Department of Business and Management

Chair of Luxury Management

The five senses of Luxury:
using the human senses to design a multi-sensory brand experience and
to profile luxury customers

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Academic Year 2018-2019
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INTRODUCTION

“The five senses of Luxury: using the human senses to design a multi-sensory brand experience and to profile luxury customers” is the result of my academic path and passion for the Luxury industry and neuroscience. With this work, I tried to combine these topics analyzing the luxury consumer behavior and, more in depth, how sensory variables actually modify cognitive, behavioral and emotional reactions. This thesis is made up of seven chapters, and each of these has the aim of analyzing a different aspect of this discussion. The first chapter has the aim to lay the foundation for this study, it is focused on what marketing is, tracing all the different eras through which marketing definition and objective have shaped themselves. It also provides a definition of sensory marketing and the reason why it can become a profitable and successful asset for companies to implement. It gives an overview of the context I will be moving in in the following chapters. The second chapter researches in detail how the stimulation of the five human senses can modify consumer behavior impacting the cognitive - meaning relating to the mental process involved in knowing, learning, and understanding things - behavioral and emotional spheres during the shopping experience. It is assumed that the value of service, as a brand image, emerges when interactions occur through the customer's sensory experiences in the value-generating processes. This image is based on how customers perceive and experience service and the process in reality. The customer's feelings and thoughts about the service, including both goods and service components, as well as other elements, contribute to an image in the customer's mind that is synonymous with the brand. Every sense is individually analyzed with dedicated subparagraphs for the three spheres. The third chapter provides a clear picture of Luxury market, starting from the meaning Luxury has to profiling Luxury costumers, habits of consumption with a parenthesis on country-specific peculiarities and, at the end, a presentation of Bain & Company’s research for Altagamma on market trends up to 2025. The fourth chapter is inspired by Professor Diana Derval’s, expert in neuroscience and consumer behavior, research based on advanced sensory targeting. The aim is to focus on different customer profiles and on the different perceptions they can have moving the research from a quantitative to a qualitative analysis, interpreting data to create a 3-dimensional example of a relatable person who falls within a specific segment. To do so, I took into consideration four of the five senses – taste is excluded because it is not strictly related to this specific analysis- to identify different customer profiles: colour profiles, based on the way different people perceive colours and light with a focus on diamonds; vibrator profiles, based on the way people perceive vibrations by ears, hands and throughout the
whole body, making it a key sensory factor in the luxury decision-making process with a focus on luxury watches complications and Jaeger LeCoultre; inhaler profiles, based on how sensitive different people are to chemicals with the Chanel n.5 case. The fifth chapter underlines the importance of the Luxury boutiques that are moving from being mere point of sale to point of touch to highlight the increasing attention payed to the shopping experience, today. To make the experience desirable and memorable, it is of crucial importance that the client feels comfortable when in store and to do so it the architecture of the point of touch must be accurately designed from the furniture layout, paint of the walls, temperature to, in a broader sense, the selling ceremony to stress the importance of human resources that need to be considered as a value creation asset. The sixth chapter is the most relevant to me since it involves an on-field research carried out to assess the effectiveness of sensory marketing for Luxury brands. The sensory cues analysed are the sound and smell ones and the analysis can be considered as divided in three macro-topics, where the first two are contextualized in a shopping experience and the third one to single consumer’s preferences: music in a store environment, smell in a store environment and consumer habits and preferences on fragrances to wear. For the last part, I was helped by an expert of the field to identify the right fragrances to be considered as cardinal points for their dominant olfactory family. The research has been conducted by means of a web-based questionnaire. I delivered my survey to 250 Italian and foreign people, 77 of them decided to actively participate to my analysis. The aim was to test the validity of literature in real life cases and the research shows some unexpected results. Chapter seven briefly highlights some limitation of sensory marketing from a double perspective: the one of the consumer and the one of the company. Enjoy the reading!
I. DEFINITION, CONTEXT AND OBJECTIVE

The first chapter has the objective to lay the foundations for the research I will develop with this thesis. This first chapter is divided into three main parts: the definition of marketing, the definition of sensory marketing - that is the core of this work - and the reason why the sensory perceptions are gaining more and more importance.

1.1 What is Marketing?

Marketing is the management process through which goods and services move from concept to consumer. It considers the business in terms of consumer needs and their satisfaction. The organization’s marketing task is to determine the needs, wants and interests of target markets and to achieve the desired results more effectively and efficiently than competitors, in a way that preserves or enhances the consumer's or society's well-being.

According to the definition provided by the Professor Philip Kotler\(^1\), “marketing is the process by which companies create value for customers and build strong relationships”. The final goal is then to make the consumers well-being the core of the business strategy, linking the profit motive to the satisfaction of the counterpart.

Marketing differs from selling because “selling concerns itself with the tricks and techniques of getting people to exchange their cash for your product. It is not concerned with the values that the exchange is all about. And it does not, as marketing invariable does, view the entire business process as consisting of a tightly integrated effort to discover, create, arouse and satisfy customer needs”\(^2\).

In other words, marketing is strategy and the strategy is to develop the demand for a specific product and to fulfil consumers’ needs.

What has been said till now is a snapshot of what marketing means today but, during the last twenty years, it experienced a significant evolution, as underlined by the American Marketing Association – the world's most important authority in terms of marketing association – that provided different definitions over the years:

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\(^1\) Philip Kotler is an American marketing author, consultant, and professor; currently the S. C. Johnson Distinguished Professor of International Marketing at the Kellogg School of Management at North-western University. He gave the definition of marketing mix

\(^2\) Harvard Business School’s Professor of marketing, Theodor C. Levitt
The first, in 1984 says that “marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges and satisfy individual and organizational objectives”.

In recent years, marketing moved from a transactional to a relational perspective to stress the importance of a connection between the company and its clients through loyalty.

The new definition the AMA Board provided is, then: “an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.”.

This last definition was redefined in 2013 according to a wider point of view, becoming: “marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”.

Therefore, we refer to mutual benefits for the actors.

1.2 From traditional marketing to sensory marketing

The concept of marketing, as we have seen in the previous paragraph, has changed over time and it continues to change these days.

We can identify seven different marketing eras:

The Simple Trade Era took place before the Industrial Revolution and the focus of marketing activities was the exploration and trading of resources. Everything was handmade and commodities were the main product for the mid-19th economy. When the Industrial Revolution happened, the Simple Trade Era vanished to make way to the Production Era, whose linchpin was the mass production.

“A product is sold by its own” was the motto, “if somebody makes a product, somebody else will want it” was the mindset.
So, the focus was on production, manufacturing and efficiency based on the assumption that demand exceeds supply. Marketing main objective was to raise awareness of the existence of a product, characterized by limited customer research, promotion and advertising.

The early 1920s gave rise to the Sales Era. This was the era of competition, the mass-made products were not as easy to sell as before, companies needed to aggressively promote their products and to persuade consumers to buy them. The concept of marketing as we know it today, emerged.

The Marketing Department and the Marketing Company Eras followed. The years from 1940 and 1990 are known as the Mad Men period, the perspective was consumer-centric and the objective was to find a need and to fill it. Advertising became a key asset.

Following, there was the Relationship Era during which the long-term relationship between company and its clients became a priority in order to build loyalty and trust. Companies understood that it was more convenient to retain customers rather than having single appearances.

The Social Media Marketing Era is the last one and it is still ongoing, it is considered as the real game changer for the marketing field. Through internet and social media, companies can easily reach out and connect with their clients. The biggest change is that customers are no more only passive receivers, but active content creators, we talk about user-generated contents. Moreover, we have two important issues that need mention: the “standardization” of products and the lack of time for purchasing. In an always more competitive environment, it becomes difficult to find a strategy to differentiate from competitors and due to this consumers’ expectations have raised, they are looking for sensations and experiences rather than for the product itself. People also have less time than before to dedicate for shopping and the online platforms are making it easier.

The flow of information, thanks to websites and social media, has increased significantly, meaning that consumers are always aware of what is happening around them and of what others think about a brand or a product: the key word is “sharing”. This transparency makes it easier also for companies to acquire data, preferences, habits and needs of their clients and thus they are able to develop new customized products and services. In this perspective, the sensory marketing meets the needs of the customers with a now developed sensory, emotional, cognitive and relational dimension, over the functional one. It assumes that the client, if challenged by an attractive environment and if stimulated by colours, fragrances, music, will spend more time in-store and he will be willing to buy more. Experience is now the key.

The next paragraph will explain why.

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3 New York advertising area (Madison Avenue) of the 1960s
1.3 What is sensory marketing?

a. Definition and context

In a globalizing world, increasingly competitive environment impels the companies to search for different marketing methods beside the traditional ones. Sensory marketing is a marketing technique that aims to seduce the consumer by using his senses to influence his feelings and behaviour. In sensory marketing, with various stimuli that are sent to five senses, consumer's emotional and behavioural orientations are studied to be affected. Bertil Hultén defines the sensory branding as a type of marketing that appeals to all the senses in relation to the brand. It uses the senses to relate with customers on an emotional level. Brands can forge emotional associations in the customers' minds by appealing to their senses. A multi-sensory brand experience generates certain beliefs, feelings, thoughts and opinions to create a brand image in the consumer's mind.

Le fil rouge between all authors’ definitions is the focus on people and their emotions rather than on products. To be specific, they assume that the stimulation of one or more senses is able to create an affective, cognitive-behavioural reaction that will increase the interest in a good or service and thus it will increase sales.

In 1973, Philip Kotler put forward the idea that, given the similarity of the products supplied, companies should have found new ways to position themselves in consumers’ mind versus the competition, over the price and the variety of goods sold. He believed that the design of the buying environment could influence the purchase decision more than the products themselves. “The effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability”, Kotler said.

The atmosphere of the point of sale can be a key asset to improve customer loyalty, to make customer live unique experiences and to make customer desire to live them again and again.

Sensory marketing actually took root at the beginning of the twenty-first century, when companies started to exploit this opportunity first with the senses of sight, touch and taste and then implementing smell and hearing.

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b. The reason why to implement sensory marketing

The objective of sensory marketing is to strengthen brand identity. It aims to build loyalty through the personalization of a brand. As analysed in the previous paragraphs, customers are now experience-oriented so what is important is to design a unique purchase decision journey in order to increase the perceived quality and to create a strong customer-brand relationship.

The concept store in this sense is emblematic: it is a shop that sells a carefully curated and unique selection of products that connect to an overarching theme. Often, they evoke a lifestyle that appeals to a specific target audience – they are inspirational. Handpicked products are pulled together from different brands and designers, and they usually span different lines, such as fashion, beauty and homewares. In addition, the display mixes these lines and products together in an attractive fashion.

Concept stores are about discovery and experience. The products and design tend to change regularly to keep telling that story in new and interesting ways. Many of them offer extra experiential elements such as a café or events space, which help to build a community around the lifestyle they embody.

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Fig. 1: Prada concept store in Miami

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6 www.insider-trends.com
The differences between a traditional shop and a concept store are described in the next table:

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<th>TRADITIONAL SHOP</th>
<th>CONCEPT STORE</th>
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<td><strong>Drivers of consumption</strong></td>
<td>Price, Displaying, Assortment, Location</td>
<td>Atmosphere</td>
</tr>
<tr>
<td><strong>Features</strong></td>
<td>Displaying, Fitting, Assistance, Selling</td>
<td>Promotion, Entertainment, Loyalty</td>
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One sense can be affected by relations with other senses.

Sensory marketing works when the five senses are all stimulated at the same time; as a matter of fact, we refer to the Greek word συναίσθησις (σύν, syn, "together" and αἴσθησις aisthēsis, "sensation"), synesthesia in English, that is a perceptual phenomenon in which stimulation of one sensory or cognitive pathway leads to automatic, involuntary experiences in a second sensory or cognitive pathway.

Putting theory into practice, nowadays sensory marketing can be useful to deal with a fierce competition, especially large-scale distribution. The product life-cycle is becoming shorter, people are over-exposed to images, commercials, advertising everyday and we are experiencing a flat differentiation of supply. Furthermore, the online platforms, as the e-commerce platforms, are changing the habits of purchasing (actually for Luxury brands it is an upward trend, but the point of sale remains stronger. I will analyse this topic in Chapter 3) and for this reason sensory marketing can encourage the inversion of this trend, bringing clients back in shop. Human resources play a fundamental role in this game: salespeople are crucial for the proper use and the success of these sensory variables, they need to accept and implement them. The personnel need to be considered as a value creation asset, too because it is supposed to have a direct interaction with the clientele.

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“If outlets are satisfied with aligning the products on shelves, consumers will be no more able to distinguish them from Internet. There is a need for making the customer desire to come back in the point-of-sale”

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8 “Le point de vente revient à ses fondamentaux”, Philippe de Mareilhac, General Manager of Market Value
II. THE FIVE SENSES AND THEIR EFFECT ON CONSUMERS’ BEHAVIOUR

“In the end, what matters is triggering emotions in consumers’ mind. They will then associate the brand positively and not even think of the product’s intrinsic properties”9.

We consider our emotions as positive, negative or neutral for us, whether they are adaptive or innate. An innate emotion can be disgust or pleasure. An adaptive emotion could be, last time your grandmother had a rose-scented perfume, you spent a nice time together. As soon as you smell a scent of roses, you remember that day and you feel good. Let your grandmother be a Dior boutique, as soon as you smell a scent of roses, you will recognize the Dior brand. Sensory marketing, in this sense, is a behavioural modifier and it can be used as a tool for strategic positioning by companies. Consumers can easily recognize a brand or a point of sale and distinguish it from competitors, an example are the Abercrombie & Fitch stores characterized by soft lighting, strong smell and good-looking models at the entrance.

In this study, it is assumed that the value of service, as a brand image, emerges when interactions occur through the customer's sensory experiences in the value-generating processes. This image is based on how customers perceive and experience service and the process in reality. The customer's feelings and thoughts about the service, including both goods and service components, as well as other elements, contribute to an image in the customer's mind that is synonymous with the brand.10

The brand identity is how the company wants to be perceived while the brand image is how the customer actually perceives the company; if a company operates with a consistent strategy followed by a coherent marketing plan, brand identity and brand image correspond. Brand image is then a set of unique, tangible and intangible brand associations that may involve a value-proposition with functional, emotional or self-expressive benefits.

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9 “The right sensory mix”, Diana Derval, Springer-Verlag Berlin Heidelberg 2010
A note on terminology is necessary before going on with the discussion: sensation and perception are stages of processing of the senses. Sensation is when the stimulus impinges upon the receptor cells of a sensory organ - it is biochemical and neurological in nature. Perception is the awareness or understanding of sensory information. In Latin, *perceptio* or *percipio* means “apprehension with the mind or senses”\(^1\).

Given an overview of what marketing and sensory marketing are, we can now analyse in depth the impact each human sense has on consumers’ purchase and consumption process when a firm interacts, in particular the cognitive-behavioural and emotional reactions.

### 2.1 Hearing

Music has long been considered an efficient and effective means for triggering moods and communicating nonverbally. Appropriately structured music acts on the nervous system like a key on a lock, activating brain processes with corresponding emotional reactions. Music is not simply a generic sonic mass, but rather a complex chemistry of controllable elements. Unfortunately, no definitive taxonomy of music elements has been developed but time and pitch-related characteristics have been commonly accepted as variables.\(^2\)

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\(^1\)“An integrative review of sensory marketing: engaging the senses to affect perception, judgment and behaviour”, *Aradhna Krishna*, Journal of consumers psychology, Volume 22, Issue 3, July 2012, Pages 332-351

a. The impact on behavioural reactions

Music can affect how long the client stays in the store, the traffic and the consumption rate. I am going to analyse different behavioural-related studies.

The first research by Smith and Curnow (1966) indicates that the volume level of the music is correlated negatively with shopping time but not associated with average sales per person or customers' reported satisfaction with the music. The implication is that the sales per minute were significantly higher under the loud music condition.

Milliman (1982, 1986) performed two separate experiments in which music tempo was manipulated, one in a supermarket and the other in a restaurant. The results of his first study (1982) indicated that in-store traffic flow was significantly slower with slow music (72 BPM or less) than with fast music (94 BPM or more). Similarly, sales volume was significantly higher with slow music than with fast music. Among the findings in his second study (1986) was that customers in the slow-music condition took more time to eat their meals and leave than those in the fast-music treatment. Likewise, there was a significantly longer waiting time for tables in the slow-music treatment. Customer bar bills were found to be much greater in the slow-music condition. Yalch and Spangenberg (1988) conducted research that builds on the Milliman studies. They compared the effects of foreground music (Top 40) and background music (instrumental "easy listening") as well as a no-music treatment in a department store setting. One of the only behaviour-related differences between the two music treatments was that younger shoppers (under 25) thought they had spent more time shopping in the easy listening condition whereas older shoppers perceived they had shopped longer when the Top 40 was being played. From these findings, the researchers speculated that when shoppers encounter nontypical environmental factors (e.g., unfamiliar music), time appears to slow down.

We can conclude, then, that the main objective of in store music is to extend the time the consumer spends walking around in order to increase the volume of sales, so we can assume that to reach this goal playing slow music is the right choice. On the other hand, if we are managing a restaurant, a fast-tempo music will be useful to accelerate the tables rotation.

b. The impact on cognitive reactions

The type of music played can have a strong impact on how a brand is perceived by consumers. Considered choices in terms of music style must be made because it can bias the positioning of a brand (e.g. Jazz: romantic, old-fashioned).
Music can also have an influence on the selection of a product rather than another, for example classical music can make a high-end product look like more “suitable” convincing a client to buy it.

Music is likely to have its greatest effect when consumers have high affective and/or low cognitive involvement with the product. Product categories fitting this description for most consumers include sportswear, cosmetics, and drinks. Music would tend to have less effect when consumers experience high cognitive involvement, such as when buying cars or insurance.  

Zakay postulates the existence of two so called "processors": a time processor, which focuses on time assessment and a cognitive processor, which focuses on the environment. He proposes that a negative relation exists between the level of attention to external cues and time perception: since the amount of attention is limited, the more attention is devoted to the environment, the less attention is devoted to time. Conversely, when subjects focus their attention on time, they devote all the less attention to external cues. These processors are activated in two service situations:

1. When we enter a shop and we look for a shop assistant to help us
2. When, once found what we need, we wait at the cash-desk to pay

In the first situation, consumers focus on the store and the merchandise available more than on time. Consumers are likely to take advantage of the time during which they wait for the clerk to find the right goods by themselves by browsing through the store. The "cognitive processor" is then more likely to be working than the "time processor".

By contrast, in the second situation, the interest for the store and its merchandise is probably much lower; consumers who wait at the cash register are likely to ask themselves how long they have to stay at the cash register. The "time processor" is then triggered. The more attention is devoted to the passage of time, the longer the subjective duration.  

Music, in this sense, should fit with both situations. It is important to understand which typology of store we are operating with, for example if it is very crowded or not. Slow music increases the traffic, while high-tempo music reduces the waiting time perceived. Different music should be aligned with different areas of the shop.

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14 “Effects Of Music Induced Arousal On Cognitive Responses And Store Image”, Jean-Charles Chebat (HEC-Montreal), Laurette Dube (McGill University), Michael Hui (Chinese University of Hong Kong)
c. The impact on emotional reactions

Human beings associate sounds they hear with intense emotions. The reason why sounds trigger such strong emotional responses is revealed by relatively new studies which suggest that the part of our brain responsible for processing our sense is the same part used to store strong emotional memories. These findings should be a useful hint to avoid evoking strong feelings in customers related to their private life; the song in background must not be very popular in order to not destabilize who is inside the store because, as we have seen, music impacts on how we perceive a brand.

I will analyse in depth the impact of background music on consumer behaviour in my study in Chapter 6.

2.2 Sight

Sight is the most prompted sense in our everyday life. Visual cues are an important leverage for marketing since the 80% of information are caught through sight by humans, they are the first contact the brand has with its clientele and also one of the most powerful tools to create brand awareness.

Visual cues can be identified as colours, light, font of the text, interior design and merchandising. In this paragraph, I am going to focus my attention on how product design, colours, light and font of the text – in the strict sense – can influence the purchase behaviour; I will analyse in depth the architecture of the point of sale in chapter 5.

a. The impact on behavioural reactions

Visual stimuli contribute to building strong store brands and should be part of any branding strategy.

The results of a study carried out by Bruno Daucé15 and Sophie Rieunier16 in “Le marketing sensoriel du point de vente”17 emphasise how brighter in-store lightening positively affects the consumer’s:

- Time spent in-store
- Number of articles considered
- Number of articles purchased

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15 LARGO (Laboratoire Angevin de Recherche en Gestion des Organisations), Université d’Angers
16 Laboratoire CREREG – UMR CNRS C6585, Université de Rennes I
Warm colours as red, more than cool colours, encourage impulsive purchasing and they enhance:

- The attractiveness of an area in the shop
- The intent to purchase

This means that the right colours and light mix have significant effect on the number of articles examined and handled, the time spent and total purchase in-store.

b. The impact on cognitive reactions

Colour exerts significant effects on individual cognitive interpretation and performance. To explain what this means, I will introduce to the reader a research made by Ayn E. Crowley \textsuperscript{18} who assumes, for the first time in literature, a two-dimensional effect of colours on shopping: a consumer-evaluation-related affect (affective tone), as well as activation-related affect (arousal). Some colours – the Author says - are more activating (stimulating brain wave activity, skin conductance, etc.) while other colours tend to be more deactivating. Thus, one dimension of consumer response to colour is hypothesized to reflect activation-related behaviours. A separate colour effect deals with evaluative or affective ("liking") responses to colour. Colours that enhance consumers’ liking of a stimulus are not necessarily those colours that consumers find activating (or deactivating).

As discussed in the previous paragraph, red is one of the colours that encourages impulsive buying situations; red is considered as an activating colour, so an activated consumer will be more likely to engage in impulsive buying. The selection of the right colour needs to be weighted according to the situation the consumer is in, for example in waiting lines a lower level of activation is desirable. In other contexts, such as jewellery stores or exclusive restaurants, evaluative considerations rather than activation are preferred and so are shorter wavelength colours such as blue. Shorter wavelength colours result to be more appropriate also to get a positive response to an advertising, in terms of higher recall of the message and evaluative process (also red is considered powerful for recalling but it does not involve the judgement part). In a retail environment, colours have also an impact on the perception of merchandising. Finding merchandise in a red environment is perceived to be more up-to-date, so red is the right colour if the goal is to lead to impulsive buying of stylish merchandise.

\textsuperscript{18} College of Business and Economics, Washington State University
Typography impacts on how a company is perceived, too. For example, fonts like Times New Roman are considered to be authoritative, while fonts like Futura or Infinity are considered to be fashionable and exclusive, suitable for fashion companies.

c. The impact on emotional reactions
The objective of the sensory marketing, as we have seen, is to make the consumer enjoy the purchase experience.

Product design is another visual stimulus that appeals to both cognitive and non-cognitive reactions, especially in relation to aesthetics. Design is the most considered feature when deciding to buy something; the form of product yields an affective response, with feeling-based evaluative processes, whereas the quality of the product is based on cognitive evaluation.

Donald A. Norman in “Emotional Design: Why We Love (or Hate) Everyday Things” suggests three levels of design:

1. Visceral level: how things look, smell, feel and sound. Visceral well-designed products tend to evoke positive emotions in the consumer, and they are related to involuntary and subconscious responses
2. Behavioural level: consumers’ perceptions are created through the usage of the product. Designers must ensure the product performance
3. Reflective level: “we are what we own”. It relates to the meaning the product has for its owner and to the innate sense of identity through the consumption of a product over time.

The three levels together give birth to “emotional design”.

The Author suggests that visually pleasing design can impact on mood, increasing creativity in problem solving, overriding small details or problems. On the other hand, an unattractive design might depress mood and lead people to focus more on analysing details, expecting and detecting problems.

Hertenstein and Platt, in fact, in their article “Valuing Design: Enhancing Corporate Performance through Design Effectiveness” show a high correlation between the quality design of visual stimuli and financial performance: they examined four areas of financial performance (growth rates, returns related to sales, returns related to assets and total stock market returns) over a five-year period between firms within more-effective design and firms with less-effective design. The

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19 Associate Professors, Northeastern University
20 Design Management Journal, Vol. 12, No. 3
result shows that the group of firms with more-effective design outperformed the group with less-effective design.

Colours are also emotional drivers. Although red is a powerful attractive colour, it does not provide a sense of satisfaction. On the other hand, cool colours as blue make the client experience pleasure. Companies can use warm colours for the outer part of the store to attract customers, and cool colours for the inner part of the store to please them. Again, if the strategy is to lead the customer to unweighted choices, warm colours can be used also for the inner part.

Different strategies, different colours.

2.3 Smell

Within all the five senses, smell is considered one of the most important leverage for brand differentiation and awareness strategies. Olfactory marketing is a discipline that searches for the right combination of flavours and fragrances in every point of sale in order to lead the purchasing path of the potential customers and to make the experience desirable.

Why is smell so important?

Several studies have demonstrated that flavours and fragrances are the first variables to impact human’s emotional and psychological condition, without mediations. Sight and hearing are subject to mediations because they are associated with the rational part of our brain, instead. Smell is, then, a powerful medium to communicate a message.

The “olfactory strategy” needs to be well researched to catch the right moment, the right scent and the right environment in which to operate; crucial objectives are:

- To draw attention to clients
- To highlight firm’s products
- To promote and strengthen brand image
- Build loyalty and memory

Before going on with the discussion, a note on terminology is necessary.

There are two primary but related characteristics of odours:

- Quality: the affective tone of an odour (it is perceived as pleasant or unpleasant)
- Intensity: the concentration of an odour. Generally, the lower the concentration, the higher the pleasantness perceived
Scent congruity to the target object is another important issue. Sometimes, even if the odour is perceived as pleasant, it may be viewed as inappropriate in a particular context. Incongruent odours may interfere with the processing of information, shifting customer focus on irrelevant ones\textsuperscript{21}.

\textit{a. The impact on behavioural reactions}

Flavours and fragrances have a significant impact on consumers’ behaviour, in particular on time spent, information search and choice and purchase intentions.

Apparently, according to Mitchell and Spangenberg studies highlighted in the paper “Scents in The Marketplace: Explaining a Fraction of Olfaction”, the presence of a scent actually decreases the information search time but increases the perceived time spent in the store.

The use of a scent is also positively related to the intention to visit again the store and to buy again a specific product; in fact, when a pleasant perfume is present, it generates increased expenditure.

Thus, it is important for retailers to understand the influence the store environment has on customers perception and behaviour. In this field, we find the stimulus-organism-response (SOR) approach, linked to the approach-avoidance behaviour. The first thing to do, when doing business, is identifying the target audience and to do this, retailers have to establish mechanisms by which they are able to ensure the likelihood of approach behaviours being stimulated amongst their target market (e.g. an individual’s approach behaviour should increase with increases in the arousal level). The objective is, then, not only to attract target customers into the store, but also to convert them into purchasers. In doing this, they are actually manipulating an offer that will also lead to avoidance behaviour in those that are not the intended audience, too. The desired behaviours retailers want to achieve can be different: immediate (stay, browse and purchase) or delayed (enjoy the store and come back to purchase) responses\textsuperscript{22}. I will analyse in depth this concept in the next paragraph.

\textit{b. The impact on cognitive and emotional reactions}

Smell induced cognitive and emotional reactions will be analysed conjointly because of their strong correlation.

Odours require little cognitive effort to be experienced, for example respiration deepens in presence of a pleasant odour. In addition to an automatic response, scents may influence a consumer through a mood state.


\textsuperscript{22}“Ambient Smell And The Retail Environment: Relating Olfaction Research To Consumer Behavior”, Ward, Philippa and Davies, Barry J and Kooijman, Dion (2004), Journal of Business and Management, 9 (3) 289-302
Mood is conceived as two dimensions:

- **Arousal**: It can be measured for example with anxiety or sleepiness
- **Valence**: It can be measured for example with good and bad feelings

Valence is the dimension that is – most of the time - influenced by odour presence/absence.

Olfaction memory is powerful and evocative, consumers can respond to a smell without even realizing.

Three main odour-evoked functions can be identified:

1. **Odour and memory**: Scent memory provides retailers with a device for triggering memories of emotions. Nose is an effective medium to create memory pathways. Scents are seared in memory, in the limbic system in the form of context-specific emotions, the first time they are experienced. When the same scent is perceived again, it can bring the person back to where he first had that emotion, making him feel again the same way. Companies try to benefit of this evoking power, especially in relation to childhood and significant life events, to develop associations with the brand or the store; a coherent set of associations made by novels and scents, for example, can build a powerful brand identity.

2. **Odour and logo**: It is called “aroma branding” or “olfactive logo”. Some firms repeatedly use the same fragrance in all their points of sale in order to force a sort of “olfactive signature” in consumer’s mind. When the same fragrance is smelled over time, the consumer will recall that specific brand by default.

3. **Odour and aromatherapy**: Aromatherapy is used to “seduce” the clients and to increase salesforce productivity. Depending on the context, olfactory cues can be used as stimulants or as relaxants. A combination of natural aromas can stimulate concentration, energy, mental workload and thus they are suitable for environments such as high-tech stores or meeting centres; a different combination of natural aromas can help a state of relaxation and they can be implemented in traditional stores, wellness centres or waiting rooms.

The presence of a pleasant fragrance in store helps the salesforce to perceive less the time spent working, it extends a good mood and it also improves the client-sales assistant relationship increasing the number of products tried and purchased.

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Chapter 6 will cover a methodological study on the impact scented environments have on consumers and their preferences.

2.4 Touch

The sense of touch is the first human sense to develop and the largest sensory organ. Since it involves the direct physical contact with the skin, it is considered one of the most intimate senses. The tactile sense is a primary sense we use on a daily basis to process information from the environment, it gives us an accurate representation of how things actually are.

Nowadays, with an increasing trend of online shopping processes, touch may be regarded as an important leverage to meet customer needs. Even though today it can be considered as the “micro-moment” era, in which people want to be reached everywhere, at any time and with any device, they still feel the inner need to experience the product and thus, giving them a “designed” opportunity to have a direct contact with it, would be a powerful strategy to have customers back in store.

a. The impact on behavioural and cognitive reactions

Cognitive and behavioural reactions will be discussed conjointly.

Tactile input can play a fundamental role in product evaluation and decision making. Touch can be considered as an approach behaviour, in fact consumers prefer retailers who allow them to touch products, especially when tactile experience is important for evaluation (e.g. clothes). Approach behaviour can induce liking, preference and a more positive attitude. The lack of tactile input, in most of the cases, leads to a negative consumer response to any product of a medium-high quality - in case of poor quality they would not be satisfied even touching the product.

Tactile input, for some categories of products such as clothes, is diagnostic, which means that it is predictive of substances properties relevant to product performance\(^ {24}\). Allowing customers to acquire diagnostic tactile information has a positive effect on purchasing intentions by increasing confidence in product evaluations and decreasing frustration for customers motivated to touch. Haptic cues also influence the willingness to pay, because if a client judges a product as a good-quality one, he will be willing to pay more for it.

b. The impact on emotional reactions

Different sensitivities to touch exist: skin sensitivity, thermal sensitivity and sensitivity related to muscular movements.

As we have seen, the role of sensory marketing is to give pleasure to customers and therefore, to create a touch-friendly environment, it is necessary to eliminate all those stimuli that can have a negative impact on the experience, as unpleasant materials. The sense of touch is strictly related to a hedonic dimension, people do prefer a warm environment when it is cold outside, comfortable seats and easy-to-carry bags. The more the environment is comfortable, the more people will spend time into the shop; the more the time spent, the more the handled merchandise. If retailers are able to propose such an offer, they will attract more customers and they will convert more of them into purchasers.

2.5 Taste

Many companies have challenged themselves in restaurant business in addition to their core activities, as Emporio Armani Café or Le Plongeoir salon de thé in the Hermès store in Paris. The sense of taste is linked with the sense of smell due to the association of taste and aromas: the combination of these two elements generates the concept of flavour. Taste is also linked with colours, in fact colour is used by subjects as the dominant input in taste discrimination; for example, a manipulated orange colour of a cherry juice can make the subject identify the flavour as orange.

For what concerns this analysis, I will only focus on the taste experience during the purchasing journey.

a. The impact on behavioural reactions

The gustation during the purchasing experience increases the time spent in store, especially in the case of cafés or restaurants in the point of sale.

b. The impact on cognitive reactions

A multisensorial experience helps to root and strengthen the brand image in consumer’s mind. The gustation experience has to be consistent with the positioning of the brand, for example Ralph Lauren’s restaurant offers American cuisine congruent with the WASP (White Anglo-Saxon Protestant) motif in the firm’s stores.

c. The impact on emotional reactions

An important issue is the pleasure derived from eating. The presence of food corners in shop is not only an added value to the sensorial experience, but it also has social connotations. People eating
with others tend to consume more\textsuperscript{25}; eating socially generates positive mood effects and it makes people feel like belonging to a group. Social recognition is an important driver of consumption, people will feel like they fit in with the brand values and they will complete an identification process with it.

\textsuperscript{25} “The gist of gustation: an exploration of taste, food and consumption”, A. Krishna and R.S. Elder
III. THE LUXURY MARKET

The third chapter has the aim of providing a definition of what Luxury is and a detailed overview of the market, with a particular focus on Luxury shoppers and their future consumption trends.

3.1 What is Luxury?

«Le luxe n’est pas le contraire de la pauvreté mais le contraire de la vulgarité»

Gabrielle Bonheur "Coco" Chanel

a. The definition of Luxury and Luxury brands

Luxury is not easy to define. The world “Luxury” comes from Latin and it has a double meaning: in a positive way it is related to the words lux (light, the Angel) and luxus (abundance), with a negative meaning it is associated with luxatio (gap, excess) and lux (luxuria, bad habits, the Evil). Luxury has a very strong personal and hedonistic component, luxury clients are not only interested in symbols but in substance, otherwise they cloud drift from one symbol to another without being reliable for Luxury brands. This strong hedonistic component differentiates luxury from mere snobbery. Luxury must not be misunderstood with richness, of course as a matter of fact, from a business and brand placement point of view, it is addressed to a high consumer range but luxury involves uniqueness, exclusiveness and, above all, heritage.

Luxury goods industry, more than any other, is characterized by intangibility: “Luxury is about history, authenticity, depth, and being a partner. Buying a luxury product is like a love affair”26.

What we refer to when we talk about history and authenticity?

The signature of a Luxury brand: DNA and Codes.

They are two distinctive and unique sets of elements, drivers of everything connected with the brand.

There are nine systematic and necessary elements of signature of a Luxury brand:

1. The figure of the brand's creator, who made the brand a work and not a production
2. The logotypes, generally short and very visual
3. A visual symbol that accompanies the logotyped signature
4. A repeated visual motif
5. A brand colour
6. A favourite material

26 Christian Hafner, Founder of FAB Atelier and ex Director of Corporate Brand Management at Swarovski
7. The cult of detail
8. The constant hymns to the manual work and to excellence of the artisans
9. A way of doing things that is typical of the brand

They do not necessarily coexist in the same brand and it is not very simple to find out and recognize them in every brand.

The brand DNA is made up of four elements:

1. Brand personality: human descriptors that express the brand’s style, tone and attitude.
2. Internal beacon of the brand: the internal views of the brand, why people believe the brand can win (inspires, motivates or challenges)
3. Features, attributes and functional characteristics that are embedded in the product side of the brand
4. Consumer views of the brand: honest assessment of how the consumer sees the brand, the good and bad

The DNA of a Luxury brand is unique and unmistakable, it cannot be influenced by client perception and cannot be quickly altered by repositioning because it is strictly connected with the origin of the brand, it carries the original meaning and the dream of the product. It influences everything.

The DNA is expressed by:

1. The founder/creator
2. The time of the origin
3. The original location
4. The act of creation
5. The early adopters and first clients

The origin effect is a key element of distinction in the Luxury industry but not necessary all the elements and components of a product need to be sourced in the country of origin of the brand, in fact we can find:

1. Country of design: Country where the product has been designed
2. Country of manufacture: Country where the product has been manufactured
3. Country of assembly: Country where the final product has been assembled
4. Country of components of parts: Country where some components are sourced
5. Country of Origin: Country that consumers associate with the product
6. Country of brand Origin: Country that consumers associate with the brand

Often, the city is the same for many brands, but the mix is fundamental to create uniqueness.

As mentioned earlier, not necessarily more gens are better, but it is important that all the core elements of the brand are covered and to avoid generic luxury gens and definitions.

As an example, the BVLGARI brand DNA:

![BVLGARI DNA images]

As important as DNA, Codes are the external symbols of the brand, they must belong to the brand and not to category in order to be unmistakably recognized by the client:

1. Logo
2. Other graphic motifs
3. Colour
4. Pattern
5. Other sensual elements as smell, taste, touch, sound

As an example, the Tiffany & Co. brand Codes:
The strategy of a Luxury brand is always in balance between exclusivity that drives the image and accessibility that drives awareness and sales. The first paradox of Luxury states that is fundamental to maintain the brand image in balance between innovation and tradition: tradition implies to be consistent with DNA, discipline, execution and long-term vision, innovation means risk taking and category disruption.

Revitalize brand Codes can help to attract new clients without losing out heritage and authenticity.

For instance, one of Fendi Codes are the arches of the Colosseum and, inspired by Rome but in a modern way, they played with this to design the Fendi store in Ginza, Tokyo.
Palazzo della Civiltà Italiana (the Squared Colosseum): Fendi Headquarters in Rome, Italy

Fendi new flagship store in Ginza, Tokyo
Or the Dom Pérignon Champagne label:

![Dom Pérignon Champagne classic label](image)

*Dom Pérignon Champagne classic label*

![Dom Pérignon Champagne Michael Riedel Edition](image)

*Dom Pérignon Champagne Michael Riedel Edition*

These two pictures, a product and a store, are two examples of how a brand delivers its DNA and Codes to its clients through execution. When talking about Luxury, it ought to include storytelling. Storytelling is paramount to luxury brands for which purchase behaviours are often driven by emotional triggers. Luxury is all about selling a desired dream, a special feeling, a unique experience. Brands need to capitalize on storytelling because great stories unite audience, they are sharable, and they last over time. Communication in Luxury is not based on needs but on desires because it implies weighted decisions, it needs to deliver the brand in a way that will appeal to new and existing customers. A high number of touchpoints is needed in order to finalize the
process, in fact the purpose is to create a long-term relationship with clients and to get feedback in return. The key word is value. I will analyse more in depth this issue in the next paragraphs.

b. Luxury market overview

In economics, a luxury good is a good for which demand increases more than proportionally as income rises, so that expenditures on the good become a greater proportion of overall spending. Luxury goods are in contrast to necessity goods, where demand increases proportionally less than income.

Luxury goods is often used synonymously with Veblen goods: the Veblen effect takes place when a consumer's demand (or consumption) of a certain good is increased when the price also is increased. This is against traditional theory of rationality. However, the consumer perceives that the good brings a higher utility at a higher price.

![Demand curve of a Veblen Good](image)

Luxury goods, then, have a positive price elasticity of demand.

Luxury goods industry can be divided in different segments divided by nature of the product. A priori, a bottle of champagne and an haute-couture dress seem to be not interconnected, both for
industrial aspects and distribution. In 1954, Jean-Jacques Guerlain\textsuperscript{27} and Lucien Lelong\textsuperscript{28} were the first to understand the relation between these products and they founded the Comité Colbert with the aim to promote the concept of Luxury, considered by many as the Luxury firms’ lobby. At the moment of foundation, the members of the Comité divided the industry in ten \textit{métiers} or trade sectors:

1. Fashion
2. Silverware and bronze
3. Leather goods
4. Crystal
5. Décor
6. Hospitality and cuisine
7. Gold and precious materials
8. Perfumes
9. Winery
10. Majolica and porcelain

However, this categorization does not involve some of the new trade sectors emerged over the years, such as the automotive segment. Because of this, in 2004, Jean Castarède\textsuperscript{29} proposed an updated list of seven segments divided by core business:

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>CORE ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural market</td>
<td>Art trade</td>
</tr>
<tr>
<td>Means of transportation</td>
<td>Automotive, yacht, private jet</td>
</tr>
<tr>
<td>Apparel and personal belongings</td>
<td>Haute-couture, prêt-a-porter</td>
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<tr>
<td></td>
<td>Perfumes</td>
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<td>Accessories</td>
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<td>Watches</td>
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<td>Jewelry</td>
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<tr>
<td>Leisure activities</td>
<td>Cruise</td>
</tr>
<tr>
<td></td>
<td>Luxury sports (golf, polo, hunting)</td>
</tr>
</tbody>
</table>

\textsuperscript{27} French perfumer of the Guerlain family
\textsuperscript{28} French couturier
\textsuperscript{29} French economist, historian and publisher
<table>
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<tr>
<th>Collecting</th>
<th>Luxury hospitality (palaces and castles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home décor</td>
<td>Art de la table (glassware, gold, porcelain and majolica)</td>
</tr>
<tr>
<td>Dwelling</td>
<td>Luxury accommodations: acquisition and restoration of castles, Luxury décor</td>
</tr>
<tr>
<td>Food industry</td>
<td>Wines and alcoholic products, Luxury cuisine, Luxury restaurants</td>
</tr>
</tbody>
</table>

Another Foundation that deals with the analysis of the Luxury market is Altagamma. Altagamma is the global landmark for the understanding of the luxury market. Every year the Foundation releases eight researches conducted in partnership with some of the most prestigious international partners. The luxury markets are analysed by looking at demand and supply with specific in-depth analysis and forecasts on consumption, consumer profiling, digital, retail and specific product category.

From now on, I shall refer to the global Luxury market report published by Bain & Co. for Fondazione Altagamma in 2018.
The luxury industry as tracked by Bain encompasses both luxury goods and experiences. It comprises nine segments, led by luxury cars, luxury hospitality and personal luxury goods, which together account for more than 80% of the total market. Overall, the luxury market grew 5% in 2018, to an estimated €1.2 trillion globally, with positive performance across most segments. Sales of luxury cars continued to dominate the market, growing 5% at constant exchange rates to €495 billion. Luxury experiences remained very attractive to consumers, as illustrated by sales growth of luxury hospitality (up 5% from last year), gourmet food and fine dining (up 6%) and luxury cruises (up 7%). The market for personal luxury goods reached a record high of €260 billion, representing 6% growth (2% at current exchange rates). Worldwide, the personal luxury goods market experienced growth across most regions, driven primarily by more robust local consumption (up 4% globally at current exchange rates). In contrast, purchases among tourists remained flat on average.
Overall, shoes and jewellery were the top luxury growth categories, gaining 7% each, followed by handbags and beauty. Watches remained flat while apparel suffered, mainly due to lacklustre sales in the menswear segment.

Chinese consumers led the positive growth trend around the world. Their share of global luxury spending continued to rise (now 33% of the total, up from 32% in 2017), while mainland China’s share rose to 9% (up from 8% in 2017). In mainland China, luxury sales grew 20% to €23 billion, driven by rising demand. Between 2015 and 2018, Chinese consumers’ local spending contributed twice as much growth in absolute value as their spending abroad.

Europe lagged in 2018, as strong currencies limited tourists’ purchasing power. Local consumption was positive overall, despite mixed performance across countries, helping to push retail sales up 3% to €84 billion. Luxury sales in the Americas reached €80 billion, representing a growth rate of 5%. A positive US economy boosted disposable income and overall luxury spending by local consumers. However, the strong dollar curbed spending by tourists from Asia and Latin America. Canada and Mexico were strong markets in the region, while political uncertainties derailed Brazil’s performance. In Japan, luxury sales eased slightly, rising 6% to €22 billion. Across the rest of Asia, sales grew 9% to €39 billion. In other areas of the world, growth was flat, with sales holding at €12 billion, mainly due to stagnation in the Middle East.
The retail channel grew 4% in 2018, with three-quarters of that increase coming from same-store sales growth. The wholesale channel grew only 1%, hampered by department store performance and a slowdown among specialty stores facing tough competition from the online channel. Online luxury shopping continued to accelerate in 2018, growing 22% to nearly €27 billion; it now represents 10% of all luxury sales. The Americas market made up 44% of online sales, but Asia is emerging as a new growth engine for luxury online, slightly ahead of Europe. Accessories remained the top category sold online, ahead of apparel. The beauty and “hard luxury” (jewelry and watches) categories were both on the rise. The biggest online channels for luxury sales were e-tailers, brands’ own websites and retailers’ websites. Meanwhile, the second-hand market for luxury goods surged to €22 billion on strong growth in Europe and among online platforms.
Share of global personal luxury goods market, by channel
(€ billions)

CAGR 2010–18E YOY 2017–18E

Note: Growth shown at current exchange rates.
Source: Bain & Company.

Share of global personal luxury goods market, by distribution channel and format

CAGR 2017–18E

Notes: Segments may not add up to 100% due to rounding. Growth shown at current exchange rates.
Source: Bain & Company.
Share of global online personal luxury goods market, by region, category and business model

Notes: The accessories category includes handbags and shoes; the hard luxury category includes watches and jewelry; data for China reflects official channels only.
Source: Bain & Company

Share of global personal luxury goods secondhand market, by category, channel and region

Note: Growth shown at current exchange rates
Source: Bain & Company
Luxury brands can no longer deny the influence of younger consumers. Generations Y and Z accounted for 47% of luxury consumers in 2018 and for 33% of luxury purchases. However, they contributed virtually all of the market’s growth, compared with 85% in 2017. To capitalize, luxury brands are adapting to the preferences of younger consumers in terms of product offerings, communication and engagement strategies, and distribution channels.
The luxury industry is also increasingly acknowledging cultural and size preferences. Modest fashion, comprising garments that can be worn by Muslim consumers, accounted for approximately 40% of luxury women’s ready-to-wear in 2018, while “inclusive” fashion, targeted to curvy or plus-size consumers, represented about 20%.  

3.2 Understanding Luxury shoppers

a. Who are the Luxury shoppers?

To be considered a potential Luxury client, two distinctive elements are needed:

1. Attitude - meaning that you do want the product - and need
2. Economic capability

We can identify five different socio-economical groups:

1. Aspirational mass-market households - Trendy metropolitans: they have an annual income of at least €55,000 in developed markets and of €18,000 in emerging markets. They can be assimilated to ‘excursionists’: they are not big spenders, in fact, their average annual expenditure on luxury is approximately €400, but as a group they are significant. They tend to have average jobs and backgrounds but, in order to achieve an above-average lifestyle, they purchase status goods.

2. Rising middle-class households - Stylish career masters: they are proud business men/women, with an annual income of at least €110,000 in developed markets and of €35,000 in emerging markets, they come from a middle-class background and have well-paid jobs.

3. New-money households - Lavish self-made individuals: they consist of High Net Worth Individuals (HNWIs) that have earned their wealth fast and by themselves. Because they can afford it, because of their need to show their self-achievements and because of their cultural openness and modernity, they are the most important category for luxury consumption that accounts for more than one third of global luxury sales (between €55 and €60 billion).

4. Old-money households - Luxurious spendthrifts: they consist of HNWIs as well but, conversely from members of the previous category, they inherited rather than generated their wealth, usually related to aristocracy or to family-owned businesses. They are likely to

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purchase luxury goods not only because of their value, but also because they match their lifestyle.

5. Beyond-money households - Elitist dandies: similar to old-money households but they avoid ostentatious display of wealth, even though this disdain for conspicuous brands is nothing more than an affirmation of their status. They account for about 5% of total luxury goods sales and they are ‘the snob’ par excellence.

When we talk about High Net Worth Individuals, we refer to people who hold at least 1 million US dollars in financial assets. One level above, we find the Ultra High Net Worth Individuals, who hold at least 30 million US dollars in financial assets.

Another clear distinction we can draw is the one between the old rich and the new rich: the old rich are very experienced, they do not follow mass communication or their peers’ opinion because they want quality and they are able to recognize it, no matter the brand. They spend less, almost exclusively to substitute. Conversely, the new rich are often unable to assess quality, they only want to boast their success. They are interested in what others do and think, they follow the trends so branding, communication and hedonism must be provided, more than real quality. The new rich spend much buying what old rich buy, while old rich rejects what the new rich want.

But, who are “the new rich”?

We can figure out two main groups: emerging affluents and UHWNIs that together represent the affluents. The new rich can be addressed to the first group.

The emerging affluents are the so-called Millennials, people born in the 1980s and 1990s confident in themselves and the future despite the crisis, they have developed an ambitious work ethic as long as the end goal of their work is in line with their value and ambitions. Money and success are seen as inseparable. They are digital native, they have an entrepreneurial attitude and high expectations, they share their opinion and do want feedback by their peers, they like user-generated content because they aim for a relationship with the brands they love. Unlike the old rich, they can be hard to spot, because they can dress down as well as up, they use e-commerce and they seek meaning from brands and not products. In 2017, this was the largest Luxury segment.

On the other hand, the Ultra High Net Worth Individuals are very selective. They still prefer the offline, they use media as a tool and not as a source of entertainment and all the media they consume are related to high luxury and culture. They make time for philanthropy, they are
experience-seekers and they are happy to pay the premium for Luxury because they believe this reflects the true value. They consider themselves as leaders.

A simple difference we can underline between the old and new guard is for example that “the old money” and “the beyond money” groups do prefer goods like watches or furniture because they want it for themselves not with the purpose of showing the product to others.

b. Luxury shoppers purchase behaviour

The purchase behaviour is the decision process and act of people involved in buying and using products.

When we talk about purchase behaviour related to luxury goods we cannot ignore psychological and sociological factors.

Dealing with consumer psychology, before introducing consumer behaviour we need to define what personality is; personality generally, can be defined as "the mechanism and general logic of organization and integration in a generic, higher-level system of bio constitutional, psychological and socio-cultural characteristics of the individual"\(^{31}\). It is presented as a unique, dynamic organization of physical and psychological characteristics, which influences the behaviour and the responses to social and physical environment. Personality is considered to be strongly linked to heredity and childhood experience. Specifically, the French author Pierre Bourdieu\(^{32}\) hypothesizes that children internalize aesthetic dispositions at an early age and that such dispositions guide the young towards their appropriate social positions, towards the behaviours that are suitable for them, and foster an aversion towards other behaviours. In an attempt to identify consumer behaviour, scholars used personality theories, most of them in a Freudian and new-Freudian perspective and interpreted in terms of marketing, to identify those mechanisms that influence the buying decision. Freudian approach to personality bases on the idea that unconscious needs are the essence of human motivation, while Neo-Freudian stresses the importance of social relations, as the foundation of training and personality development. Adler (2011), for example, approached the feeling of inferiority and individuals need to set high goals to reduce the complex of inferiority. Thus, consumer behaviour may be caused by the desire of individuals to escape the complex of inferiority through certain products that are associated with success.


\(^{32}\) French sociologist, anthropologist, philosopher and public intellectual (1930-2002)
Another contribution of the Neo-Freudian vision is made by McClelland (1988), who considered that the individual is guided by three major social reasons: the need for achievement, need for power and need for affiliation.

Moving to personality traits perspective, the focus is on the psychological characteristics of the individual, on the elements that make him different from another human being. These features influence the consumers in making the selection among certain categories of products and they allow market segmentation in relatively homogeneous segments of consumers who have similar basic psychic needs and desires. According to these theories, motivation is the driving force of human behaviour and it has two main components: the determinant, that is an internal state of tension, and the purpose, that is the purchase to reduce the tension. The motivation is manifested in three aspects: needs, emotions and psychographics. The needs reflect the difference between wants and the current state, emotions are more autonomous and held the personal experience of each consumer and psychographic reflects the behaviour as a result of both needs and emotions.

We may consider that luxury goods address to desires (emotion drives purchase) which, from the perspective of Maslow, can be part of the social needs, of belonging, appreciation, prestige and

![Maslow’s Pyramid: hierarchy of needs](image)
needs fulfilment, and achievement. These are higher needs, which are much more influenced by the external environment and are more strongly shaped by factors related to reporting to others.\textsuperscript{33} Self-congruity theory, developed by Sirgy, explains that individuals buy those products or services that have an image congruent with their self-image. Thus, through the act of buying and consumption, individuals consolidate their personal identity, their image of themselves (self-concept). Where there is a difference between self-perception and self-concept, dissonance occurs, a state of mental stress, which motivates individuals to restore consonance.\textsuperscript{34}

It could be concluded that for some individuals the purchase of a luxury good has the purpose to achieve or maintain a certain social status, whereas for others it is a matter of hedonism, of pleasing themselves.

“Luxury does not define the quality of the owned object, but the quality of possession”\textsuperscript{35}.

Given this psychological and sociological overview, we can now define the Luxury stages and three different Luxury shoppers purchase behaviours. We have five stages:

1. Subjugation: deprivation builds a hunger, a desire, a dream
2. Start of money: people have money for the first time
3. Show off: people need to announce the fact they have money
4. Fit in: the group prescribes what is “in”. The group has a strong influence especially on the brand chosen both for private and public use goods, but for public use ones there is also the conditioning on the product choice.
5. Way of life: people get used to the fine quality of Luxury

Three different purchase behaviours - and then three different typologies of consumer - can be identified, based on self-consciousness and price:

1. Bandwagon consumers attach less importance to price as an indicator of prestige, but they put a greater emphasis on the effect they make on others while consuming prestige brands. The bandwagon effect is seen in cases where individuals are trying to "fit in". This effect is shown when the demand of a certain good is increased, based on the assumption or knowledge that other consumers are also consuming that same good. The stylish fashion consumer can be an example.

\textsuperscript{33} Psychology of Luxury Goods Consumer, Razvan Zaharia and Rodica Milena Zaharia, Bucharest University of Economic Studies
\textsuperscript{34} Psychology of Luxury Goods Consumer, Razvan Zaharia and Rodica Milena Zaharia, Bucharest University of Economic Studies
\textsuperscript{35} Jean-Paul Sartre, French philosopher
2. Snob consumers perceive price as an indicator of exclusivity, and they avoid using popular brands. The snob effect is seen when an individual's demand is decreased due to the assumption or knowledge that others are consuming the good. Therefore, the individual consumer's demand is negatively correlated with the market demand. It can be considered as opposite - but symmetrical - to the bandwagon effect.
3. Veblenian consumers attach a greater importance to price as an indicator of prestige, because their primary objective is to impress others. As discussed in the previous paragraph, the Veblenian effect is against the theory of rationality because it states the increase of consumer’s demand (or consumption) of a certain good when its price is increased.
All these three effects can coexist in the same brand.

Over the three listed behaviour, we can add other two types of consumers: the hedonist and the perfectionist. The purchase behaviour of these two last consumers is opposed to the previous ones because of its nature. The hedonist and the perfectionist behaviours are not related to other consumers behaviour; the purchase is a response to self-actualization and reassurance as an intimate pleasure.

Another current important phenomenon that needs mention in this context is the shift in conceiving the experience, from the importance of “to have” to the importance of “to be”. A psychological motivation evolution can be outlined, from the narcissistic satisfaction of showing off the product to the enjoyment of sharing and conviviality, from social distinction to personality distinction. Luxury clients now act as partners for the brand they love, they want to co-create to feel as a part of a community, they look for emotions and experience rather than the product itself. This topic will be carefully discussed in paragraph 3.3.

c. Marketing in Luxury

The downside is how firms do respond to customer needs. Actually, Luxury products may not follow customer needs; “Luxury is not the business of selling necessities, it is the business of creating and satisfying desires”.

36 Belinda Earl, ex Chief Executive at Jaeger and currently style director of Marks and Spencer
Having too many customers is not the objective of a Luxury product and this is the reason why the scarcity of supply can be defined as a fundamental theorem in this market: the product should not be too easy to access, the demand should not be entirely satisfied to make people yearn for buying the product because they perceive it as exclusive. This as the counterpart of customers need for social climbing, status affirmation and personal pleasure.

The exclusiveness also implies that Luxury products are not comparative, no performance comparison and no value for money; in Luxury the key world is value not price, the advertising purpose is to make it dream, never sell at any cost. In this sense, the role of reliable brand ambassadors as testimonials make the Luxury client identify with the dream. Even sales in Luxury do not run in the same way as in traditional consumer goods market: Luxury products should never be discounted even if product obsolescence may determine overstock that needs to be eliminated.

How do Luxury firms deal with it?

1. Privileges: non-monetary benefits for selected clients
2. Selected discounts: special conditions allowed to specific filed customers, valid for all or lines of products
3. Friends and families: special temporary conditions allowed to selected groups of people related to the company
4. Silent sales: discounts allowed to the public asking for it, not advertised

Loyal customers have to feel protected from the occasional ones, they need to feel special and they buy to feel this way. It is the client that has to want the product, not vice versa; the client buys the story behind the product, the emotion. Luxury market is probably the most suitable one to implement sensory marketing because of the detailed experience and emotional path designed.

\[d. \text{The luxury shoppers and their home country: different perspectives}\]

Luxury is a worldwide shared concept and, as for traditional consumer goods, market segmentation is a crucial tool for business. Cultural differences often cause differences in consumer behaviour within and across national borders but, given that the globalization of consumer markets and the global acceptance of products and brands lead to a globalization of the behaviours and attitudes of consumers, it might be beneficial to focus on a cross-cultural customer segment in addition to a country-oriented cultural understanding. For this subparagraph, I will refer to the study conducted in the article “What is the Value of Luxury? A Cross-Cultural Consumer Perspective” in Psychology and Marketing, Vol. 29(12): 1018–1034. Wiedmann, Hennigs, and Siebels (2007) developed a four-dimension model to explain Luxury consumption through consumers perceptions; the four dimensions are:
1. Financial dimension: it is related to direct monetary aspects and to the sacrifice made to obtain the product
2. Functional dimension: it refers to core product benefits such as quality, uniqueness, usability etc.
3. Individual dimension: customer’s personal orientation toward luxury consumption and addresses personal issues, such as materialism, hedonism and self-identity
4. Social dimension: the perceived utility that individuals acquire from products or services that are recognized within their own social group, such as conspicuousness and prestige value, which are significant drivers for luxury consumption propension

America, Europe and Asia are the target of this research.

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*Diagram: Dimensions of luxury value perceptions*
With reference to the financial dimension of luxury value perceptions, the results show that France has the highest factor mean scores on all statements, followed by Hungary, Italy, Brazil, and Slovakia. Germany and the United States do not primarily associate luxury brands and products with financial aspects; consumers in these countries have the lowest scores related to the financial evaluation of luxury brands and products. The significant differences on the factor level were also reflected with reference to the items that constructed the financial value dimension: French consumers agree that “A luxury product cannot be sold in supermarkets” and that “Few people own a truly luxury product”, whereas American consumers do not perceive that “Truly luxury products cannot be mass-produced”. These findings can be explained also by the so-defined aristocratic and democratic perceptions of Luxury, even if this boundary is progressively shading over time in favour of a democratization of the market. The aristocratic perception mainly concerns the European vision of Luxury goods, seen as even more luxurious if not available to everyone else, whereas the democratic perception, mainly associated to American people, considers Luxury as self-expression available for everybody.

Considering the functional dimension of luxury value perceptions, German consumers agree more than the consumers in the other countries with the statements related to quality and performance aspects: “a Luxury brand that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration” and “I place emphasis on quality assurance over prestige when considering the purchase of a luxury brand”.

With respect to the individual dimension of luxury value perception, U.S. consumers, followed by consumers in India, Brazil, and Italy, emphasize the hedonic, affective, and materialistic aspects of luxury consumption. On the item level of individual luxury value, more than other groups, Spanish consumers do not agree with statements such as “I derive self-satisfaction from buying luxury products”.

In terms of social dimension, results provide evidence that the mean ratings for this aspect are at a moderate level for all countries except Germany, Italy, Slovakia, and Spain. This difference is supported by mean ratings for the factor specific items: Indian consumers state that “To me, my friends’ perceptions of different luxury brands or products are important”, whereas Spanish and Italian consumers are not concerned about what others think of them.

To complete this analysis taking into account other variables of a different research published by Virginie De Barnier and Pierre Valette-Florence entitled “Culture and Luxury: An Analysis of Luxury Perceptions across Frontiers”, the following graph is self-explanatory:
Analysing the Luxury stages mentioned in the previous subparagraph, the different nationalities position themselves in this way:

1. Philippines, Indonesia and India are in the first two stages, subjugation and start of money
2. China is moving from start of money (second stage) to fit in (fourth stage)
3. Thailand is moving from subjugation (first stage) to show off (third stage)
4. Malaysia is moving from start of money to show off
5. Taiwan and Korea cover the third and fourth stage, show off and fit in
6. Hong Kong and Singapore are moving from show off to the last stage that is way of life
7. Japan, USA and Europe cover the last two stages, fit in and way of life

Countries in the first stage have experienced over the years authoritarian rules and poverty and deprivation conditions. The second stage is characterized by economic growth and initial interest in buying Luxury goods. Countries in the show-off stage want to display their acquired economic status showing the symbols of wealth. A large-scale adoption of Luxury and the desire to fit in are typical of the fit in stage.

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37 Radha Chadha and Paul Husband theory
In the last one, way of life, Luxury has become a habit and people have become confident buyers.

3.3 The future of Luxury: new trends of consumption

a. Outlook for the future of luxury market

Through 2025 a continuous growth at an annual rate of 3% to 5% is expected, with the market for personal luxury goods reaching €320 billion to €365 billion.

Asia and Greater China are experiencing a strong local consumption, as well as Americas thanks to a positive US economic cycle and strong dollar impacting Asian and LATAM tourists; US strong economy is driving up disposable income and so local spending. Canada and Mexico are strong, while Brazil is suffering political uncertainties. Japan and Europe have a soft local consumption increase; Japan is rethinking distribution model in light of increased touristic consumption thanks to cheaper flights to main cities and euro as strong currency is impacting tourist spending. Middle East, due to government spending restrictions and oil price drop in affecting locals’ disposable income, is going through a lower local consumer confidence period.

With regard to market segments, shoes and jewelry confirm themselves as growth drivers, followed by beauty and accessory; apparel is suffering instead.

b. The Chinese impact

By 2025, Chinese consumers will make up 46% of the global market (up from 33% in 2018), and they will make half of their purchases at home in China (up from 24% in 2017).
Chinese local consumption is booming because of several factors as possibly reduced import tax and lower prices differentials; the new global pricing strategy tends to standardize prices over the world.

The Chinese government policies on boosting internal consumption are also making it easier, such as China’s crackdown on daigou is part of its moves to strengthen e-commerce regulation and better control the rapidly expanding sector. Cross-border e-commerce in China has grown steadily in recent years, on the back of strong consumer demand for premium brands and high-quality overseas products. A significant amount of this shopping is done through the grey channel known in Chinese as ‘daigou’. Literally translated as ‘buy on behalf’, daigou refers to a consumer-to-consumer (C2C) relationship of intermediaries who purchase overseas goods for Chinese consumers for a fee.

Given this rapid growth and its unregulated nature, the Chinese government is now implementing policies to bring cross-border e-commerce under stricter control while supporting its growth. From January 1, 2019, daigou merchants are obligated to register and pay taxes. The new law compels daigou merchants to obtain licenses and formally register as businesses. Otherwise, they will be subject to substantial fines.

Trendy products and tailored initiatives are valued positively by Chinese consumers and the new importance given to “experience” is another element that is increasing the purchases.
By 2025, the online channel will represent 25% of the market’s value, up from 10% today. Approximately half of all luxury purchases will be digitally enabled as a result of new technologies along the value chain, such as virtual reality and mobile payments, and nearly all luxury purchases will be influenced by online interactions.

Asia is leader in online consumption, followed by Europe with a positive trend and America growing slower. Accessories and beauty confirm to be the best sellers on online platforms, while hard luxury is booming. Apparel is lagging behind due to category slowdown in the market.

Physical channels will reshape their purpose and mission, due to in-store traffic decline, from Point-of-Sales to Point-of-Touch. The future approach will take a 360° perspective, with a strategic focus on cities rather than on regions, creating an interactive eco-system in an omnichannel approach designed for customer needs, placing the end user at the centre of every experience. Customers will not be seen anymore as passive receivers but as proactive co-creators.
Customer journey touchpoints

Wholesale is slowing down due to weak department stores and specialty while retail will experience a perimeter expansion.

d. Millennials and Z-Generation
Younger generations will be the primary engine of growth in the coming years. Generations Y and Z will represent approximately 55% of the 2025 luxury market and will contribute 130% of market growth between now and then, offsetting a decline in spending by older consumers.
Next graph shows the different traits emerged between Millennials, Generation Z and Chinese Generation Z:

Gen Z has the desire to shop back in store, even if in a more integrated approach with respect to the past. They have a higher level of self-consciousness, they want to show their achieved social status no matter what the brand is. The Chinese Gen Z has a stronger attitude toward luxury rather than the past because, as we have seen, they are moving on in the Luxury stages and the desire to “fit-in” makes them share their wealth on social media.
Younger generations are the key driver of changes in the industry, forcing brands to evolve and innovate across different dimensions, mainly product offering, communication and media.

e. **Different cultures and sub-cultures: new consumption patterns**

Cultures, sub-cultures and new consumption patterns will arise forcing brands to adapt dynamically. We are now observing the birth of new cultural inclusive models, the rise of the M-Millennials, that are adapting the total women ready-to-wear to different cultural and religious needs and the democratisation of shapes with an inclusive Luxury apparel embracing body diversity.

For what concerns new consumption patterns, Luxury 2nd-hand market is taking place specially in Europe, online and hard luxury with a strong traction among younger generations.

If properly managed, this phenomenon can increase new customers acquisition and brand awareness.

In this new shaped market, sensory marketing can be a winning formula to design unique and memorable experience for Luxury customers.
IV. USING SENSES TO PROFILE LUXURY CUSTOMER

The five human senses, as we have discussed in Chapter 2, if properly implemented as variables for sensory marketing, can become a powerful tool for Luxury firms. The aim of this fourth chapter is to focus on different customer profiles and on the different perceptions they can have. When doing business, it is of fundamental importance to reach the most receptive target to the product or service we are offering and, to do so, we have to provide the right information to engage the right people and increase the likelihood of a positive impact. Nowadays, basic targeting based on interests or demographics is not enough, so we need advanced features as sensory targeting that is to target personas based on their different sensory perceptions. It is important to shift from basic customer segments to people personas, that is moving the research from a quantitative to a qualitative analysis, interpreting data to create a 3-dimensional example of a relatable person who falls within a specific segment; qualitative targeting describes who the customer is, how they spend their time and how they feel. This chapter has been inspired by Professor Diana Derval’s research; every paragraph of this Chapter will discuss a different human sense, taste is not included because it is not strictly related to this thesis.

4.1 Sight: the sense of colours

a. Colour profiles

Vision, as we have seen in the second chapter, is a powerful sense and it is also an important factor in Luxury. This paragraph will mainly discuss the Derval Colour Test by Diana Derval presented at the 2nd Asian Sensory and Consumer Research Symposium in 2016 in Shanghai. The objective of the initial research, since fine-tuned with the input of people around the world who took the test, was to study the impact of eye specialization on colour perception among Chinese adults. The original experimental group comprised 60 Chinese men and 140 Chinese women aged 25–45 years with no reported health disorders. Subjects reported their lower-order aberrations: near-sightedness or farsightedness. They were presented a colour strip with 39 colour nuances and indicated how many and which ones of the colours nuances they were able to see, as well as their colour preferences in general. Among the 200 Chinese adults, some reported they were able to distinguish 27 colour nuances and others 45. When broadening the number of subjects to various

38 Chair and research director of DervalResearch. Neuromarketing expert.
39 Researcher in behavioral neurosciences at DervalResearch
countries and profiles, the number of colour nuances counted extended from 9 to over 45. Based on their perception of colour nuances, Luxury shoppers can be split into four groups:

1. **Dichromats:** they count less than 20 colour nuances and tend to prefer black, beige, and blue. They see colours like dogs, mostly in beige and blue. Their favourite Luxury brands have basic colours and patterns and include Burberry and UGG. They have a gapped distribution of cones (photoreceptors), they are likely to have 2 types of cones and they account for the 20% of population.

2. **Trichromats:** they count between 20 and 38 colour nuances and like all kinds of colours and love the assortment of colourful brands like Shanghai Tang or Miu Miu as well as more colours depending on their mood and style. They like many Luxury brands, from Kate Spade to Hermès. They have an average distribution of cones, they are likely to have 3 types cones and they account for the 30% of population.

3. **Tetrachromats:** they count 39 colour nuances and tend to avoid colours like yellow, perceived as irritating. They tend to prefer harmonious matching of colours with limited contrast and patterns. Brands like Balmain or Courrèges suit them well. They have an overlapping distribution of cones, they are likely to have 4 different types of cones and they account for the 25% of the population.

4. **Monochromats:** they count over 39 colour nuances and tend to prefer black with a pop of colour, contrast, or shiny. The information provided by their rods (photoreceptors) is the one ruling and their eye is attracted to and counts the separation stripes in between colour nuances rather than the colour nuances themselves. They are perfectly comfortable with a Chanel or Louboutin assortment, mainly black and white with a pop of red. With rods information overruling cones information, they are likely to have more rods than cones and they account for the 25% of the population.

Subjects who counted less than 39 colour nuances are not necessarily identified as colour-blind given that colour-blindness tests focus more on colour than on colour nuances confusion. People perceive more or less colour nuances depending on the number, range, and distribution of their colour cones, and this perception acts as a predictor of an individual’s favourite and irritating colours. These findings helped explain variations in colour preferences and adapt the sensory experience - like the colours, shapes, contrast, and finish used in new Luxury collections - to different types of people; brands need to identify where their shoppers stand in order to make the right decisions.
But, what are photoreceptors?

70% of our sensory receptors would be located in our eyes, with around 120 million rods, 6 million cones, and the recently discovered melanopsin receptors. Cones are specialized in a colour range; S-cones detect short-wave colours like purple or blue, M-cones detect medium-wave colours like green, and L-cones detect long-wave colours like yellow or red. Rods are specialized in perceiving contrast, movement, shapes, and night vision. In addition to the rod and cones, our retina hosts a third receptor, in the form of retinal ganglion cells containing melanopsin. Melanopsin receptors are not just sensitive to bright light, but to medium and long-wavelength colours, whereas short-wavelength colours are inhibiting them. Tetrachromats must have many M and L-cones and the associated melanopsin receptors and are therefore irritated not only by yellow but by bright light in general. In some people, light and pain sensors are on top of it connected, which makes all pains like headache more painful when the light is on.

\[\text{Image: Eye diagram with photoreceptors explained.}\]

\[b. \text{ Countries, vision and colours}\]

Favourite colours are often associated with local cultures and countries. We will see that it is only so because colours preferences are linked to our photoreceptors (cones, rods, and melanopsin), but also to our vision, and both are linked to our physiology. F is the focal point of the eye, located in the retina, where all colour waves meet after passing through the lens; each colour has its wavelength. Exact location of the focal point varies between individuals:

- Farsighted people have a shorter eyeball and the F point is at the back the retina. A long-wavelength colour like red will hit their retina at the focal point and will be perceived as relaxing.
• Nearsighted people, so who have myopia, focus light in front of the retina. A short-wavelength colour like blue will hit their retina at the focal point and will be perceived as relaxing.

China has the biggest population of near-sighted people in the world with over 400 million individuals concerned. In the past 30 years, the proportion of near-sighted people in the USA increased also from 25 to 41%. To properly see red, near sighted people need to tense their ocular muscles, which can be more or less painful depending on the eyes’ fitness, so that they might find a colour like red exciting, and for some even irritating. Chinese people chose a red and gold flag as most of them are near-sighted and will find these colours exciting; for Australia, it will be the contrary, as only 13% of the population have myopia, blue is very exciting for their flag. Brands need to adapt their sensory experience to every local market, creating shopping experiences for every colour profile, observing the neurophysiological mechanisms behind local cultures to be successful.

c. Light and polarization: the polarotactic profiles and preferences. The example of Diamonds

Light can be characterized by its polarization (or direction), colour, and magnitude (or intensity). Light is an electromagnetic field that oscillates, and the direction of the beams are the polarization. Light can be:
• Unpolarized: like in the case of a candle, beaming in no particular direction
• Linearly polarized: like in the case of a sunset, vertically or horizontally
• Circularly polarized: more rarely present in nature, like in the case of stars in the sky, a sunset on the sea, and diamonds
Diamonds, especially under the blue sky, will refract light from multiple facets, creating a circular polarization. Gemstones in general will fluoresce (reflect) under a black light. Individuals can be split into three groups, depending on their attraction to polarized light and shiny objects:

1. Non-polarotactic individuals are somehow repelled by polarized light, they prefer matte to shiny materials. They are not particularly attracted by diamonds in the windows, they prefer unpolarized daylight and often wear sunglasses. They account for the 25% of the population and they enjoy brands like Stella McCartney.

2. Medium-polarotactic individuals enjoy shiny objects like cars, and activities involving horizontally polarized light like watching the sunset. They enjoy natural and artificial lights and wear sunglasses whenever needed. They account for the 50% of the population and enjoy brands like Swarovski.

3. Super-polarotactic individuals are attracted to shiny objects like cars and shoes and bags (especially black and red), and polarized light whether natural like the sunset or artificial and wear sunglasses in very rare and specific occasions. They are fascinated by circularly polarized light so they love staring at diamonds. They account for the 25% of the population, they are especially located in Asia and they enjoy brand like Tiffany and Co. and Ferrari.
Diamonds are evaluated based on 4 main criteria, the 4 Cs: Carat, Colour, Cut, and Clarity.

The carat is the weighting unit used and corresponds to the weight of a carob bean (0.200g). For a diamond, the heavier the bigger. The colour defines whether the diamond is white or more yellowish.

The GIA colour scale starts from the letter D because in the past they thought they could find more shining diamonds for letters B and A but, until now, this has not happened. When a diamond is colourless it is obviously more expensive. The cut is strategic and gives the diamond its sparkle.
Tiffany is famous for its rectangular “princess” cut. The clarity assesses the number, size, and location of stones’ imperfections.

Chinese buyers are super-polarotactic and looking for the shiniest stone, whereas American shoppers are more medium-polarotactic and will also take into account the size of the stone, while Japanese shoppers are more non-polarotactic preferring coloured stones, less shiny.

4.2 Sound and touch: the Vibrator profiles

In luxury, there is a real fascination for anything vibrating or with a motor, from watches to motorbikes. Sound and touch are vibrations and they influence luxury shoppers’ product preferences and purchasing behaviour. Vibrations are perceived by ears, hands, and throughout the whole body, making it a key sensory factor in the luxury decision-making process.

a. Sound is vibration

Sound is a vibration and the number of times a sound vibrates per second is called frequency and is expressed in Hertz (Hz): to give an idea, a crying baby will score 6 kHz, a Harley Davidson 50 Hz and a high-end watch 1-8 Hz depending on the mechanism and finish. Sound can also be measured in terms of intensity and expressed in decibels (dB): a traditional car would score around 45 dB and a Harley Davidson could be as loud as 80 dB; some sounds like ultrasounds or infrasound cannot be heard by humans, but some agree that low vibrations emitted can be sensed.

b. Touch is vibration

Touch is a vibration. Similarly, to ears leading sounds to hair-cells located in the inner-ear, turning sound into electric impulses, fingerprints lead vibrations to touch receptors located in hands and skin. In addition to receptors specialized in heat and separate ones helping to perceive cold, there are four types of touch and vibration receptors:
• Light-touch receptors sensitive to mosquitoes and tickling
• Strong-touch and pressure receptors involved in grip and holding objects
• Very-low vibrations receptors responding to 50 Hz sounds like roaring tigers and Harley Davidson
• Low-vibration receptors responding to 200–300 Hz sounds like a V8 engine

c. vibrator profiles preferences
We can identify three types of luxury shoppers based on their perception of Vibrations:
1. Non-vibrators: they do not hear bass properly. In terms of touch, they do not perceive fine textures and prefer slick surfaces. Their favourite textures are leather, wool and silk. They account for the 25% of the population and they are mainly men. One of their favourite luxury brands is Jaeger Le-Coultre
2. Medium-vibrators: they hear everything better than voice and are therefore bothered by background noise. They hear all bass sounds. They distinguish between different textures and prefer silk and smooth surfaces. Their favourite textures are silk and cotton. They account for the 50% of the population, more women than men.
3. Super-vibrators: they hear high-pitch sounds too well and would not mind driving a more silent car like a Tesla. They are very sensitive to touch and prefer to wear cotton and if possible seamless socks, they prefer fluffy materials. Their favourite material is cotton and they account for the remaining 25%.  

d. the example of luxury watches complications: Jaeger-LeCoultre

40 Based on measurements and observations conducted by DervalResearch on 1200 consumers between 2007 and 2010
We can identify a complication as every additional feature over the basic function of hours, minutes and seconds. Complications can be divided into two groups: petite complication and grandes complication. Petite complication are easier than grandes complication and they are six:

1. Date and big date: the first one implies the display of the date on the dial, usually at hour three and it is possible to add also the week day indication. The indication is made possible by a rotating disk with 31 numbers, so it needs manual adjustment for 28, 29 and 30 days months. Big date is obtained combining two numbered disks that allow a better reading due to the greater dimension of figures; it usually is at twelve or six.

2. Moon phases: it allows to see the phase of visibility of the moon, usually at six or nine

3. GMT: it allows to track the time at different time zone due to the additional hand, with a maximum of 3 time zones. The name is due to the Greenwich meridian considered the conventional initial time zone

4. Power reserve: it allows to see the remaining operating hours before the watch stops

5. Retrograde reading/Jumping hours: the first one allows the hand to turn only 240° and then return back to the starting point. The second one allows to see the hour in a window. In this execution we also have retrograde minute and retrograde date

6. Chronograph (fly back, rattrappante): it allows to track partial time. The fly back function allows the immediate return of the hand, while the rattrappante function tracks the intermediate timing.

Grandes complication watches feature very complicated mechanisms that only master watchmakers are able to manufacture. They are four:

1. Grande sonnerie: the watch chimes at the full hour and at every quarter of an hour. It is activated by pushing a bottom

2. Répétition minutes: it allows to chime the hour, followed by the number of quarter-hour, and then by the number of minutes. This function is activated by pushing a bottom

3. Tourbillon: it allows the elimination of the earth rotation magnetic and gravity effect increasing the precision of the watch

4. Perpetual calendar: movement with the possibility of exact date identification day of the week, date, month of 28 or 29, 30 or 31 days with the leap year indicator.

Multicomplication is a combination of at least due grandes complication.

Jaeger-LeCoultre watchmakers are able to manufacture all these complications, one of their masterpieces is the Master Grande Tradition Gyrotourbillon Westminster Perpetuel: “this watch
feature a constant force mechanism, remontoir d’égalité, to address the issue of the varying driving force delivered to the regulating organ of watches that affects their rate. This mechanism consists of a second spring that is periodically rearmed by the mainspring, isolating the power-hungry tourbillon regulator from the varying torque of the barrel. In this instance, the remontoir is also used to regulate the motion of the minute wheel, creating a jumping minute that offers precision in time display. In addition, this eliminates chiming errors for the minute strike mechanism. The Westminster minute repeater replicates the chimes of Big Ben thanks to a set of four gongs and hammers; its mechanism incorporates several Jaeger-LeCoultre innovations in the field of striking watches. A silence-reduction function is built-in to optimize the melody cadence. Trebuchet hammers (articulated and sprung) allow for strong and quick strikes on the square cross-section, blued gongs that provide an optimal area of contact. These are welded to the watch’s crystal to capitalise on the superior sound transmission qualities of synthetic sapphire crystal to produce a loud and clear chime. Unlike most perpetual calendars, the date of the user-friendly calibre 184 can be adjusted in both directions. The date is indicated on a ring framing the dial and engraved in relief. For enhanced legibility, the pointer jumps over the tourbillon aperture. The day of the week, the month and the year are displayed digitally. The minute repeater pusher is retractable.

Luxury watch lovers have a fascination for complications but that’s not all. The secret ingredient is vibration. Similarly to when car buyers compare the performance of the engine, watch lovers evaluate their coveted gems in terms of vph, or vibrations per hour, and the higher the vph, the more expensive the watch. Most movement watches will tick 8 times per second (that corresponds to 36,000 vph), cheaper watches 5 times (or 21,600 vph), and watches with a 5-figure price tag 10 times per second (or 36,000 vph), for a greater accuracy. Fascinatingly many watch lovers prefer the 8 Hz sound of an automatic movement watch, ticking 8 times per second to a 1 Hz quartz watch, ticking 1 time per second. You can spot the difference as movement watches’ seconds turn in a continuous movement while quartz watches’ seconds move from second to second. Quartz watches work a bit differently: the pressure on a quartz stone creates electricity (this is called piezoelectricity) and depending on the shape of the stone, a vibration in a certain frequency (usually 32 kHz and it can go up to 2.4 MHz for marine chronometers). Product preferences in luxury watches will depend on the perception of sound and vibrations, and also the search for performance. Jaeger-LeCoultre built its name by creating the flattest, then the smallest, mechanical movement and has been admired since its inception in 1833 for being a real “manufacturer”, with

41 [www.monochrome-watches.com](http://www.monochrome-watches.com)
over 400 patents, producing the watch movements internally in the Vallée de Joux in Switzerland and even selling them to other brands like Vacheron, IWC, Patek Philippe, and Audemars Piguet. Except for the Master Compressor maybe, Jaeger-LeCoultre has the reputation to be loud and would not be the first choice for medium or super-vibrators who are annoyed by any ticking sounds.

4.3 Smell: the Inhaler profiles

a. The perception of scents

The human nose is able to detect 10,000 different odorants, which makes us a microsmatic animal as opposed to macrosmatic animals, like octopuses or dogs, that have a more powerful sense of smell. The olfactory receptors are activated by odorants and turn the stimuli into nerve impulse. What makes our sniffing power is the number of receptors and also the binding potential, defined as how strong they bind, with the odorant, which is called the affinity. When we sniff a scent, we inhale odorant molecules through our nasal cavity towards our chemoreceptors.

b. Scents preferred by Inhaler profiles

The inhaler profiles help identify target luxury shoppers’ sensitivity towards scents and adapt the brand experience and products. Variations in scent perception are based on physiological differences that are easy to measure and to compare between personas. It is important to understand the inhaler profiles to be able to select the right assortment, implement the right visual merchandising, and design the right communication campaigns. Diana Derval’s research splits the individuals into three groups:

1. Super-inhalers: very sensitive to chemicals and prefer a fruity to a floral scent, with little musk. They perceive alcohol smell as irritating and prefer vanilla and orange scent. They account for the 25% of the population, mainly women, and their favourite luxury fragrance is Trésor by Lancome

2. Medium-inhalers: they can find some chemicals irritating, they don’t mind alcohol smell and they are sensitive to musky notes. Like jasmine, fresh grass, and rose, vanilla and coffee. Their favourite luxury fragrance is flower by Kenzo and they account for the 50% of the population

3. Non-inhalers: they like strong chemical and musky scents, and do not mind the scent of gasoline. They appreciate spicy notes, chocolate, peppermint, and lemon. They enjoy lilacs, lavender, and wooden notes. They are mainly men and they account for the 25% of the population; Chanel No.5 and J’adore by Dior are their favourite luxury fragrances.

The purpose of the inhaler profiles is also to check if a product matches a persona.

c. The example of Chanel N°5 fragrance
According to Coco Chanel, a woman without perfume has no future. No wonder that among the ultimate luxury classics you find several fragrances including legendary Chanel No. 5. Chanel actually built its international success by associating its brand with icons like Marylin Monroe. When the actress revealed that she was sleeping with just a drop of Chanel No.5 as her nightgown, it made a huge sensation in the media and the sales of the perfume exploded so much that Chanel No. 5 is still among the top 4 most sold women’s fragrances worldwide. What is the particularity of this legendary Chanel fragrance? If we go back in time, it was the first 100% synthetic fragrance. Coco Chanel, rebel and free spirit, innovated in women’s wear, introducing pants and cotton jersey, helped women reinvent themselves. And Chanel No. 5 is forever the symbol of powerful, non-inhaler women.  

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42 Designing Luxury Brands, Diana Derval, Springer International Publishing 2018
V. THE FIVE SENSES AND THE IN-STORE EXPERIENCE

We have widely discussed in this work the importance of the Luxury boutiques that are moving from being mere point of sale to point of touch to highlight the increasing attention payed to the shopping experience, today. As we have seen in the previous chapters, we are now living in a particular era, where the online platforms are impacting the consumption habits and people are looking for speediness but also, they still want to feel and live the dream Luxury brands promise. We talk about in-store environment because the store “physically” delivers the brand DNA and Codes, as we have seen for example with the Fendi flagship in Ginza, Tokyo. The reason why physical stores are “reshaping” themselves is because they are no more places where to buy-and-go but they are the one and only physical point where to feel part of a dream, of a group. To design an effective experience path, we need to recall sensory marketing to appeal consumers.

5.1 The Point of Touch architecture

a. The interior design

The point of sale must be accurately designed, product placement is a variable that impacts directly the purchase decision. The perceptual path starts outside the store, when the consumer meets the windows, then the entrance and, eventually, the body of the shop. The entrance is of great importance because it determines client’s physiological and psychological reaction, he should feel comfortable and welcomed since the first impression impacts the future choices. When a client enters a store, he is in an high level of emotional distress and he needs space to adapt or to a negative feeling or to a superior sense of well-being; usually, this area is called “decompression zone” and it extends for 6-7 metres over the entrance, that corresponds to the visual field in which the clients looks for reassurance. The business function disposed to satisfy these needs is the visual merchandising that styles the layout and the selection of goods to show in order to encourage the clients to visit the different areas of the store. The layout of the furniture directs the path and the flow of consumers inside the store, planning the horizontal space and the vertical mobility (e.g. lifts); to choose the layout it is important to analyse how the client interacts and the reason for visiting in order to maximize the efficiency of the disposable space. There are different types of layout, the one distinctive of luxury boutiques is called “free flow layout”: it requires an asymmetric arrangement of the furniture and equipment to create a free flow of consumers visiting the store. Another option for luxury boutiques is precisely the “boutique layout”: the space is split in specific areas on the basis of
material grouping; this is the logic of the shop in shop. The free flow layout meets better the logic of the demand since it does not predefine paths; the atmosphere is relaxing, and it encourages clients to spend more time browsing the store. Together with the layout of the furniture, we have the merchandise display and layout that sets the sequencing of different product sectors. It is important to study the traffic inside the store and to observe how the consumer behaves when he is free to move and alone, in order to understand which area he gives priority to and why. Concretely, the merchandise display concerns:

- The definition of goods allocation criteria
- The allocation of different departments in the disposable space
- The size of every single department

The definition of criteria is useful for improving the experience, to satisfy the demand with a logic, to make the buying process more efficient.\(^{43}\)

Part of the interior design is also the colouration of the walls in a store environment since colours, as we have seen in previous chapters, are able to modify cognitive, behavioural and emotional reactions. In a closed environment, the way the colour is located (floor, ceiling, walls) impacts differently on how the place is perceived by visitors; for example, specific tint can be suitable for a ceiling but inappropriate for the floor because it can trigger different reactions. Now, we will see the example of some colours:

- **Red**
  - Ceiling: intrusion, annoyance, heaviness
  - Walls: aggressivity, constant chore
  - Floor: attention, consciousness

Actually, red is rarely used as a dominant colour, rather it is used to pop some elements. Psychologically, red is a “heavy” colour, thus it increases the visual complexity of an environment.

- **Pink**
  - Ceiling: comfort
  - Walls: intimate situation; if it is matched to grey, this will help to dampen the “sentimentality” perceived

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- Floor: unusual location for this colour, excessive sentimentality and bizarre effect perceived

Pink is generally associated with women, so it is considered to be more appropriate to women’s shops. The use of different pink shades is important.

  - Orange
  - Ceiling: attention, focus
  - Walls: warmth, brightness
  - Floor: it stimulates movement and physical activity

Orange is considered to be an “easier” colour compared to red. Its pastel shades stimulate joy and happiness, the brighter alternative can be used only to pop some details instead.

  - Brown
  - Ceiling: oppression (if used with the darkest shade)
  - Walls: safety and reassurance in case of wood (downward trend in case of paint)
  - Floor: balance, stability

Wood is considered to be more comfortable than brown paint.

  - Yellow
  - Ceiling: brightness, stimulating
  - Walls: warmth, exciting
  - Floor: elevating, inattention

Thanks to its brightness, yellow is often used as attention-seeker or to light up dark and small places. If it is matched to warm colours it can provoke an exciting effect, if it is marched with cool colours it can be relaxing.

  - Blue
  - Ceiling: heaven, easiness (if light blue), incumbent (if darker blue)
  - Walls: cool (if light blue), encouraging and it gives a sense of depth (if darker)
  - Floor: effortless movements (if light), as the blue becomes darker, movements become harder, too.

If blue is used in wide spaces, it can be perceived as dismal. Pale blue is refracted by crystalline, so it tends to screen a patina on particular objects and this can be disturbing for visitors. Intermediate shades are appropriate for locations of little importance.
- **Violet**
  It is rarely used in closed environment, except for creating particular situations, because it can be perceived as submission.

- **Grey**
  This colour has not psychotherapeutic implications, it can be considered as neutral. Usually used for the exterior of a building.

- **Green**
  - Ceiling: protection
  - Walls: reassurance, calmness. It can be irritating if too bright
  - Floor: soft, natural, relaxing

  It is useful for high cognitive-load moments. It recalls nature.

- **White**
  - Ceiling: it is useful to spread the light
  - Walls: neutral
  - Floor: inhibitory

  It is not recommended to abuse of white painting because it is not only considered as bright but also as loneliness amplifier.

- **Black**
  - Ceiling: incumbent, oppressive
  - Walls: scary, disturbing
  - Floor: bizarre, abstract

When talking about colours, we also have to consider different cultures and symbolism, for example death in Occident is represented by black while in Orient it is represented by white.

Another element to bear in mind, even if not strictly related to the architecture of a point of sale (or point of touch), is the temperature inside the store. Of course, it depends on which season we are living in, but generally the milder the temperature, the longer the time spent in store; time modifiers impact our behaviour and shape our luxury memories.

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44Effetti del colore nello spazio interno, in Il colore nella progettazione: l'uso del colore come elemento di benessere nella progettazione dell'ambiente architettonico, Mahnke Frank, UTET, Torino, 1998
Memories of places and events are closely linked to multisensory stimuli so it is fundamental (and profitable) to care of every single detail to deliver the best experience possible to customers.

b. Design a unique experience: the selling ceremony

The personnel play a fundamental role for the proper use and the success of these sensory variables, they need to accept and implement them. Human relationships, the direct interaction with the clientele, need to be considered as a value creation asset, too.

The brand perception and identity are given not only by the product and communication but also, as we have seen, by the store and how it is managed. Luxury customers have usually a deep knowledge of product and brands and for this reason they want to interface with competent salesforce. A deep market knowledge means a deep knowledge of the product and a deep knowledge of competitors’ product, too.

Luxury is an industry of detail and the whole experience is made by smaller crucial details and moments, in which salesforce quality is a crucial asset to win or lose the client:

- The welcoming: often when we enter a luxury shop we feel nervous and insecure and this is sometimes transformed in aggressivity, because we need to show and demonstrate we have the power, money. The psychological dynamic behind consumers should be understood by sales assistants, they have to keep calm and do not offend; sometimes a simple compliment may relax the client before starting the experience. The welcoming procedures must be designed according to the store layout to be sure to cover the whole store surface by room or by client. The welcoming also changes according to different cultures, for example you cannot shake hands to middle east women, Asians usually go around in the store and then they ask for help and want people to come immediately, Americans do not get intimidate by somebody else. Anyway, if the sales assistant is busy when the client enters the shop, eye contact is very important because he would feel reassured and noticed

- Complaints: to complain in Luxury is chic and elegant, many clients talk about their unsatisfaction with friends and not with sales assistant because they think it is not useful; thus, a well-treated complain turns an unsatisfied customer into a loyal one. Tracking and managing complains avoids repeating mistakes, to lose clients and it is helpful to improve customer service

- During the experience: people need and want to feel special when investing in Luxury, so it is good that the salesperson, before talking about sales, asks questions to break the ice and to pretend he is interested in client’s happiness. When talking about sales, it is important to understand the openness to buy of the client we are serving, without talking about money but
value. It is important to reformulate questions to understand if you got well the request in order to properly satisfy client’s needs.

- The farewell process: when people buy Luxury goods, they feel guilty and the role of the personnel is to support them and to make them understand it is not about money but about happiness. It is important to conceive the brand-client relationship as a true love story that does not end after the purchase, but it is meant to last.

The success of a store is a combination of soft and hard elements. In the new retailing concept, the store is considered as a “small independent company”, thus all elements need to cooperate to reach the desired goals.

5.2 Multi-sensorial experience: the Burberry Flagship store in Regent Street, London case

Burberry Regent Street is one of the most architecturally and culturally significant projects Burberry has undertaken, it is the largest ever London store opened on Regent Street, a multi-media experience combining the label's physical and digital achievements. Housed in a Grade II listed building, originally created in 1820, the store was renovated by British craftsmen with the
aim of highlighting the building's old features. The historic venue is set against the brand's so-called “future-proof” that brings the digital world to life in a physical space for the first time, where customers can experience every facet of the brand through immersive multimedia content exactly as they do online.

It is not an ordinary shopping experience, customers are treated to sporadic Burberry weather “moments”, when digital rain showers, accompanied by the sounds of a thunderstorm, created using a sophisticated sound system. Upon trying an item on, the changing room mirrors will flip to show images of the specific piece on the catwalk or on film.

There is a huge screen at the entrance screening livestream catwalks and a permanent stage where selected talents can play their music like in a real theatre.

121 Regent Street Flagship store also hosts the first Burberry café, Thomas’ Café with an all British menu.
This Flagship has a perfect balance between tradition and innovation, we can admire parts of the ancient building mixed with huge live screens or we can find part of the Burberry history with the famous Humphrey Bogart trench mixed with the innovation of the digital rain showers to test it.

As an innovation hub, it is always a work in progress. When the new creative director Riccardo Tisci dropped his first collection, the Flagship was totally reshaped; inspired by the history of the building where the store is, the new concept is conceived to make the store look like a theatre, with draped curtains and moquette in every room. The shade of colours of the iconic trench, stone and honey, with a hint of pink and pistachio, inspired the whole boutique, in contrast with the plywood fixtures. All the areas of the boutique have been created to celebrate a Burberry masterpiece, from the iconic trench to an entire room dedicated to the Vintage check.

Together with the heritage of the Maison, a temporary three-floor structure by Graham Hudson has been recently introduced: Sisyphus Reclined -the name of this structure- is an interactive art installation that melts together plastic figures with visual and audible storytelling.
The 121 Regent Street Flagship provides an exclusive experience to walk through centuries till the future, the client can easily interact with the brand and feel part of a group eating in the Café or listening to the stories, he is encouraged to spend more and more time getting in touch with the Burberry brand; here we find all the theories explained in the previous chapters put into practice.
VI. THE IMPACT OF SOUND AND SMELL CUES IN A STORE ENVIRONMENT ON CONSUMER BEHAVIOUR AND CONSUMER PREFERENCES: A METHODOLOGIC STUDY

As part of the analysis of the reaction the stimulation of the five human senses can provoke and sensorial targeting, I carried an on-field research to assess the effectiveness of sensory marketing for Luxury brands. The sensory cues analysed are the sound and smell ones and the analysis can be considered as divided in three macro-topics, where the first two are contextualized in a shopping experience and the third one to single consumer’s preferences: music in a store environment, smell in a store environment and consumer habits and preferences on fragrances to wear. The research has been conducted by means of a web-based questionnaire. An initial disclaimer guaranteed that all data were anonymous and aggregated, allowing confidentiality for respondents and leaving space for more sincere opinions. The survey has been shared on social media and through private messages for recruiting volunteers out of the most various backgrounds, through a link to the Google Forms-based test, available for three weeks during May and June 2019. The original version of the survey is available in the Appendix. To maintain an appropriate level of attention of interviewees, the survey is limited to 21 simple questions, among which two are open-ended questions and two require to add the answer if not listed. I started from a list of about 200 consumers of different nationalities aged between 18 and 50+ in order to reflect the country-specific preferences and trends and the four generations considered in the Luxury and fashion market: Generation Z, Millennials, Generation X and Baby Boomers; the age range been restricted to a minimum requirement of eighteen years old, considering that the age at which boys and girls actually become aware of the value and meaning Luxury has. The number of received answers was 77 and, from the comebacks, I can consider the answers as an encouraging index on the common interest about the argument, in fact, as we can see in the graph below, the interviewed users can be classified as quite assiduous visitors of luxury boutiques, since the majority of interviewed affirm the last time they visited a Luxury brand store was about two months ago.
6.1 The results

As previously said, the survey I developed is made up of 21 questions and it was delivered to about 200 consumers, among which 77 decided to actively participate to this research. As we can observe in the graphic below, the age range goes from 18 to 50+, with a dominance of the 18-25 group:

The participants come from different countries: Italy, Spain, Emirates, Japan, France, Poland, South Korea, Austria, Philippines and Kosovo. Of course, the percentage of Italian respondents is much higher.

I have also observed a majority of female respondents:

Data source: personal survey (2019)

These personal questions are at the end of the survey to give more importance to the main issues, since usually as the questions go on the attention gradually decreases.

The first question asks what the last boutique they visited was. As a hint, I suggested three different brands’ boutiques, Gucci, Prada and Dior and I asked them to add their choice if not listed and the results are:
I got 74 answers out of 77 and the 8.1% affirmed they never visited a boutique. We can also observe not pertinent answers, since they named fashion boutiques and not Luxury ones such as Nike or Zara. Considering the pertinent answers, Dior and Gucci had the highest percentage.

As mentioned in the last paragraph, the majority of the participants affirm their last time in a boutique was in the last two months.

The third question is about the place where the boutique was and, even in this case, various locations around the world were mentioned. Since the higher number of respondents are Italian, the most rated location is Italy. A point that needs attention is that in some cases, Italian respondents visited boutiques abroad and stranger respondents visited boutiques when in Italy. 61 people out of 77 answered.
The fourth question is about the time spent browsing the store and the 33.8% answered approximately twenty minutes.

With this last question, the general part ends in favour of the first macro-topic: music in the store environment.

The 59.7% noticed music in the background but the 88.6% cannot remember the song played.
The 79.7% of 64 out 77 participants affirms a slow-tempo music was played in the store and 64.7% of 68 participants perceived this music as pleasant:
The majority of the sample states that the music played was perceived as consistent with the brand image:

Data source: personal survey (2019)
The second macro-topic is about smell cues in a store environment.
48 people noticed a scent in the store environment and 47 of them perceived it as pleasant, while 16 were indifferent at it:
The following question is about the scent they perceived in the store they visited and from the comebacks I can assume that the most used scent by brands is floral and that the majority of consumers perceived it as consistent with the brand image:

Data source: personal survey (2019)
With this last question the investigation related to the shopping experience ends in favour of consumers’ individual preferences for fragrances.

All the 77 participants answered to my question “Do you wear perfume?” and 93.5% answered they do. Among these, 63.6% wear it every day while the 26% can be considered as not assiduous users since they wear fragrances only when they get to remember to do it:
For the sixteenth question I asked them to choose, among the listed, the scent they prefer and, even in this case, floral got the highest rating:
Data source: personal survey (2019)

To conclude the last macro-topic, I asked my sample to pick their favourite fragrance among the ones I named or to add it if not listed. On the basis of the gender, men and women were redirected to different questions with male or female fragrances depending on their answer:

**Female. Self-made graph. Data source: personal survey (2019)***

**Male. Self-made graph. Data source: personal survey (2019)***
The first graph is the representation of women’s answers, while the second regards the men’s ones. Since the percentage of female participants is higher, also the percentage of female preferences is higher for this question. Two people did not declare their gender and, among them, one says to prefer Opium by Yves Saint Laurent and the other one left the space blank.

This is the end of the results. In the next paragraph I will analyse the result and explain the reason why I set the research this way.

6.2 Analysis of the results

This survey has the aim to test the literature discussed in the previous chapters. I chose to take into consideration sound and smell cues and I will analyse them one at time, starting from hearing.

In chapter 2 we have seen that music has long been considered an efficient and effective means for triggering moods and communicating nonverbally and, even if no definitive taxonomy of music elements has been developed, time and pitch-related characteristics have been commonly accepted as variables.

Milliman (1982, 1986) performed various experiments in which music tempo was manipulated. He found out that consumers spend more time in store under slow tempo conditions but, unexpectedly, the findings based on my sample revealed that there is no significative difference underlined in time spent browsing the store, both for visitors under slow-tempo music condition and fast-tempo music condition; on average, “approximately 20 minutes” was the most frequent answer and, on the contrary, the only people who affirmed to have spent less than 10 minutes in the store also affirmed they remember a slow-tempo music.

Yalch and Spangenberg (1988) conducted research that builds on the Milliman studies to test the effect of the popularity of the background music. Their findings showed when shoppers encounter nontypical environmental factors (e.g., unfamiliar music), time appears to slow down. My survey reveals that 86.8% of respondents cannot remember the song played, thus we can assess they perceived it as unfamiliar music. It is important to avoid evoking strong feelings in customers related to their private life; the song in background must not be very popular in order to not destabilize who is inside the store. The reason why sounds trigger such strong emotional responses is because the part of our brain responsible for processing our sense is the same part used to store strong emotional memories, so the fact that the majority of the participants is not able to remember the song they heard means that it did not evoke strong personal associations. This is a useful result,
since music impacts on how we perceive a brand and the majority of the sample perceived the music as pleasant and consistent with the brand image.

Moving to the second topic, smell is considered one of the most important leverage for brand differentiation and awareness strategies. Recalling the second chapter, we can identify three odour-evoked functions and, for this analysis, I take into consideration only two of them: odour and memory and odour and logo.

1. Odour and memory: nose is an effective medium to create memory pathways. Scents are seared in memory, in the limbic system in the form of context-specific emotions, the first time they are experienced. When the same scent is perceived again, it can bring the person back to where he first had that emotion, making him feel again the same way. Companies try to benefit of this evoking power, especially in relation to childhood and significant life events, to develop associations with the brand or the store.

2. Odour and logo: it is called “aroma branding” or “olfactive logo”. Some firms repeatedly use the same fragrance in all their points of sale in order to force a sort of “olfactive signature” in consumer’s mind. When the same fragrance is smelled over time, the consumer will recall that specific brand by default.

The first difference I can highlight is that flavours and fragrances are the first variables to impact human’s emotional and psychological condition, without mediations while hearing is subject to mediations because it is associated with the rational part of our brain, instead. This is evident in my results, in fact participants say they can remember both music in background and fragrance in the store environment, but they are only able to recall the scent perceived and not the song played, demonstrating how odours actually affect memory. Scent congruity to the target object is another important issue. Sometimes, even if the odour is perceived as pleasant, it may be viewed as inappropriate in a particular context. Incongruent odours may interfere with the processing of information, shifting customer focus on irrelevant one. The majority of people perceived the scent as pleasant and congruent with the brand image. The reason why, as a hint, I named three stores is because, to have a clearer picture, I visited the Dior boutique in Piazza di Spagna, Gucci and Prada boutiques in Via Condotti:

- Dior boutique has not a specific fragrance used every day, but they do alternate between the “Collection Privée” ones.
- Gucci uses a special fragrance created only for its stores (it is not for sale)
- In the Prada store I couldn’t actually notice any clear scent.
For the third stage of my research, I will analyse consumer preferences on scents and fragrance more in depth.

To lay the foundations of my research, I had the opportunity to meet the store manager of the Dior boutique in Piazza di Spagna (Rome). I discussed with him what, according to the sales trend, the preferences of their international clients are. The results are that Arabic clients do prefer wood-scented fragrances, Middle East clients do prefer flower scent and Southern-European (especially Italians) usually choose citrus fragrances.

With this in mind, I did a background check and my assumptions are:

Perfume is part of the culture of a country, in fact

- France people do prefer dark, spicy statement scents. The perfume is a kind of ritual, it is considered as part of seduction (e.g. Chanel n.5)
- For Southern-European people freshness is a must: citrus and neroli are typical of the region, which has historically served as a melting pot (think of Dolce & Gabbana's Pour Femme, a neroli-and-sandalwood-infused concoction)
- In Middle East fragrances are part of the culture (they were the first to use distillation to extract oil from flowers) and they are also a spiritual ritual before prayer. Strong wood notes are popular (Oud Ispanhan is the Dior best seller for Arabic people) and usually they are mixed with European flower-scented, too.
- Chinese preferences vary per region: in the dry northern part wood notes do better, in the hot, humid southern part fruity-floral notes are preferred.
- According to Japanese and South-Korean culture it's actually considered offensive to wear strong aromas, so light, well-balanced scents are much more in demand.
- Russian go either for fruity-floral and oud scents
- Americans love gourmand notes like vanilla and sweet, fruity notes like strawberry

My sample is a representation of Southern-Europe with Italy and Spain, Western-Europe with France and Austria, Middle East with Emirates, Southeast Asia with Philippines, East Asia with Japan and South Korea and Central East Europe (considered as geographic area) with Poland and Kosovo.

To structure my survey I considered twelve fragrances, six for men and six for women, selected on the basis of six different olfactory families following the just outlined criteria. Since it is very difficult to identify fragrances belonging to a single olfactory family – a lot of them, in fact, are
defined as cross-family because of the different scents that compose them – I have sought the collaboration of an expert in the field to choose the fragrances that can be considered as cardinal points, meaning that they present a strictly dominant olfactory family. The fragrances identified can be qualified to be “repelling” one another, given that a consumer who prefers one of these fragrances will hardly perceive another of the listed as pleasant. The average price in euro per 50ml of the selected perfumes is € 90.

The next graph explains it in detail:

<table>
<thead>
<tr>
<th></th>
<th>MEN</th>
<th>WOMEN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPICY</strong></td>
<td>Spicebomb by Viktor &amp; Rolf</td>
<td>Opium by Yves Saint Laurent</td>
</tr>
<tr>
<td><strong>CITRUS</strong></td>
<td>Eau D’Issey by Issey Miyake</td>
<td>Eau des Merveilles by Hermès</td>
</tr>
<tr>
<td><strong>WOOD</strong></td>
<td>Terre d’Hermès by Hermès</td>
<td>No.19 Poudré by Chanel</td>
</tr>
<tr>
<td><strong>FLORAL</strong></td>
<td>Neroli Portofino by Tom Ford</td>
<td>Narcotic Venus by Nasomatto</td>
</tr>
<tr>
<td><strong>FRUITY</strong></td>
<td>Five o’clock au gingembre by Serge Lutens</td>
<td>Because it’s you by Giorgio Armani</td>
</tr>
<tr>
<td><strong>GOURMAND</strong></td>
<td>Uomo by Salvatore Ferragamo</td>
<td>Angel by Thierry Mugler</td>
</tr>
</tbody>
</table>

What I learned during this research is that the difference between citrus and fruity scent is that the first one comes from the fruit rind while the second one comes from the pulp of the fruit. Over the named ones, I also asked my sample to add their favourite perfume if not listed.

Among 52 female respondents, 25 of them when were asked to select the scent they preferred were consistent with the perfume they chose later. 6 men over 22 were consistent in their choices. Anyway, as previously said, not all perfumes have a strictly dominant olfactory family.

An incongruence occurred with the assumed “country-specific” preferences on scents: the majority of the number of foreign respondents was consistent with the criteria utilized but for the Italian part of the sample the assumption seems to be not valid. For example, respondents from Emirates
affirmed to prefer wood notes and they also chose a wood-scented fragrance (as for example No.19 Poudré by Chanel), the respondent from Spain declared to prefer floral notes and was consistent choosing Amor Amor by Cacharel and respondents from Japan affirmed to prefer floral notes and they also chose a floral fragrance (as for example Flower by Kenzo).

The case of the two French respondents is peculiar: one of them affirmed to prefer floral notes rather than the assumed spicy ones and she is also consistent with the choice of the fragrance; the other one said to prefer floral notes but actually chose a spicy fragrance like Opium by YSL, as assumed.

The South-Korean was consistent in his choice and followed the assumption, the man from Philippines selected the assumed scent (floral) but he was not consistent with the subsequent choice since he chose the wood-scented Terre d’Hermès by Hermès. For Austria and Poland no assumptions were made, the first one chose floral scents and the second one said to prefer gourmand notes. The man from Kosovo did not declare any preference.

The Italian part of the sample does not follow a trend, they do like every type of scents and fragrances.

During my analysis, an unexpected incongruence occurred when comparing the type of scent perceived in the store and the store location: only the stores in the Emirates seem to be consistent with the previously underlined criteria, the other stores in the other parts of the world, no matter the brand, seem to not care about country-specific preferences; the most perceived scent all over the world is the floral one. Given that the 48.6% prefers floral scents, the majority of my sample can be defined super-inhaler profiles very sensitive to alcohol smell, according to Diana Derval’s research discussed in Chapter 4.

6.3 Conclusion

This research shows, even if based on a small sample, that not always theory is valid when it is implemented in real life cases. It would be of crucial importance for brands, especially Luxury brands that deliver a dream rather than a product, to pay more attention to sensory variables and to frequently test them in their stores to make sure they can work. Of course the consumer, in particular Luxury consumer, is not a fully rational individual but the secret of success is to understand what target personas need and prefer. This experiment wants to underline that in Luxury “clustarization” is never a powerful tool because every client lives different psychological backgrounds that need to be caught by firms. The only way to make sensory marketing work is to
design a unique sensory mix tailored for a specific environment, an in-depth study of the traffic, purchases and reason to buy needs to be carried out and, even more important, the human resources have to be considered as a value creation asset since they are the actual point of touch between the brand and the final consumers; their role is to figure out consumer motivation and to track their reactions in order to get a credible sample to rely on. The advice is to deal with every single point of sale as if it were a small independent company, always consistent with the brand image.
VII. SENSORY MARKETING LIMITATIONS

As every model, also sensory marketing has limitations. I will analyse its limitations from a double perspective: the one of the clients, and the one of the companies.

7.1 Limitations for consumers
Sensory variables are commonly considered as a tool for implementing loyalty and awareness but, sometimes, consumers feel like manipulated by firms because, as we have seen in this work, the right sensory mix has an impact on cognitive, behavioural and emotional reactions. Nowadays, we are living in an era in which consumers are always more aware of what happens around them and they have access to much more information than in the past and the majority of them considers the possibility of being manipulated as scaring. Actually, they are not conscious when “manipulation” acts, but it is important for brand to control the “information leakage” in order to not obtain the opposite result of the one desired.

Another important issue in consumer perspective is the culture and attitude barrier: even if generally all Luxury consumers have similar expectations and needs, usually behaviours differ from nationality to nationality. If this is not completely understood and put into effect by companies, there is the risk that the consumer feels as not accepted or taken into consideration by the brand he wants to be a partner with.

In conclusion, it is of crucial importance to make the client feel part of a love affair, he needs to feel considered, safe and protected.

7.2 Limits for companies
The other side of the coin, over the above listed problems that actually also concern companies, is the cost implementing sensory marketing implies. The architecture of the point of sale is very expensive; as an example, a jewellery store to spray an odour into the store environment will have to pay up to € 2,290 per square metre. Furthermore, before putting efficiently in place sensory marketing, a long period of deep market research to understand consumer needs and wants is required and this also takes a huge portion of the budget. At an early stage, the consumer reactions are not easily predictable, as we have seen in Chapter 6 with the results of my survey, and companies cannot be sure that the investment will be successful; implementing sensory marketing is in effect a risk for companies. On the other hand, the impact of sensory variables is hardly

measurable, so it is difficult for firms to calculate the real return on investment for the point of sale, especially in the short term. Finally, the undertaken expenditure could result in a rise of the prices of the products to monetize the investment.
CONCLUSION

At the end of this study that I considered as an immersive interesting experience in what I hope my future career will be, the time to draw the conclusions has come.

The overall Luxury market is reshaping itself to meet the needs of the new era we are living in. It is an era of huge changes, where the old paradigms are no longer valid. People are now starving for living memorable experiences rather than merely buy a product. Luxury is a need for self-expression and at the same time an identification process with the brand, it is not a matter of possession but the quality of possession itself. Market is now dealing with always more aware customers who exactly now what happens around themselves, they have free access to more information than in the past and they share each other their opinions and experiences. They want to be a partner for the brand they love, they want to co-create and feel part of the dream. They have a deep knowledge of the product and they want to deal with brands and people that meet their high expectations. Luxury brands deliver a dream, and to do so, every single part of the journey must be accurately designed in order to leave a mark in consumers’ mind. Because of this, sensory marketing can become a profitable and successful asset if properly implemented. The stimulation of the five human senses impacts on cognitive, behavioural and emotional reactions and this allows the brand to “manipulate” who gets in touch with it, in terms of time spent in the store, spending and memory. As we have seen, this is a sensitive issue to deal with because people are scared by the possibility of being manipulated and they could lose faith in the brand. The results of my on-field research figure out that designing a consistent luxury experience is like tailoring; literature when applied in real life cases can turn out to be inexact, every customer has different psychological backgrounds that need to be caught by brands in order to manage it. But who makes the brand? People. In a moment in which online platforms are making it easier meeting the need for speed and inclusion, people still remain the actual point of touch between the brand and its clients and people want to be guided in their shopping experience to feel part of a love affair, to be reassured and valued. Human resources are a value creation asset because every store has to be considered as a small independent unit and has to carry out an in-depth market research to understand the traffic, the trends, the reason to buy of customers in that single store to actually be able to implement sensory variables. The right sensory mix is the only way to impact consumer reactions otherwise their wrong implementation could lead to undesired actions such as disgust, shift of the attention on different details and bad memories. Memories are a tool to create brand image, that is the way consumers see the brand. If brand identity, that is the way the company
wants to be perceived, and brand image coincide then the strategy can be said to be consistent. Sensory marketing is in effect a risk for companies because it takes a huge portion of the budget for market research, for furniture in the store and also for monitoring since it is hard to find appropriate performance indicators, especially in the short term.

My final advice is to concretely start considering and researching on this new marketing branch as a real game-changer issue, to carefully design the sensory path tailored on target personas and to hedge the risk to shift from the importance of “to have” to the importance of “to be”.
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APPENDIX

Dear Respondent,

Thank you for taking the time to complete this survey about sensory marketing, particularly how different scents and sounds can impact on consumers purchase decision process.

The following survey will take approximately 3 minutes to complete and it will be divided into three main parts: in-store music, in-store scents and your preference for different fragrances.

Your answers will be completely anonymous. Thank you.

1. Which was the last boutique you visited? (Add it if not listed)
   - Gucci
   - Prada
   - Dior
   - I have never been in a boutique
   - Other
2. What was your last time in that boutique?
   - Last two months
   - Last six months
   - Last year
   - More than 2 years ago
3. Where it was?
   - Open-ended question
4. Can you remember the time spent browsing the store?
   - Less than 10 mins
   - Approximately 20 mins
   - More than 20 mins
   - I cannot remember

Music in the store environment

5. Did you notice any background music in the store environment?
   - Yes
6. If yes, can you remember the song played?
   - Yes
   - No
7. Which was the rhythm of the music?
   - Slow-tempo music
   - Fast-tempo music
8. Can you describe the music genre? (e.g. Jazz or Classical music)
   - Open-ended question
9. Did you perceive the music as pleasant?
   - Yes
   - No, it was annoying (e.g. too loud)
   - I did not care about it
10. Do you think the music played is consistent with the brand image?
    - Yes
    - No

**Scents in the store environment**

11. Did you notice any fragrance in the store environment?
    - Yes
    - No
    - I cannot remember
12. If yes, can you remember the type of scent perceived? (e.g. gourmand or floral)
    - Open-ended question
13. Did you perceive the smell as pleasant?
    - Yes
    - No (e.g. too strong)
    - Indifferent
14. Do you think the smell perceived is consistent with the brand image?
    - Yes
    - No
What about your preference?

15. Do you wear perfume?
   • Yes
   • No

16. How often do you wear it?
   • Everyday
   • Only for special events
   • When I remember to wear it
   • Never

17. Please, choose the scent you prefer
   • Wood
   • Floral
   • Fruity
   • Citrus
   • Gourmand notes (e.g. vanilla, strawberry)
   • Spicy

18. You are…
   • A woman
   • A man
   • I prefer not to declare it

19. Please, choose one of these perfumes (or add your favourite one if not listed)*
   (If the respondent is a woman, she will choose between…)
   • Opium by Yves Saint Laurent
   • Eau des Merveilles by Hermès
   • No.19 Poudré by Chanel
   • Narcotic Venus by Nasomatto
   • Because it’s you by Giorgio Armani
   • Angel by Thierry Mugler
   (If the respondent is a man, he will choose between…)
   • Spicebomb by Viktor & Rolf
   • Eau D’Issey by Issey Miyake
• Terre d’Hermès by Hermès
• Neroli Portofino by Tom Ford
• Five o’clock au gingembre by Serge Lutens
• Uomo by Salvatore Ferragamo

Or

• Open-ended question

20. How old are you?
• 18-25
• 26-35
• 36-50
• 50+

21. Where are you from?
• Open-ended question
SUMMARY

“The five senses of Luxury: using the human senses to design a multi-sensory brand experience and to profile luxury customers” is the result of my academic path and passion for the Luxury industry and neuroscience. With this work, I tried to combine these topics analyzing the luxury consumer behavior and, more in depth, how sensory variables actually modify cognitive, behavioral and emotional reactions. This thesis is made up of seven chapters, and each of these has the aim of analyzing a different aspect of this discussion. The first chapter has the aim to lay the foundation for this study, it is focused on what marketing is, tracing all the different eras through which marketing definition and objective have shaped themselves. It also provides a definition of sensory marketing and the reason why it can become a profitable and successful asset for companies to implement. It gives an overview of the context I will be moving in in the following chapters. The definition of marketing the AMA Board provided in 2013 is “marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” but the concept of marketing has changed over time and it continues to change these days.

We can identify seven different marketing eras:

The Simple Trade Era took place before the Industrial Revolution and the focus of marketing activities was the exploration and trading of resources. Everything was handmade and commodities were the main product for the mid-19th economy. When the Industrial Revolution happened, the Simple Trade Era vanished to make way to the Production Era, whose linchpin was the mass production.

“A product is sold by its own” was the motto, “if somebody makes a product, somebody else will want it” was the mindset.

The early 1920s gave rise to the Sales Era. This was the era of competition, the mass-made products were not as easy to sell as before, companies needed to aggressively promote their
products and to persuade consumers to buy them. The concept of marketing as we know it today, emerged.

The Marketing Department and the Marketing Company Eras followed. The years from 1940 and 1990 are known as the Mad Men period\(^{46}\), the perspective was consumer-centric and the objective was to find a need and to fill it. Advertising became a key asset.

Following, there was the Relationship Era during which the long-term relationship between company and its clients became a priority in order to build loyalty and trust. Companies understood that it was more convenient to retain customers rather than having single appearances.

The Social Media Marketing Era is the last one and it is still ongoing, it is considered as the real game changer for the marketing field. Through internet and social media, companies can easily reach out and connect with their clients. The biggest change is that customers are no more only passive receivers, but active content creators, we talk about user-generated contents. Moreover, we have two important issues that need mention: the “standardization” of products and the lack of time for purchasing. In an always more competitive environment, it becomes difficult to find a strategy to differentiate from competitors and due to this consumers’ expectations have raised, they are looking for sensations and experiences rather than for the product itself. People also have less time than before to dedicate for shopping and the online platforms are making it easier.

The flow of information, thanks to websites and social media, has increased significantly, meaning that consumers are always aware of what is happening around them and of what others think about a brand or a product: the key word is “sharing”. This transparency makes it easier also for companies to acquire data, preferences, habits and needs of their clients and thus they are able to develop new customized products and services. In this perspective, the sensory marketing meets the needs of the customers with a now developed sensory, emotional, cognitive and relational dimension, over the functional one. It assumes that the client, if challenged by an attractive environment and if stimulated by colours, fragrances, music, will spend more time in-store and he will be willing to buy more. Many authors provided similar definitions of sensory marketing but le fil rouge between all authors’ definitions is the focus on people and their emotions rather than on products. To be specific, they assume that the stimulation of one or more senses is able to create an affective, cognitive-behavioural reaction that will increase the interest in a good or service and thus it will increase sales. Sensory marketing works when the five senses are all stimulated at the same time; in an always more boundless world, sensory marketing can be useful to deal with a fierce competition, especially large-scale distribution. The product life-cycle is becoming shorter,

\(^{46}\) New York advertising area (Madison Avenue) of the 1960s
people are over-exposed to images, commercials, advertising everyday and we are experiencing a flat differentiation of supply. Furthermore, the online platforms, as the e-commerce platforms, are changing the habits of purchasing (actually for Luxury brands it is an upward trend, but the point of sale remains stronger) and for this reason sensory marketing can encourage the inversion of this trend, bringing clients back in shop.

The second chapter researches in detail how the stimulation of the five human senses can modify consumer behavior impacting the cognitive - meaning relating to the mental process involved in knowing, learning, and understanding things - behavioral and emotional spheres during the shopping experience. It is assumed that the value of service, as a brand image, emerges when interactions occur through the customer's sensory experiences in the value-generating processes. This image is based on how customers perceive and experience service and the process in reality. The customer's feelings and thoughts about the service, including both goods and service components, as well as other elements, contribute to an image in the customer's mind that is synonymous with the brand. Every sense is individually analyzed with dedicated subparagraphs for the three spheres; to sum up:

1. Hearing:
   a. Impact on behavioural reactions: music has long been considered an efficient and effective means for triggering moods and communicating nonverbally. Appropriately structured music acts on the nervous system like a key on a lock, activating brain processes with corresponding emotional reactions. Music can affect how long the client stays in the store, the traffic and the consumption rate. I analysed different behavioural-related studies. The first research by Smith and Curnow (1966) indicates that the volume level of the music is correlated negatively with shopping time but not associated with average sales per person or customers’ reported satisfaction with the music. Milliman (1982, 1986) performed two separate experiments in which music tempo was manipulated, one in a supermarket and the other in a restaurant. The results of his first study (1982) indicated that in-store traffic flow was significantly slower with slow music (72 BPM or less) than with fast music (94 BPM or more). Similarly, sales volume was significantly higher with slow music than with fast music. Yalch and Spangenberg (1988) compared the effects of foreground music (Top 40) and background music (instrumental "easy listening") as well as a no-music treatment in a department store setting: the researchers speculated that when shoppers encounter nontypical environmental factors (e.g., unfamiliar music), time appears to slow down.
b. Impact on cognitive reactions: the type of music played can have a strong impact on how a brand is perceived by consumers. Music is likely to have its greatest effect when consumers have high affective and/or low cognitive involvement with the product. Zakay postulates the existence of two so called "processors": a time processor, which focuses on time assessment and a cognitive processor, which focuses on the environment. He proposes that a negative relation exists between the level of attention to external cues and time perception: since the amount of attention is limited, the more attention is devoted to the environment, the less attention is devoted to time. Conversely, when subjects focus their attention on time, they devote all the less attention to external cues. These processors are activated in two service situations: when we enter a shop and we look for a shop assistant to help us and when, once found what we need, we wait at the cash-desk to pay. In the first situation, consumers focus on the store and the merchandise available more than on time. Consumers are likely to take advantage of the time during which they wait for the clerk to find the right goods by themselves by browsing through the store. The "cognitive processor" is then more likely to be working than the "time processor". By contrast, in the second situation, the interest for the store and its merchandise is probably much lower; consumers who wait at the cash register are likely to ask themselves how long they have to stay at the cash register. The "time processor" is then triggered. The more attention is devoted to the passage of time, the longer the subjective duration.

c. Impact on emotional reactions: human beings associate sounds they hear with intense emotions so a useful hint to avoid evoking strong feelings in customers related to their private life; the song in background must not be very popular in order to not destabilize who is inside the store because, as we have seen, music impacts on how we perceive a brand.

2. Sight: visual cues can be identified as colours, light, font of the text, interior design and merchandising.

a. Impact on behavioural reactions: brighter in-store lightening positively affects the consumer’s:
   - Time spent in-store
   - Number of articles considered
   - Number of articles purchased

   Warm colours as red, more than cool colours, encourage impulsive purchasing and they enhance:
   - The attractiveness of an area in the shop
   - The intent to purchase
This means that the right colours and light mix have significant effect on the number of articles examined and handled, the time spent and total purchase in-store.

b. Impact on cognitive reactions: some colours are more activating (stimulating brain wave activity, skin conductance, etc.) while other colours tend to be more deactivating. Thus, one dimension of consumer response to colour is hypothesized to reflect activation-related behaviours. A separate colour effect deals with evaluative or affective (“liking”) responses to colour. Colours that enhance consumers' liking of a stimulus are not necessarily those colours that consumers find activating (or deactivating); for example, red is one of the colours that encourages impulsive buying situations; red is considered as an activating colour, so an activated consumer will be more likely to engage in impulsive buying. The selection of the right colour needs to be weighted according to the situation the consumer is in, for example in waiting lines a lower level of activation is desirable.

c. Impact on emotional reactions: design is the most considered feature when deciding to buy something; the form of product yields an affective response, with feeling-based evaluative processes, whereas the quality of the product is based on cognitive evaluation. Donald A. Norman in “Emotional Design: Why We Love (or Hate) Everyday Things” suggests three levels of design:

• Visceral level: how things look, smell, feel and sound. Visceral well-designed products tend to evoke positive emotions in the consumer, and they are related to involuntary and subconscious responses

• Behavioural level: consumers’ perceptions are created through the usage of the product. Designers must ensure the product performance

• Reflective level: “we are what we own”. It relates to the meaning the product has for its owner and to the innate sense of identity through the consumption of a product over time.

The three levels together give birth to “emotional design”. The Author suggests that visually pleasing design can impact on mood, increasing creativity in problem solving, overriding small details or problems. On the other hand, an unattractive design might depress mood and lead people to focus more on analysing details, expecting and detecting problems. Colours are also emotional drivers. Although red is a powerful attractive colour, it does not provide a sense of satisfaction. On the other hand, cool colours as blue make the client experience pleasure.

Companies can use warm colours for the outer part of the store to attract customers, and cool colours for the inner part of the store to please them. Different strategies, different colours.
3. Smell: flavours and fragrances are the first variables to impact human’s emotional and psychological condition, without mediations. Sight and hearing are subject to mediations because they are associated with the rational part of our brain, instead.

   a. Impact on behavioural reactions: flavours and fragrances have a significant impact on consumers’ behaviour, in particular on time spent, information search and choice and purchase intentions; the presence of a scent actually decreases the information search time but increases the perceived time spent in the store. The use of a scent is also positively related to the intention to visit again the store and to buy again a specific product.

   b. Impact on cognitive and emotional reactions: odours require little cognitive effort to be experienced, for example respiration deepens in presence of a pleasant odour. In addition to an automatic response, scents may influence a consumer through a mood state. Olfaction memory is powerful and evocative, consumers can respond to a smell without even realizing. Three main odour-evoked functions can be identified:

   - Odour and memory: scent memory provides retailers with a device for triggering memories of emotions. Nose is an effective medium to create memory pathways. Scents are seared in memory, in the limbic system in the form of context-specific emotions, the first time they are experienced. When the same scent is perceived again, it can bring the person back to where he first had that emotion, making him feel again the same way. Companies try to benefit of this evoking power, especially in relation to childhood and significant life events, to develop associations with the brand or the store; a coherent set of associations made by novels and scents, for example, can build a powerful brand identity.

   - Odour and logo: it is called “aroma branding” or “olfactive logo”. Some firms repeatedly use the same fragrance in all their points of sale in order to force a sort of “olfactive signature” in consumer’s mind. When the same fragrance is smelled over time, the consumer will recall that specific brand by default.

   - Odour and aromatherapy: aromatherapy is used to “seduce” the clients and to increase salesforce productivity. Depending on the context, olfactory cues can be used as stimulants or as relaxants. A combination of natural aromas can stimulate concentration, energy, mental workload and thus they are suitable for environments such as high-tech stores or meeting centres; a different combination of natural aromas can help a state of relaxation and they can be implemented in traditional stores, wellness centres or waiting rooms.

4. Touch: since it involves the direct physical contact with the skin, it is considered one of the most intimate senses. The tactile sense is a primary sense we use on a daily basis to process
information from the environment, it gives us an accurate representation of how things actually are.

a. Impact on behavioural and cognitive reactions: tactile input, for some categories of products such as clothes, is diagnostic, which means that it is predictive of substances properties relevant to product performance. Allowing customers to acquire diagnostic tactile information has a positive effect on purchasing intentions by increasing confidence in product evaluations and decreasing frustration for customers motivated to touch. Haptic cues also influence the willingness to pay, because if a client judges a product as a good-quality one, he will be willing to pay more for it.

b. Impact on emotional reactions: the sense of touch is strictly related to a hedonic dimension, people do prefer a warm environment when it is cold outside, comfortable seats and easy-to-carry bags. The more the environment is comfortable, the more people will spend time into the shop; the more the time spent, the more the handled merchandise. If retailers are able to propose such an offer, they will attract more customers and they will convert more of them into purchasers.

5. Taste: many companies have challenged themselves in restaurant business in addition to their core activities, as Emporio Armani Café or Le Plongeoir salon de thé in the Hermès store in Paris.

a. Impact on behavioural reactions: the gustation during the purchasing experience increases the time spent in store, especially in the case of cafés or restaurants in the point of sale.

b. Impact on cognitive reactions: a multisensorial experience helps to root and strengthen the brand image in consumer’s mind. The gustation experience has to be consistent with the positioning of the brand

c. Impact on emotional reactions: the presence of food corners in shop is not only an added value to the sensorial experience, but it also has social connotations. People eating with others tend to consume more; eating socially generates positive mood effects and it makes people feel like belonging to a group.

The third chapter provides a clear picture of Luxury market, starting from the meaning Luxury has to profiling Luxury costumers, habits of consumption with a parenthesis on country-specific peculiarities, how companies communicate with their clients and, at the end, a presentation of Bain & Company’s research for Altagamma on market trends up to 2025. To be considered a potential Luxury client, two distinctive elements are needed:
1. Attitude - meaning that you do want the product - and need
2. Economic capability

We can identify five different socio-economical groups:

1. Aspirational mass-market households
2. Rising middle-class households
3. New-money households
4. Old-money households
5. Beyond-money households

For what concerns shoppers’ purchase behavior, theories related to consumer psychology can be summarized saying that for some individuals the purchase of a luxury good has the purpose to achieve or maintain a certain social status, whereas for others it is a matter of hedonism, of pleasing themselves. Given a psychological and sociological overview, Luxury stages and three different Luxury shoppers purchase behaviours can be defined. We have five stages:

1. Subjugation: deprivation builds a hunger, a desire, a dream
2. Start of money: people have money for the first time
3. Show off: people need to announce the fact they have money
4. Fit in: the group prescribes what is “in”. The group has a strong influence especially on the brand chosen both for private and public use goods, but for public use ones there is also the conditioning on the product choice.
5. Way of life: people get used to the fine quality of Luxury

Given these luxury stages, every country positions itself in a different stage.

Then, three different purchase behaviours - and then three different typologies of consumer - can be identified, based on self-consciousness and price:

1. Bandwagon consumers: they attach less importance to price as an indicator of prestige, but they put a greater emphasis on the effect they make on others while consuming prestige brands.
2. Snob consumers: they perceive price as an indicator of exclusivity, and they avoid using popular brands.
3. Veblenian consumers: there is the increase of consumer’s demand (or consumption) of a certain good when its price is increased. Price is an indicator of prestige.
For the part dedicated to country-specific differences, I referred to the study conducted in the article “What is the Value of Luxury? A Cross-Cultural Consumer Perspective” in Psychology and Marketing, Vol. 29(12): 1018–1034. Wiedmann, Hennigs, and Siebels (2007) developed a four-dimension model to explain Luxury consumption through consumers perceptions; the four dimensions are:

1. Financial dimension: it is related to direct monetary aspects and to the sacrifice made to obtain the product
2. Functional dimension: it refers to core product benefits such as quality, uniqueness, usability etc.
3. Individual dimension: customer’s personal orientation toward luxury consumption and addresses personal issues, such as materialism, hedonism and self-identity
4. Social dimension: the perceived utility that individuals acquire from products or services that are recognized within their own social group, such as conspicuousness and prestige value, which are significant drivers for luxury consumption propension

The downside of all of this, is how firms do respond to customer needs. Actually, Luxury products may not follow customer needs; “Luxury is not the business of selling necessities, it is the business of creating and satisfying desires”.

Having too many customers is not the objective of a Luxury product and this is the reason why the scarcity of supply can be defined as a fundamental theorem in this market: the product should not be too easy to access, the demand should not be entirely satisfied to make people yarn for buying the product because they perceive it as exclusive. This as the counterpart of customers need for social climbing, status affirmation and personal pleasure.

The exclusiveness also implies that Luxury products are not comparative, no performance comparison and no value for money; in Luxury the key world is value not price, the advertising purpose is to make it dream, never sell at any cost. In this sense, the role of reliable brand ambassadors as testimonials make the Luxury client identify with the dream. Even sales in Luxury do not run in the same way as in traditional consumer goods market: Luxury products should never be discounted even if product obsolescence may determine overstock that needs to be eliminated. As said, the last part is dedicated to Bain & Co. research for Altagamma; the luxury industry as tracked by Bain encompasses both luxury goods and experiences. It comprises nine segments, led by luxury cars, luxury hospitality and personal luxury goods, which together account for more than 80% of the total market. Overall, the luxury market grew 5% in 2018, to an estimated €1.2 trillion
globally, with positive performance across most segments. Sales of luxury cars continued to dominate the market, growing 5% at constant exchange rates to €495 billion. Luxury experiences remained very attractive to consumers, as illustrated by sales growth of luxury hospitality (up 5% from last year), gourmet food and fine dining (up 6%) and luxury cruises (up 7%). The market for personal luxury goods reached a record high of €260 billion, representing 6% growth (2% at current exchange rates). Worldwide, the personal luxury goods market experienced growth across most regions, driven primarily by more robust local consumption (up 4% globally at current exchange rates). In contrast, purchases among tourists remained flat on average.

Overall, shoes and jewellery were the top luxury growth categories, gaining 7% each, followed by handbags and beauty. Watches remained flat while apparel suffered, mainly due to lacklustre sales in the menswear segment.

Chinese consumers led the positive growth trend around the world. Their share of global luxury spending continued to rise (now 33% of the total, up from 32% in 2017), while mainland China’s share rose to 9% (up from 8% in 2017). In mainland China, luxury sales grew 20% to €23 billion, driven by rising demand. Between 2015 and 2018, Chinese consumers’ local spending contributed twice as much growth in absolute value as their spending abroad.

Europe lagged in 2018, as strong currencies limited tourists’ purchasing power. Local consumption was positive overall, despite mixed performance across countries, helping to push retail sales up 3% to €84 billion. Luxury sales in the Americas reached €80 billion, representing a growth rate of 5%. A positive US economy boosted disposable income and overall luxury spending by local consumers. However, the strong dollar curbed spending by tourists from Asia and Latin America.

Canada and Mexico were strong markets in the region, while political uncertainties derailed Brazil’s performance. In Japan, luxury sales eased slightly, rising 6% to €22 billion. Across the rest of Asia, sales grew 9% to €39 billion. In other areas of the world, growth was flat, with sales holding at €12 billion, mainly due to stagnation in the Middle East. The retail channel grew 4% in 2018, with three-quarters of that increase coming from same-store sales growth. The wholesale channel grew only 1%, hampered by department store performance and a slowdown among specialty stores facing tough competition from the online channel. Online luxury shopping continued to accelerate in 2018, growing 22% to nearly €27 billion; it now represents 10% of all luxury sales. The Americas market made up 44% of online sales, but Asia is emerging as a new growth engine for luxury online, slightly ahead of Europe. Accessories remained the top category sold online, ahead of apparel. The beauty and “hard luxury” (jewelry and watches) categories were both on the rise. The biggest online channels for luxury sales were e-tailers, brands’ own websites.
and retailers’ websites. Meanwhile, the second-hand market for luxury goods surged to €22 billion on strong growth in Europe and among online platforms. Luxury brands can no longer deny the influence of younger consumers. Generations Y and Z accounted for 47% of luxury consumers in 2018 and for 33% of luxury purchases. However, they contributed virtually all of the market’s growth, compared with 85% in 2017. To capitalize, luxury brands are adapting to the preferences of younger consumers in terms of product offerings, communication and engagement strategies, and distribution channels. The luxury industry is also increasingly acknowledging cultural and size preferences. Modest fashion, comprising garments that can be worn by Muslim consumers, accounted for approximately 40% of luxury women’s ready-to-wear in 2018, while “inclusive” fashion, targeted to curvy or plus-size consumers, represented about 20%.

The fourth chapter is inspired by Professor Diana Derval’s, expert in neuroscience and consumer behavior, research based on advanced sensory targeting. The aim is to focus on different customer profiles and on the different perceptions they can have moving the research from a quantitative to a qualitative analysis, interpreting data to create a 3-dimensional example of a relatable person who falls within a specific segment. To do so, I took into consideration four of the five senses – taste is excluded because it is not strictly related to this specific analysis- to identify different customer profiles: colour profiles, based on the way different people perceive colours and light with a focus on diamonds; vibrator profiles, based on the way people perceive vibrations by ears, hands and throughout the whole body, making it a key sensory factor in the luxury decision-making process with a focus on luxury watches complications and Jaeger LeCoultre; inhaler profiles, based on how sensitive different people are to chemicals with the Chanel n.5 case.

**Colour profiles:**

1. **Dichromats:** they count less than 20 colour nuances and tend to prefer black, beige, and blue. They see colours like dogs, mostly in beige and blue. Their favourite Luxury brands have basic colours and patterns and include Burberry and UGG. They have a gapped distribution of cones (photoreceptors), they are likely to have 2 types of cones and they account for the 20% of population.

2. **Trichromats:** they count between 20 and 38 colour nuances and like all kinds of colours and love the assortment of colourful brands like Shanghai Tang or Miu Miu as well as more colours depending on their mood and style. They like many Luxury brands, from Kate Spade to Hermès. They have an average distribution of cones, they are likely to have 3 types cones and they account for the 30% of population.
3. Tetrachromats: they count 39 colour nuances and tend to avoid colours like yellow, perceived as irritating. They tend to prefer harmonious matching of colours with limited contrast and patterns. Brands like Balmain or Courrèges suit them well. They have an overlapping distribution of cones, they are likely to have 4 different types of cones and they account for the 25% of the population

4. Monochromats: they count over 39 colour nuances and tend to prefer black with a pop of colour, contrast, or shiny. The information provided by their rods (photoreceptors) is the one ruling and their eye is attracted to and counts the separation stripes in between colour nuances rather than the colour nuances themselves. They are perfectly comfortable with a Chanel or Louboutin assortment, mainly black and white with a pop of red. With rods information overruling cones information, they are likely to have more rods than cones and they account for the 25% of the population.

Favourite colours are often associated with local cultures and countries; Farsighted people have a shorter eyeball and the F point is at the back the retina. A long-wavelength colour like red will hit their retina at the focal point and will be perceived as relaxing while nearsighted people, so who have myopia, focus light in front of the retina. A short-wavelength colour like blue will hit their retina at the focal point and will be perceived as relaxing. China has the biggest population of nearsighted people in the world with over 400 million individuals concerned. In the past 30 years, the proportion of near-sighted people in the USA increased also from 25 to 41%. To properly see red, nearsighted people need to tense their ocular muscles, which can be more or less painful depending on the eyes’ fitness, so that they might find a colour like red exciting, and for some even irritating. Chinese people chose a red and gold flag as most of them are near-sighted and will find these colours exciting; for Australia, it will be the contrary, as only 13% of the population have myopia, blue is very exciting for their flag. Brands need to adapt their sensory experience to every local market, creating shopping experiences for every colour profile, observing the neurophysiological mechanisms behind local cultures to be successful. Individuals can also be split into three groups, depending on their attraction to polarized light and shiny objects:

1. Non-polarotactic individuals are somehow repelled by polarized light, they prefer matte to shiny materials. They are not particularly attracted by diamonds in the windows, they prefer unpolarized daylight and often wear sunglasses. They account for the 25% of the population and they enjoy brands like Stella McCartney

2. Medium-polarotactic individuals enjoy shiny objects like cars, and activities involving horizontally polarized light like watching the sunset. They enjoy natural and artificial lights
and wear sunglasses whenever needed. They account for the 50% of the population and enjoy brands like Swarovski.

3. Super-polarotactic individuals are attracted to shiny objects like cars and shoes and bags (especially black and red), and polarized light whether natural like the sunset or artificial and wear sunglasses in very rare and specific occasions. They are fascinated by circularly polarized light so they love staring at diamonds. They account for the 25% of the population, they are especially located in Asia and they enjoy brand like Tiffany and Co. and Ferrari.

Chinese buyers are super-polarotactic and looking for the shiniest stone, whereas American shoppers are more medium-polarotactic and will also take into account the size of the stone, while Japanese shoppers are more non-polarotactic preferring coloured stones, less shiny.

Vibrator profiles:

In luxury, there is a real fascination for anything vibrating or with a motor, from watches to motorbikes. Sound and touch are vibrations and they influence luxury shoppers’ product preferences and purchasing behaviour. Vibrations are perceived by ears, hands, and throughout the whole body, making it a key sensory factor in the luxury decision-making process.

1. Non-vibrators: they do not hear bass properly. In terms of touch, they do not perceive fine textures and prefer slick surfaces. Their favourite textures are leather, wool and silk. They account for the 25% of the population and they are mainly men. One of their favourite luxury brands is Jaeger Le-Coultre

2. Medium-vibrators: they hear everything better than voice and are therefore bothered by background noise. They hear all bass sounds. They distinguish between different textures and prefer silk and smooth surfaces. Their favourite textures are silk and cotton. They account for the 50% of the population, more women than men.

3. Super-vibrators: they hear high-pitch sounds too well and would not mind driving a more silent car like a Tesla. They are very sensitive to touch and prefer to wear cotton and if possible seamless socks, they prefer fluffy materials. Their favourite material is cotton and they account for the remaining 25%.

So, why Jaeger LeCoultre? Product preferences in luxury watches will depend on the perception of sound and vibrations, and also the search for performance. Jaeger-LeCoultre built its name by creating the flattest, then the smallest, mechanical movement and has been admired since its inception in 1833 for being a real “manufacturer”, with over 400 patents, producing the watch
movements internally in the Vallée de Joux in Switzerland and even selling them to other brands like Vacheron, IWC, Patek Philippe, and Audemars Piguet. Except for the Master Compressor maybe, Jaeger-LeCoultre has the reputation to be loud and would not be the first choice for medium or super-vibrators who are annoyed by any ticking sounds.

Inhaler profiles:

4. Super-inhalers: very sensitive to chemicals and prefer a fruity to a floral scent, with little musk. They perceive alcohol smell as irritating and prefer vanilla and orange scent. They account for the 25% of the population, mainly women, and their favourite luxury fragrance is Trésor by Lancome.

5. Medium-inhalers: they can find some chemicals irritating, they don’t mind alcohol smell and they are sensitive to musky notes. Like jasmine, fresh grass, and rose, vanilla and coffee. Their favourite luxury fragrance is flower by Kenzo and they account for the 50% of the population.

6. Non-inhalers: they like strong chemical and musky scents, and do not mind the scent of gasoline. They appreciate spicy notes, chocolate, peppermint, and lemon. They enjoy lilacs, lavender, and wooden notes. They are mainly men and they account for the 25% of the population; Chanel No.5 and J’adore by Dior are their favourite luxury fragrances.

Why Chanel? If we go back in time, it was the first 100% synthetic fragrance. Coco Chanel, rebel and free spirit, innovated in women’s wear, introducing pants and cotton jersey, helped women reinvent themselves. And Chanel No. 5 is forever the symbol of powerful, non-inhaler women.

The fifth explains that Luxury boutiques that are moving from being mere point of sale to point of touch to highlight the increasing attention payed to the shopping experience, today. As we have seen in the previous chapters, we are now living in a particular era, where the online platforms are impacting the consumption habits and people are looking for speediness but also, they still want to feel and live the dream Luxury brands promise. We talk about in-store environment because the store “physically” delivers the brand DNA and Codes, as we have seen for example with the Fendi flagship in Ginza, Tokyo. The reason why physical stores are “reshaping” themselves is because they are no more places where to buy-and-go but they are the one and only physical point where to feel part of a dream, of a group.

To design an effective experience path, we need to recall sensory marketing to appeal consumers.

To make the experience desirable and memorable, it is of crucial importance that the client feels comfortable when in store and to do so it the architecture of the point of touch must be accurately
designed from the furniture layout, paint of the walls, temperature to, in a broader sense, the selling ceremony to stress the importance of human resources that need to be considered as a value creation asset. The case of Burberry Flagship store in Regent Street, London is emblematic.

The sixth chapter is the most relevant to me since it involves an on-field research carried out to assess the effectiveness of sensory marketing for Luxury brands. The sensory cues analysed are the sound and smell ones and the analysis can be considered as divided in three macro-topics, where the first two are contextualized in a shopping experience and the third one to single consumer’s preferences: music in a store environment, smell in a store environment and consumer habits and preferences on fragrances to wear. To lay the foundations of my research, I had the opportunity to meet the store manager of the Dior boutique in Piazza di Spagna (Rome). I discussed with him what, according to the sales trend, the preferences of their international clients are. The results are that Arabic clients do prefer wood-scented fragrances, Middle East clients do prefer flower scent and Southern-European (especially Italians) usually choose citrus fragrances.

With this in mind, I did a background check and my assumptions were:

Perfume is part of the culture of a country, in fact

- France people do prefer dark, spicy statement scents. The perfume is a kind of ritual, it is considered as part of seduction (e.g. Chanel n.5)
- For Southern-European people freshness is a must: citrus and neroli are typical of the region, which has historically served as a melting pot (think of Dolce & Gabbana's Pour Femme, a neroli-and-sandalwood-infused concoction)
- In Middle East fragrances are part of the culture (they were the first to use distillation to extract oil from flowers) and they are also a spiritual ritual before prayer. Strong wood notes are popular (Oud Ispanhan is the Dior best seller for Arabic people) and usually they are mixed with European flower-scents, too.
- Chinese preferences vary per region: in the dry northern part wood notes do better, in the hot, humid southern part fruity-floral notes are preferred.
- According to Japanese and South-Korean culture it's actually considered offensive to wear strong aromas, so light, well-balanced scents are much more in demand.
- Russian go either for fruity-floral and oud scents
- Americans love gourmand notes like vanilla and sweet, fruity notes like strawberry
To structure my survey I considered twelve fragrances, six for men and six for women, selected on the basis of six different olfactory families following the just outlined criteria. Since it is very difficult to identify fragrances belonging to a single olfactory family – a lot of them, in fact, are defined as cross-family because of the different scents that compose them – I have sought the collaboration of an expert in the field to choose the fragrances that can be considered as cardinal points, meaning that they present a strictly dominant olfactory family. The fragrances identified can be qualified to be “repelling” one another, given that a consumer who prefers one of these fragrances will hardly perceive another of the listed as pleasant. The average price in euro per 50ml of the selected perfumes is € 90.

The next graph explains it in detail:

<table>
<thead>
<tr>
<th></th>
<th>MEN</th>
<th>WOMEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPICY</td>
<td>Spicebomb by Viktor &amp; Rolf</td>
<td>Opium by Yves Saint Laurent</td>
</tr>
<tr>
<td>CITRUS</td>
<td>Eau D’Issey by Issey Miyake</td>
<td>Eau des Merveilles by Hermès</td>
</tr>
<tr>
<td>WOOD</td>
<td>Terre d’Hermès by Hermès</td>
<td>No.19 Poudré by Chanel</td>
</tr>
<tr>
<td>FLORAL</td>
<td>Neroli Portofino by Tom Ford</td>
<td>Narcotic Venus by Nasomatto</td>
</tr>
<tr>
<td>FRUITY</td>
<td>Five o’clock au gingembre by Serge Lutens</td>
<td>Because it’s you by Giorgio Armani</td>
</tr>
<tr>
<td>GOURMAND</td>
<td>Uomo by Salvatore Ferragamo</td>
<td>Angel by Thierry Mugler</td>
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</tbody>
</table>

The research has been conducted by means of a web-based questionnaire. I delivered my survey to 250 Italian and foreign people, 77 of them decided to actively participate to my analysis. My sample is a representation of Southern-Europe with Italy and Spain, Western-Europe with France and Austria, Middle East with Emirates, Southeast Asia with Philippines, East Asia with Japan and South Korea and Central East Europe (considered as geographic area) with Poland and Kosovo.

The aim was to test the validity of literature in real life cases.
Here the main results:

1. Slow-tempo music does not mandatory correspond to more time spent in store. This is an unexpected result.
2. Many stores play unfamiliar music since most of the sample was not able to recall the song played; this means that they did not associate the music with personal situations in life.
3. In contrast, the majority of the sample remembered the scent perceived and this assesses odours and memory are strictly related.
4. Both music and scents were perceived as pleasant and consistent with brand image.
5. The criteria utilized to associate nationality and scent is not always valid since, especially the Italian part of the sample, provided incongruent answers for the scent preferred and the fragrance chosen later. This is in unexpected result.

The comeback of this research is that in Luxury “clustering” is never a powerful tool because every client lives different psychological backgrounds that need to be caught by firms. The only way to make sensory marketing work is to design a unique sensory mix tailored for a specific environment, an in-depth study of the traffic, purchases and reason to buy needs to be carried out and, even more important, the human resources have to be considered as a value creation asset since they are the actual point of touch between the brand and the final consumers; their role is to figure out consumer motivation and to track their reactions in order to get a credible sample to rely on.

Chapter seven briefly highlights some limitation of sensory marketing from a double perspective: the one of the consumer and the one of the company; the stimulation of the five human senses impacts on cognitive, behavioural and emotional reactions and this allows the brand to “manipulate” who gets in touch with it, in terms of time spent in the store, spending and memory. This is a sensitive issue to deal with because people are scared by the possibility of being manipulated and they could lose faith in the brand. On the other hand, for companies sensory marketing is in effect a risk for companies because it takes a huge portion of the budget for market research, for furniture in the store and also for monitoring since it is hard to find appropriate performance indicators, especially in the short term.

To conclude, the final aim of my research is to recommend to concretely start considering and researching on this new marketing branch as a real game-changer issue, to carefully design the sensory path tailored on target personas and to hedge the risk to shift from the importance of “to have” to the importance of “to be”.