“Sensorial brand strategies for value co-creation”

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<td>RELEASED ON</td>
<td>Thursday, 09 June 2011</td>
</tr>
<tr>
<td>JOURNAL</td>
<td>&quot;Innovative Marketing &quot;</td>
</tr>
<tr>
<td>FOUNDER</td>
<td>LLC “Consulting Publishing Company “Business Perspectives”</td>
</tr>
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Sensorial brand strategies for value co-creation

Abstract

This paper is entirely conceptual in nature and it developed through the context of discovery. The authors present a review of theoretically relevant work from marketing, branding and consumer psychology and demonstrate that in the literature, there is a gap with respect to how consumers perceive, as opposed to actually experience a brand as image through the human senses. The article discusses how to delve deeper into the customers mind and treat them in a more personal manner through differentiating and expressing a brand. Moreover, it discusses the concept of sensorial strategies in contrast to transactional strategies and relational strategies and considers how a sensory marketing model can be regarded as an alternative to conventional marketing models. The authors then define and elaborate the concept of sensorial strategies and propose a strategic sensorial brand approach for differentiating and positioning a brand in the human mind. This paper considers how the concept of sensorial strategies explains why value co-creation should be related to the human senses in a sensory marketing context.

Keywords: sensory marketing model, branding, human senses, sensorial strategies.

Introduction

Marketing is reinventing itself as a discipline in contemporary society and drawing on to the conceptual accomplishments of the past in order to create a renewed focus on customers as individuals with human senses and brands as images. As Webster (1988) argues, it becomes necessary to “rediscover marketing to scrape away from the encrustations of strategic marketing” and revert to an “intuitive, creative, flexible, idiographic approach” (Brown, 1999, p. 42) in which “each marketing situation should be treated as unique” (Gummesson, 1987, p. 19) and the individual constitutes the central element of the multi-sensory brand-experience (Hultén et al., 2009).

Since the 1950s, marketing models have been developed to cover the marketing process with respect to consumers, non-profit, goods or services. The transactional marketing (TM) model gained wide acceptance among marketers. It is grounded on microeconomic theory and the behavioral theory of the firm, from an exchange perspective. The model is based on “goods logic”, in which the individual is regarded as a consumer with average needs in a mass-market context, in which advertising is a major tool for reaching to the market. The model is built around acquiring customers, short-term exchanges and single transactions between an active seller and a passive buyer.

Despite the apparent supremacy of TM and the marketing mix approach, mainly due to its simplicity, doubts started to be raised from scholars and practitioners working in industrial and service sectors, who advocated that it was too restrictive, overly scientific and based solely on short-term economic transactions. New frames of reference started to appear and with it a paradigm shift in marketing, that proclaimed for the benefits of relational strategies (Egan, 2008).

The relationship marketing (RM) model is more sophisticated in terms of relationship marketing. It is based on interactions, networks and relationships between active and adaptive sellers and buyers. The model revolves around customer retention, long-term relationships, two-way communication and personal interactions, emphasizing a customer-centric view with relationship handling in the focus of a firm’s marketing strategy and tactics.

Despite RM’s rise to the highest level of marketing theory, some doubts were raised once again as to whether companies would always (or indeed ever) find it suitable or profitable to develop relational strategies (Egan, 2008), or whether they should rather combine TM and RM approaches at a managerial level, as suggested by Brodie et al. (1997) in the marketing strategy continuum hypothesis.

Hultén (2011) proposes a sensory marketing model that takes its point of departure in the human mind and senses, where mental flows, processes and physiological reactions lay the ground for a multi-sensory brand-experience (Table 1). His research is in accordance with the marketing strategy continuum hypothesis, since it combines both transactional and relational strategies in facilitating a multi-sensory brand-experience.

Inspired by service logic, we assume that the value of a brand emerges when interactions occur through the customer’s multi-sensory experiences in the value-generating process, creating a symbiosis between individual and brand. This view contrasts with the axiom of traditional marketing, that self-interest and competition are the drivers of value creation and is in accordance with relationship marketers who believe that it is mutual cooperation that delivers value.
In the branding and marketing literature, there is a paucity of knowledge in understanding how individuals involved in purchase and consumption processes perceive and experience a brand as image. We propose that sensory marketing, defined as “marketing that engages the consumer’s senses and affects their behavior” (Krishna, 2010, p. 2), is likely to fill this gap and contributes substantially to the development of brand management, as well as marketing management in both theory and practice. We also suggest that by using sensorial strategies based on cognitive, emotional or value-based elements, firms can differentiate brands and products and challenge the individual mind in a highly individualized manner, thus impacting on consumer behavior.

This paper is entirely conceptual and developed through the context of discovery in presenting ideas that may result in scientific progress (Hunt, 2002). It is through the context of justification, operationalization procedures and empirical evidence that the ideas presented do or do not bear fruit. Accordingly, the paper opens up empirical research opportunities for testing and validating the presented ideas empirically.

For this reason, the main objective is to conceptualize and propose a strategic sensorial brand approach for firms on the basis of three issues: (1) branding as a process of value co-creation; (2) the multi-sensory brand-experience concept; and (3) the concept of sensorial strategies. The presented framework discusses the relationships between branding as co-creation and brand as image in relation to the human senses, through the concept of sensorial strategies.

The article is structured as follows. Firstly, we present brands and branding as value co-creation, and the multi-sensory brand-experience in relation to the human senses. Secondly, we discuss the impact of sensory stimuli and cues on consumer behavior in relation to sensorial strategies. Thirdly, we propose a definition of sensorial strategies and suggest a strategic sensorial brand approach. The paper concludes with a discussion of the main contributions and theoretical implications, as well as suggestions for future research.

### 1. Value co-creation of brands

In the field of marketing, a paradigm shift from the traditional goods-dominant logic to the new service-dominant logic (SDL) is taking place (Payne et al., 2009). The existing dominant logic is moving from the exchange of tangible goods to one of intangibles like knowledge, processes and skills (Vargo and Lusch, 2004). The new view is challenging the traditional goods-dominant logic, recognizing its limitations whereby the customer perspective has often been neglected (Smit et al., 2007).

Furthermore, this newer approach emphasizes the customer as a co-creator of value, where the “brand becomes the experience” (Prahalad and Ramasvamy, 2004). The customer perspective is central in a service-dominant logic, in accordance with the need to rethink the traditional view of marketing in favour of a more value-based logic. This involves customer value creation as a way of redefining markets in contrast to traditional conceptualizations (Kim and Mauborgne, 2005).

The point of departure of the service-dominant logic is the fact that service is the common denominator in exchange processes and not some special form of exchange. This view also posits that customer value and customer value creating processes are built upon a supplier’s ability to learn and understand how to support the co-creation activities of the customer (Payne et al., 2009). In this regard, a service-dominant logic seems to be more integrative than a goods-dominant logic (Vargo and Morgan, 2005). The idea is that, in terms of co-creation, a customer participates and interacts with a supplier in a number of aspects, ranging from design to consumption. Researchers such as Grönroos (2000) and Prahalad and Ramaswamy (2001) further claim that the value is embedded in a co-creation process between supplier and customer and the customer is active instead of passive.

Payne et al. (2009, p. 379) claim that “remarkably little attention focuses on the brand” in the new service-dominant logic. However, Prahalad and Ramaswamy (2004) suggest an experience-based co-creation per-
spective, in order to emphasize brands and branding in terms of co-creation and personalized experiences. This corresponds to the notion of experiential marketing from Holbrook and Hirschmann (1982) and Schmitt (1999), where contexts, aesthetics, emotions and symbolic aspects of customer and brand experiences are significant (Brakus et al., 2009).

In this paper, it is proposed that a sensory marketing model is grounded in a branding perspective, relating to service-dominant logic, in offering co-creation and personalized brand-experiences. Especially with regard to the focus of service-dominant logic on intangibility, i.e., brand as image through brand experiences, exchange processes, i.e., brand co-creation and value creation, and relationships, i.e., brand relationships in B2C as well as B2B. Altogether, service-dominant logic as a paradigm offers a conceptual, theoretical context incorporating a branding perspective which emphasizes the significance of the human mind and the senses.

Moreover, we propose that sensual strategies further strengthen customer-brand relationships built upon the mental perceptions of a brand (i.e., brand as image) and its attributes, challenging individuals through brand personality. Even though a sensory encounter with a brand can often be considered as transaction based, we believe that such encounters have important emotional and sensory impacts, enhancing short-term or long-term customer-brand relationships. This point has so far not been recognized in branding and marketing theory. For this reason, we argue that in a sensory marketing model, a branding perspective should be related to service-dominant logic as an all-embracing paradigm.

2. Multi-sensory brand-experience as image

It is commonly accepted that brands are partners in a dyadic relationship with consumers and that brand personality influences the relationship consumers establish with brands (Aaker, 1996; Aaker et al., 2004; Aggarwal, 2004; Blackston, 1993; Fournier, 1995; 1998; Nobre et al., 2010). This view highlights the holistic character of the brand and is in accordance with the claimed need for a relational consumption approach (Keller, 2003).

The innovative approach of Fournier (1998) has grounded the concept of consumer-brand relationships in an interpersonal relationship metaphor, by concluding that they are a source of self-efficacy, self-esteem and self-identity. Building on Fournier’s study, Aaker et al. (2004) developed a conceptual model to explain consumer-brand relationships, postulating that acts of transgression and brand personality play a prominent role in the relationship strength formation.

Brand personality is based largely on inferences from observations of behaviors that the brand develops as a partner in a relationship with the customer. This relation is dynamic and formed by both physical and psychological elements of the product and the signs of brand identity (Batra et al., 1993; Kapferer, 1994). Moreover, Fournier and Lee (2009) claim the need for a more flexible brand relationship that allows individuals to adopt new roles as lives, ages and values change. The process is based on an equilibrium between consumer personality and brand personality.

Contemporary consumers seek new consumption experiences in their everyday lives and the consumption process has been affected by the constant need for novelty, imagery, emotion and fun (Holbrook and Hirschmann, 1982; Schmitt, 1999). Some scholars (Cova, 1999; Brown, 1999) advocate that individualization as a lifestyle expresses contemporary societal culture and that self-fulfilment is linked to the quality of life and welfare, in terms of changing consumption patterns. In contemporary society, “the meanings of objects are no longer fixed or linked to their functions, but are free-floating as each individual may ascribe the meanings he/she desires to the object” (Cova, 1999, p. 77). It is clear that these cognitive and emotional needs can only be fulfilled if brand personality is built congruently on sensual strategies that generate unique and unforgettable multi-sensory brand-experiences in a B2B or B2C relationship context.

Each individual perceives and experiences service, both goods and service components, through the senses. It is in the human brain that the sensory information is stored (sensory memory) and an image is created in terms of mental conceptions and imagination (short-term memory) to be further activated by long-term memory. This image is the result of the positive or negative sensory experiences an individual derives from a service that is synonymous with the brand (Grönroos, 2007). Hultén et al. (2009) consider that each individual has a subjective experience, which can be described as “experience logic”, and that logic is individual and personal based on how individual human senses perceive and interpret the multi-sensory brand-experience.

Furthermore, a sensory marketing model advocates that a firm should treat its customers intimately and personally. In order to generate customer value, firms should create brand experiences and sensory atmospheres, in which emotions can be expressed and memories activated further (Hultén et al., 2009). Multi-sensory brand-experiences should appeal to the human mind and senses, providing a consumption experience directed towards “fantasies, feelings and having fun” (Holbrook and Hirschmann, 1982), with
products becoming “artefacts around which customers have experiences” (Prahalad and Ramasvamy, 2000).

A basic assumption in a sensory marketing model is that multi-sensory brand-experiences only takes place when interactions occur between individuals and firms, based on a stimulation of the five senses in generating customer value, experiences and brand as image. Deeping and individualizing new sensory experiences of different kinds “can increase the quality of customer treatment, which can lead to stronger brand recognition and brand image in the long term” (Hultén et al., 2009, p. 13). This view is in accordance with Lindstrom (2005), who advocates that the emotional link between the consumer and the brand can be enhanced through a multi-sensorial communication platform.

Moreover, the customer’s emotional mood will be enhanced and more intense, because of the appealing level of the brand experience and the number of senses involved in the sensory stimulation. In this regard, a sensory marketing model suggests both a transactional and a relational approach, in order to treat “customers through sensorial strategies to accomplish a supreme sensory experience” (op. cit., p. 14) based on a dyadic relationship between the consumer and the brand in a B2B or B2C brand relationship context.

3. Consumer behavior and sensorial strategies

3.1. The impact on consumer behavior. Research on consumer psychology has demonstrated how sensory stimuli and cues are evaluated and guided by our perceptions which are linked to previous experiences. Through the sensory organs, individuals collect information in an active process that is coordinated to form a perceptual pattern which is stored in the memory. It is commonly accepted that our memory consists of three components: sensory memory, short-term memory, and long-term memory. The sensory memory allows us to store information received through the senses for a very brief period of time. Provided the information captures the person’s attention – a strange sound, a pleasant smell, a smooth texture, a different colour or a tasty gift – it will be retained for further processing and transferred to short-term memory and subsequently to long-term memory. A clear grouping of the various pieces of information enhances memory performance and the upcoming sensory stimulus will be strong enough to reactive memories, based on the level of similarity between encoding and retrieval conditions. The different senses can also be used to capture consumers’ attention, depending on the relevance of the message, novelty of the stimulus and the consumer’s motivation (Jansson-Boyd, 2010).

Academic research on the human senses has also shown that different sensory impressions impact on consumer behavior and perceptions of goods and services. Most of these empirical studies state that senses are linked to memories, emotions and feelings and establish strong physical and psychological interactions with goods and services. Research on the sense of sight indicates a high correlation between for example, the design quality of visual stimuli and financial performance (Hertenstein and Platt, 2001; Wallace, 2001). Advertisements, color, design, lighting, logo, packaging, product design and web-sites are other visual stimuli that make it possible to differentiate products, enhance loyalty, prevent clutter and fend off competition (Hultén et al., 2009).

The sense of smell is regarded as one of the most powerful for creating associations and evoking memories (Aggleton and Waskett, 1999). The perception of olfaction is hedonic and based on an effective evaluation of smells and which impacts on consumer moods and psychological arousal (Ellen and Bone, 1998). Moreover, research has shown that ambient scents have positive effects on both store and product evaluations (Spangenberg et al., 1996) and that pleasant scents can enhance customer shopping behavior in terms of increased expenditures and more money spent in the store (Spangenberg et al, 1996; Morrin and Chebat, 2005). In sensory marketing, scents can be used in strategic marketing to express the brand’s identity and strengthen its image, or as a marketing tactic to advertise a product.

Tactile sense research points out the differences in individual motivations to touch, products attributes that support touch, as well as situational factors supporting touch (Peck and Childers, 2010) as drivers of individualized perceptions. By using touch as an individual’s preference for having information about a product, a positive affective response might result in more favourable attitudes towards a product (Peck and Wiggins, 2006). Material, surface, temperature, weight, form and steadiness can all contribute positively to the tactile experience of the brand and differentiate it from competitors, thus enhancing loyalty.

Research on the sense of sound has shown that music exerts a positive impact on buying behavior and store atmosphere (Areni and Kim; 1993; Donovan and Rossiter, 1982; Morrison, 2002) by creating associations and evoking memories. Several empirical studies reveal positive correlations between music and the time spent shopping (Millman, 1982; Kellaris et al., 1992; Morrison, 2002), recognizing its evocative power as a means of differentiating a firm and impacting on consumer moods and buying behavior. Different kinds of sensory expressions (jingles, voices, music, atmosphere theme and advertency,
We propose that a sensorial strategy can be defined as an emotional and cognitive strategic approach developed by a firm or a brand in order to establish, maintain and enhance multiple and profitable relationships. This approach follows a service logic that delivers congruent customer value and brand image with respect to a certain human sense or senses in the customer’s mind.

A relational strategy has often been presented in opposition to a transactional strategy (Christopher et al., 1991) and these two approaches are considered opposing sides of the continuum of all possible marketing strategies (Slater and Olson, 2000). In this paper, we regard sensorial strategies as including both transactional and relational considerations, so as to convey the desired brand value to the customer.

Therefore, we propose that developing a sensorial strategy of a brand consists of positioning the brand as image and establishing durable and profitable relationships with individuals, based on the human mind and senses, and that this is at the heart of the strategic process of the firm. The interaction established between the brand and its customers can be either relational or transactional, but it should always incorporate sensory interactions in delivering a multi-sensory brand-experience in relation to the human mind and senses.

4. A strategic sensorial brand approach

In the prevailing society, which is characterized by information overload, a lack of time and a aestheticization of everyday life, we believe that it is no longer possible for firms to support brand strategies exclusively through transactional marketing (TM) or relational marketing (RM) as before. Instead, we propose that sensorial strategies, based on the sensory marketing model (SM), should be seen as a strategic branding approach to creating brand awareness and establishing a sustainable brand image in the long run.

As previously stated, Hultén (2011) suggests that in a sensory marketing model, sensorial strategies are expressed by sensors, sensations and sensory expressions. In this paper, we propose that such strategies use sensors as multi-directional communicative means for determining the sensorial strategies, since it is possible to gather information about the human mind and senses through technological devices, observation methods, employees and direct interaction with customers. From this interactive process between firms and individuals, sensory expressions should be selected, in order to create cues or stimuli that express brand personality. By using sensors and sensory expressions in an integrated manner firms should create sensations based on an interactive multi-sensory communication platform, neither transactional nor
relational, that will impact on customers’ emotional state and mood in facilitating the multi-sensory brand-experience.

Moreover, we claim that from a tactical perspective sensorial strategies for sight, sound, smell, taste and touch can be applied to products, communication, events and places, either individually or combined, and all tactic actions should be conducted according to a sensorial strategic marketing plan. In this regard, Hultén (2011) proposes dialogue and on-line interaction, multi-sensory communication and digital technology as means of reaching the customer’s mind in developing and implementing sensorial strategies.

We have generally observed that more and more firms are building emotional linkages to their brands in addition to rational ones in attracting the human senses, according to the work of such practitioners as Gobé (2001) and Lindstrom (2005). Based on anecdotal evidence, we claim that companies like Starbucks, Apple and Absolut Vodka illustrate how it is possible to apply sensorial strategies in order to enhance the customer’s multi-sensory brand-experiences in a sensory marketing context.

As early as the 1980s, Starbucks developed sensorial strategies for creating and developing an in-store customer experience through multiple sensory expressions related to the smell of coffee, the relaxing sound of music, the pleasant and restful interiors, the shapes of the armchairs and the taste of the freshly ground coffee served to customers. All of these sensory expressions create a multi-sensory atmosphere and customers perceive sensations that impact on their emotional state and mood. Differentiation at an individual basis is created to provide the multi-sensory brand-experience within a branding perspective following a service-dominant logic.

Apple is yet another example of a symbiosis between a brand and its customers in terms of sensorial strategies for sight, sound and touch. All of its products are sensory and designed to create tactile sensations by touching the screens, shapes and materials. All Apple’s products reach the customer’s mind at a deep level, combining utilitarian functionalities with fantasies, feelings and fun towards a holistic consumption experience, which constantly renews itself in the form of multiple transactions.

Absolut Vodka is another brand that interacts with its customers, using sensorial strategies based on sight, touch and taste, applied to the unique shape of its bottle and its innovative forms of communication and events, inspired by art and other cultural expressions. Add to this the Absolut Vodka bars, where sensory expressions are combined in a creative and congruent manner. As a brand, Absolut Vodka combines transactional strategies based on its product characteristics, and on relational strategies through adding new emotional dimensions to a tribalized consumption that derives from the product’s ability to link individuals a unique multi-sensory brand-experience in a sensory marketing context.

Following this anecdotal evidence, we argue that all of these brands have been able to increase the quality of customer treatment and enhance brand recognition and brand image by developing a strategic sensorial branding approach. By doing so, these brands establish durable and profitable relationships with individuals, based on the brand as image, as the heart of the strategic process of the firm. This interaction is neither transactional nor relational, but sensorial, in relation to the human mind and senses, and built on a dyadic relationship between the brand and the individual.

Conclusions, theoretical implications and future research

Researchers such as Krishna (2010), Brakus et al. (2009) and Lindstrom (2005) all emphasize the need for new conceptual thinking relating to brands, experiences and human senses. Our starting point has been to conceptualize a branding perspective within a sensory marketing model, in contrast to transaction marketing (TM) and relationship marketing (RM), as a theoretical dilemma. The analysis enhances our understanding of the factors that impact on customer brand experiences of goods and services, as well as how sensory cues and stimuli impact on consumer behavior through the human senses. The conceptual framework we have developed offers a different conceptual approach to how companies should view the strategic branding process in general and with respect to developing sensorial strategies in particular.

This paper draws attention to the relationship between value co-creation through brands, sensorial strategies and human senses, as an important contextual issue for branding and marketing theory. The significance of the human senses relating to seeing, hearing, smelling, touching and tasting, where individuals perceive and experience goods and services as brand as image raises the issue of how companies can create and deliver meaningful and powerful personalized experiences.

To conclude, we have demonstrated that sensorial strategies as a strategic brand approach for firms, should benefit from involving the individual’s human senses, thus impacting on consumer behavior in purchase and consumption processes. In this regard, a sensory marketing model emphasizes a branding perspective, based upon sensors, sensations and sensory expressions as means of enhancing customer
value and brand as image. We deduce that a dynamic, strategic sensorial brand approach should be seen as a practical means of solving the theoretical dilemma in relation to TM and RM.

This approach extends existing branding theory and marketing theory, so as to consider the deliberate involvement of the human senses to construct an image of a brand, based on individual perceptions and experiences in purchase and consumption processes. It is not only a question of a shift in the logic of transactions or relationships for firms, but also of constructing a system with respect to the individual as a customer, based upon sensory cues, stimuli and experiences. Accordingly, we have identified a dilemma in contemporary marketing models and thus proposed the development of the multi-sensory brand-experience in a sensory marketing context and model. One outcome of this conceptual paper is the recognition of the need for further empirical research to validate the conceptual framework that we have proposed. This provides a starting point for a more substantial research agenda that could be based on following questions: (1) How do companies create and deliver multi-sensory brand-experiences? (2) How are customers influenced by sensorial strategies in purchase and consumption processes? and (3) What sensory cues and stimuli for seeing, hearing, smelling, touching and tasting impact significantly on how consumers perceive and experience different brands? The concepts we have derived from the literature should also be explored and investigated directly with businesses and customers, in order to produce a measurable framework or metric for a successful implementation of strategic sensorial branding.

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