

# Fragrance Marketing: An Innovation in the Hotel Industry

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**Abstract.** Despite current global economic issues, businesses are pushing forward with innovative solutions to meet the needs and desires of consumers whose consumption patterns are constantly undergoing significant changes. This paper scrutinizes the changing demands of hotel consumers based on a sensory marketing perspective combined with current global economic trends. Further research and studies into the innovative hotel marketing strategies are based on the five human senses with a focus on fragrance marketing and its effects on motivating consumer consumption while simultaneously enhancing the overall hotel guest experience. Recommendations are made based on the findings of this study to advance and develop marketing strategies with regards to the hospitality industry.

## Introduction

Consumer demands of this era are increasingly differentiated, personalized and diverse, prompting new and innovative products and services. The value of a product or service is not easy to determine or evaluate during the customer purchase process. The intrinsic value of a product or service can however be influenced before the purchase process and continues to be shaped each step of the way. Moreover, according to the consumption structure, the sale of a product does not only focus on the value of the product itself but more importantly to consumer emotions and their perception of value. Besides paying attention to the quality of the product or service during the consumption process, emphasis also needs to be placed on the emotional and psychological fulfillment for consumers.

University of Cornell's professor Bernd H. Schmitt pointed out from his book *Experiential Marketing* that through five marketing strategies: Sense, Emotions, Thought, Behavior and Relationship, a model of experiential marketing framework can be produced, whereby sensory marketing remains a priority of the group. Sensory marketing refers to the stimulation of consumers' sight, hearing, touch, taste and smell to establish a sensory experience and create a memorable experience. According to environmental psychology theory, customers' use of senses towards tangible objects creates an impression that will directly affect their understanding of the quality of the product, image and evaluation.

## The Sensory Marketing background

In an increasingly competitive market, relying on the functional properties and product efficacy is not enough to attract consumers. Enterprises need to exploit consumer's vision, hearing, touch, smell and taste to unify messages for the implementation of brand personality. This is especially relevant for the hotel industry as the opportunity to accommodate guests will require hoteliers to encompass the multitude of senses where those that understand and are able to manipulate them to the benefit of the company will reap benefits that are instrumental in developing a competitive edge for their businesses.

## The Sense of Touch

Sense of touch is often referred to as a personal feeling; it is one of the best ways to obtain useful product information. In consumer behavior, the sensory organs can make sense of how consumer products work as well as create an impression of product quality. It can be used as a motivational

tool to encourage people to buy products as it creates a kind of personal feeling.

The reason people touch a product is because the process of contact provides information to facilitate the evaluation of products and to make a purchase decision. This refers to the purchase of cars, clothes, food, bedding, electronic equipment and countless other common products. Information drawn from the sense of touch includes these aspects: texture, temperature, hardness, weight, and other products of material properties. In 2006 W Seoul Hotel launched a new service known as the "candlelight service" which is a range of personalized bed service. The service begins at 9 o'clock every night by the housekeeper who will place a special lavender pillow, a blindfold and a bottle of lavender essential oils in the room for guest use. In order to meet the needs of various guests with cervical vertebra problem, or ailments requiring special neck supports, the hotel also subsequently launched a sleeping pillow menu. The menu features a variety of pillows from fluffy and soft to hypoallergenic pillows to allow for a unique W hotel guest experience of "sleeping in the clouds".

### **The sense of Hearing**

More and more research points out that if you want to pull on the heartstrings of a consumer, you need to manipulate customer's senses. Audio strategy expert Julian Treasure believes that certain sounds enhance overall customer experience. He stressed that the music or sounds used should be able to instigate 'scenery' in the minds of consumers. An example is how BMW attaches great importance to the customer's perception of the brand, where advertisements in different countries and regions feature different types of audio sounds to please specific consumer groups. They also attach a great importance to the car stereo equipment surrounding the stereo sound.

A study from the University of Johns Hopkins found that during dinner, listening to light music can stimulate the brain to cause the digestive gland to secrete digestive juices and initiate peristalsis of the digestive duct leading to gastrointestinal blood circulation to make food digestion and the absorption of nutrients more wholesome.

Hong Kong peninsula hotel is one of Hong Kong's oldest existing hotels and is also widely regarded as one of the world's most luxurious and famous hotels. The hotel is covered in fine ceramics with a gorgeous and elegant lobby preserving British cultures and traditions such as the exquisite 'afternoon tea'. The afternoon tea is a very rich meal as it features constantly raved dishes such as the Traditional English Scone, Smoked Salmon, Turkey and Gruyere Melt, Cassis Chesnut Roulade, Caramel Apple Choux and a selection of the finest proprietary teas or champagne to finish off. What is little known is that the entire dining experience is enriched with a live jazz band playing soft classical music in the background of the hotel's lobby. This minute detail greatly contributes to the entire dining experience and elevates consumers feelings during the consumption of food and is a quintessential example of how a combination of sensory stimulation increases the perceived standard of both tangible and intangible products.

### **The sense of Sight**

Visual effects that influence customers is one of the top priorities especially for theme hotels, where it becomes a basic requirement. Color can affect the perception of product and brand information where 40% of audiences report a positive feedback on the product and an increase of 75% in brand recognition through controlled tests. Therefore to some extent, without any increase in costs, the specific use of colors can positively influence the value of a product anywhere from 15% - 30%. Bright and bold colors are often more attractive to younger audiences whereas certain dark colors can 'hide' features of a hotel room. This refers to the size, shape or layout of the room and colors can also divert attention to other aspects such as the key features of a room like the bed, technological equipment, seating area or even the balcony. It plays an important role in determining hygiene or the lack thereof as studies have proven that specific colors combined with lighting techniques often conceals defects in a hotel room such as cracks or the effects of wear and tear. A study from the University of British Columbia has also confirmed that certain colors combined with proper lighting can affect the moods of consumers to feel energized, relaxed, creative, irritated or even motivated. This then correlates to the perception of value and willingness to pay more for

certain products that may lead to increase brand loyalty and customer retention.

Even from the contrast of hearing, smell, taste, or touch perceptions, visual perception produces a more unusual and amazing effect as it is deemed to create the first impression in most consumers. Theme hotels, for example Kiruna Town in northern Sweden, 200 kilometers inside the Arctic Circle features Sweden's ice hotel. The world's first hotel made of ice where hotel doors and windows, tables, chairs, beds, lamps, lanterns and even water goblets are made of ice. It also features an ice bar, which provides a truly unique theme for young people to have a wedding in the ice church. Glittering and translucent visuals from the nature of ice creates the visual impact of a fantasy ice and snow world bringing people's visual experience an unprecedented and shocking impact where the layout and design makes a hotel guest feel that everything is a new and fresh experience.

### **The sense of Smell**

Science has shown that the human sense of smell continuously operates 24 hours a day and is one aspect of the human body that cannot be disregarded. It can affect 75% of daily emotions and plays an important role in human memory.

The sense of smell is often initiated from afar in contrast to the sense of taste, which a close proximity. The olfactory sensory experience can be quantified according to the three standards, one is the product consistency, strength and experience; Second, the atmosphere, theme and attention; Third is the bouquet brand and identity. Scent marketing is an innovative approach to marketing; it identifies a particular mood, to promote the sale of a product, or for a certain brand positioning. This form of marketing was exploited by developed countries in Europe and the United States towards the end of the last century. For example: the entertainment and leisure industry uses the sense of smell to affect customer consumption behavior. This marketing strategy is used for various high-end restaurants, bank lobbies, high-end shopping malls, airport terminals, amusement parks, and transportation hubs etc.

Besides that, it is also used in gastronomic establishments such as the aroma of chocolate or baked bread in supermarkets. Subway Sandwich is a known advocate of olfactory marketing where each store emits the aroma of its freshly baked bread that aims to trigger hunger pangs in passersby to pop in and purchase its products. Similarly, in Disneyland popcorn stands are strategically located in the theme parks to aerate the surroundings with its popcorn fragrance that has been designed to appeal to consumers. In France, airplane companies have experimented with theories on making airplanes smell pleasing to ease the journey and create a relaxing and peaceful environment for travelers using the right fragrances. Furthermore, printing companies use micro capsule technology that has been exposed to certain fragrances so that the printed tickets emits a light but pleasant fragrance in the hands of consumers upon receiving the tickets to facilitate pleasant memories

An associate professor of marketing at the Georgia State University Pamela Ellen believes that smell is a powerful advertising tool, as it can attract consumers in just a few seconds. An Oxford University study revealed that people are able to associate a fragrance with a particular experience as far back as a year ago with an accuracy of 65% in recalling the memory and describing details of the experience whereas memories created from seeing pictures 3 months ago only garnered an accuracy of 50% for the same settings. It is therefore obvious that visual memory combined with olfactory memory will contribute more towards product identification and eventually form brand loyalty.

### **Fragrance Marketing Innovation in the hospitality industry**

From current and existing theoretical research, sense of smell marketing provides evidence that proves a stimulation of the subconscious mind, resulting in memory, love, comfort, happiness and various emotional states. It is different from the traditional visual and auditory marketing methods, and is labeled "scent marketing". It is the human sense of smell that is applied to a new and effective way of marketing. It has been studied that the aesthetic stimulation of visual, taste,

auditory and touch has begun to culminate in 'fatigue' from the long exposure to advertisement from various forms of ubiquitous media we use today. Thus, the sense of smell can be perceived as a new and underutilized weapon in sensory marketing to invoke new experiences and stand out amongst the crowd.

Nowadays, marketers at home and abroad commend the effectiveness of olfactory marketing which has become the latest innovation where many large enterprises have invested heavily to build a brand based on the sense of smell. Experimenting and finding the right scent can reflect the quality of the enterprise and attract the right customers to increase the number of consumers as research has proven that certain scents invoke positive moods and the desired behavioural responses to increase the perceived standards of service which is undoubtedly a new and innovative approach to marketing.

Different hotels, based on their own market positioning or in accordance with the demand of the customers will select different fragrances that are in alignment with their branding objectives. Business hotels will probably focus on choosing a universally acceptable scent that creates an impression of simplicity, professionalism and sophistication that is in line with the architectural and interior designs as well as the clientele of the establishment. Trendy, contemporary or lifestyle hotels would possibly opt for a fresh, floral and exciting smell that caters to a younger audience that is eye to eye with the level of energy, freedom, innovation and curiosity that emits from this demographic group. Some resorts will choose a more natural and sweeter fragrance of a variety of seasonal fruits to reconcile and give customers a feeling of homeliness and warmth that complements its natural surroundings. A conference hotel that hosts large meetings or exhibitions and cater to large crowds and often-limited space may go for a refreshing and odor-removal scent of spices.

Different departments may also have their own unique smell that will create the perfect environment for their specialties in providing guest satisfaction. A spa will carry a wide range of relaxing fragrances that will harmonize with the various physical relaxation techniques they have in store for guests while casinos try to maintain a neutral or refreshing 'background' scent that will not adversely affect guests and their quests to defeat the house. The combination and synergy of these scents in unity with the other four senses will ultimately create a more wholesome experience for customers that will associate the experience with the brand.

From another perspective, the lobby is undoubtedly the first stop for customers after entering the hotel where olfactory marketing can generate strong sense of place. Hotel operators have to understand the significance of this location and apply the right strategy. Furthermore, hoteliers have to use a range of different sensory marketing techniques that were discussed earlier such as visual marketing, hearing and other ways to attract customers' attention to form a branding experience.

Sheraton Hangzhou Long Xi recently adopted a new scent depicting the sweet fragrance of an apple pie that guests will experience in public areas before entering the hotel. As soon as they enter the hotel, they will be across a more distinctive smell. Pure, fresh and natural, which is similar to a summer afternoon that has just recovered from a heavy rain, releasing the scent of freshly cut grass. This developing and changing scent is expected to charm hotel guests and enhance the customer experience from one sector of the hotel to another, thus building on the expectations that will form to fuse with the identity of the hotel. In the corridors and rooms a light and natural fragrance that blends in with the interior's colours and sense of touch will exude a feeling of peace and harmony that will create the right atmosphere for a weary guest.

In addition, there are various international consulting companies that can also, according to customer's brand image, design, recommend or research and develop a unique fragrance that conforms with the existing brand personality conform of the client. For example, the William Toffee's Hotel is a new European and American country-styled accommodation provider in Hangzhou that has been called "the sweetest country hotel in Hangzhou". The hotel's design is unique, creating an impression of delicate sweetness that is full of candies and other sweets to imprint into the mind of consumers a certain standard in this niche market. The aroma of this

environment makes consumers produce a pleasant emotional response and prompt the right customers to purchase consumer products and services offered.

Based on fragrance consultants, the hotel uses different kinds of flavors to match the overall business promotional activities, which creates a more unique consumption experience for the consumer. Utilizing a lavender-based fragrance, the hotel builds a happy Christmas atmosphere whereas on Valentine's Day, a muscat-scented aroma is created to build a charming and happy atmosphere. Hoteliers must be aware to use fragrance marketing in moderation as overdoing it will cause the smell to become too strong for the customer and will create the opposite effect.

Currently there have been new and automatic atmospheric systems that are relatively common in new hotels. These investments sell convenience, efficiency and standardization in their consistency of operating from 7a.m. to 11p.m., running 16 hours a day. The system can be used according to the environment, to enlarge the length of the scented time, concentration and frequency of their one-time program that can be set in advance at a given time period to control the scent and positively influence the guest experience.

## **Conclusion**

In today's increasingly competitive market where the acceleration of product upgrades and changes are constantly taking place, consumers' have developed filters to block out unnecessary information. Therefore, in order to find new sensory impacts to stimulate consumption, marketers need to evolve and use different strategies to stimulate customer focus on corporate brands. Recently, fragrance marketing has become a common marketing strategy at home and abroad. Many large hotel groups are investing heavily to contribute to their brand from a sense of smell with an aim to provide a delightful and lasting impression on consumers that reflect their own quality and taste. Some hotel chains apply this strategy in the lobby, hallways, elevators and other public areas by using unique fragrances for customers to create a comfortable experience. This is done to deepen the impression of the hotel guests, enhance the customer's store experience, and to incorporate the unique fragrance to the brand. In doing so, recognition of certain scents will stimulate certain memories. Hotel customers are expected to enjoy the new experience, as hoteliers use fragrance to attract and retain customers and create a true vertical brand experience for targeted customers.

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