related scents -- chocolate, vanilla, pecan pie -- are the new black this year, at least in the United States. But that may not hold true in Barcelona or Bangkok. Five years ago, for example, fruit scents were popular in the States, but not in Europe. "Global brands are very tricky," he says. "When you're launching an international scent, you try to stay away from the love-hate extremes and find something in the middle with wide acceptance."

In 1994, Dr. Hirsch gave a paper on the effect of scent on consumer spending to a group at the Bally Hotel in Las Vegas. At the end of his talk, an audience member stood up and challenged him. "Hirsch," he said, "the odors aren't affecting consumers; they're affecting the salesmen, who are being more friendly." Hirsch was stumped. It was a variable he hadn't considered.

Walking back to his room, he passed a bank of slot machines, and three cherries rang up in his brain: What if he designed an experiment using aroma and one-armed bandits -- a totally salesperson-free control group!

So he set up a scent-free control area, and another with a faint, pleasant scent. Then he stood back and let the low rollers ante up. Afterward, he compared the test sample's receipts with the weekend before the study and the weekend after. In the control area, there was about a 3% uptick in bets, defining the study's margin of error. But in the scented area, receipts were up 45%. When the study was replicated using a higher level of odorant, there was a 53% increase. The study was reported in the journal *Psychology & Marketing*. Since then, Hirsch says, most casinos use some form of scent, although all will deny it.

Despite instant comparisons to the famous subliminal advertising ploys first discussed by Vance Packard in *The Hidden Persuaders*, Hirsch claims to be unconcerned by the ethical implications of this sensory manipulation. For one thing, he says, the scents have to be used in high enough concentrations to be noticeable, so they can't be secret. "When you use lower odors, it's less effective than when you use higher odors," he says. "So why would people bother using subliminal smells when higher odors have greater efficacy?" (Other researchers have warned that cranking up a scent too high, however, can be a turn-off.)

And many marketers would argue that adding a pleasant scent to a product or a retail environment is no more coercive than installing marble fixtures or flattering lighting. When H.H. Gregg, an appliance retailer in the southeast, planned to refurbish some of its stores, it researched layout, color, and lighting, as well as scent, to create a more congenial shopping experience. The faint smell of home cooking -- apple pie, sugar cookies -- has helped boost sales 33% in the remodeled stores. "We're not treating this like a head shop, where you've got incense all over," says Jim Newell, director of marketing. "It's subtle. You don't want people to go, 'Whoa! Pie!' That would put them off a little bit."

Business is booming at ScentAir Technologies Inc., a Charlotte, North Carolina-based company that manufactures the device that delivers the stores' aromas, says CEO David Van Epps. "I used to have to knock on a lot of doors to get somebody to take a meeting," he says. "Now I'm hearing from some of the biggest names in retailing, fashion, and packaged goods." Moving beyond the realtor's homespun advice to stick cookies in the oven before an open house, Van Epps's company now has a whole division focused on the real-estate market, an industry that he says is, well, salivating for his product. "Who has time to make a pie every time you want to sell a house?" he asks. Van Epps predicts his company's business will easily quadruple in the next two to three years.

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Still, Lindstroem, who has been barnstorming the globe with his sensory-branding seminars, expresses a nagging sense of unease as companies flock to this latest branding trend. "Scent is extremely powerful and dangerous if used wrong," he says. "So far, we're not advanced enough to use it that way, but I've wanted to have a dialogue on the implications of this, and nobody's talking."

There is, for example, a portion of the population that is allergic to scent. "They can be quite militant," says Spangenberg. "It can get ugly." In addition, fragrance has the ability to elicit unconscious responses that marketers may not intend. The hype surrounding scent is "out ahead of the science," he warns. "We don't know enough about it."

Two miles from the Magic Kingdom, in the Disney-designed town of Celebration, Sally Grady is on a mission to make having medical tests as fun as a day at the beach. Looking at a disturbing cancellation rate among patients facing an MRI, Grady, who's director of imaging services at Florida Hospital's Seaside Imaging Center here, resolved to address the problem by designing an exam space that would be so cheerful and welcoming that patients would decide to stick around. "We created an entire virtual beach environment in this area," she says. The unit's flooring is like a boardwalk; changing rooms look like cabanas; patients change not into backless nighties, but into surfer shorts and tops; barium is served, straight up, in a turquoise glass with an umbrella; the MRI unit is disguised as a sand castle; and a sound machine plays tapes of waves and birds. Several ScentAir machines diffuse the smell of the ocean in one room, and the scent of coconut oil in another. The fragrance of vanilla infuses the MRI room, since the scent reportedly helps people feel less claustrophobic.

"We know this isn't an amusement park. We're here for something serious," says Grady. "But you can almost see a patient start to relax when they start hearing the music and the waves and you hand them a pair of flip-flops. An amazing number say, 'This doesn't smell like a hospital.'" The results have been dramatic. In 2000, when the facility opened, 6% of patients needed sedation, upping the expense of the procedure. By last year, the sedation rate had dropped to 2%. What's more, the cancellation rate for the test dropped 50%. And the time spent coaxing people to submit to the exam has also fallen dramatically.

Seaside is now touting its beach-themed facility in its marketing materials and getting queries from other health-care outfits seeking to replicate its success. Grady has already rolled out a similar environment at Florida Hospital's Kissimmee facility.

For Grady, whose own teenage daughter needed MRI services last year, it's less about cost savings than about patient care. And if coconut oil and vanilla can help alleviate the stress of a frightening exam, then, she says, bring it on. "If you see how intimidating it is for kids to face this test, you know you've got to have this environment," she says. "Once I get them in the door, I've captured them."

[Linda Tischler](#) is a Fast Company senior writer.