

MOOD:MEDIA     

ELEVATING THE CUSTOMER EXPERIENCE

The Impact of
Sensory Marketing

Global Research Report | Published January 2019

INTRODUCTORY NOTE

We all know the story. With the advent of the Internet and online shopping, consumers have access to more information and more options than ever before. They're fully in charge and are actively making decisions across both online and offline channels. But despite the seismic growth of online shopping, brick-and-mortar still plays an important role. David Kepron summarized the role of B&M quite well in Retail (r)Evolution:

"In a world in which products and services are ubiquitously available, we buy where we're given the best experience. Physical retail is becoming the place to explore, to be romanced, to be entertained, to share moments. It's where smart brands are making authentic connections with their consumers, simply because those compelling experiences cannot be found on a website."

Over the past several years, retailers have been looking with greater intensity at new ways for customers to interact and engage with the brand and its products on a more personal, tangible and emotional level. One area of focus that continues to garner renewed attention is sensory marketing.

While traditionally viewed as a more supplemental tactic, often taking a backseat to more immediate considerations such as positioning, price and promotion, retailers are beginning to realize that a strong sensory marketing strategy is critical in the effort to resonate with customers and build more personal and emotional connections.

It's no easy effort to design an engaging sensory experience, let alone to measure and justify the impact of the subjective creative decisions and tactics designed to meet such seemingly "soft" objectives. This is especially problematic when executives and shareholders are looking for hard numbers that drive bottom line performance. With so much at stake, "we think it matters, so we'd like to do this" can be a hard sell. The pitch is much stronger when backed by research and data that supports the argument and idea. It's especially powerful when amplified by the voice of the consumer.

As the global leader in elevating the Customer Experience, Mood Media is committed to listening to that voice.

That voice tells us that sensory experiences matter. 78% of consumers globally cite "an enjoyable store atmosphere" as a key factor in choosing brick-and-mortar over ecommerce, and 90% say they're more likely to revisit a business that leverages music, visuals and scent.

We're excited to deliver the results and findings from our most recent quantitative and independent study where we asked more than 10,000 consumers around the world what they most enjoy about the in-store shopping experience. We sought to learn which sensory elements have the greatest influence on customer attitudes and behaviors when shopping.

What did we take away from the study? In summary...

- + Sensory marketing matters
- + Customers are influenced by and respond to their sensory environment
- + Investment in a sensory marketing strategy can pay meaningful dividends

We hope this study provides you with new insights and that it serves as a source of inspiration and fresh ideas. At the very least, we believe you'll begin to look at things differently, listen more intently, feel with greater purpose and be more conscious of all that surrounds you and your customers when you consider the evolution of the in-store Customer Experience.



Scott Moore - Mood Media
Global SVP of Marketing and Creative Content

METHODOLOGY

WHO

- + 10,039 respondents, ages 18+
- + 51% female, 49% male

HOW

- + 15 minute in-person survey

WHERE

- + Australia
- + Benelux
- + China
- + France
- + Germany
- + Spain
- + UK
- + USA

WHAT

- + Retail
- + Financial/Banking
- + Grocery
- + Pharmacy
- + QSR
- + Beauty

OUR GOALS

The purpose of our study was to gain a better understanding of the broader impact of the sensory experience on shopper perceptions and behavior. In particular, we wanted to measure the impact of audio (music), visual (digital screens), tactile (touch/feel) and scent (smell) stimuli (NOTE: the sense of taste was not included in the study, as it is largely irrelevant to the broader retail industry).

In-field research conducted by Walnut Unlimited, the global market research agency specializing in neuroscience and behavioral psychology and economics.

A black and white photograph of a woman with long blonde hair wearing sunglasses, holding two large shopping bags. The image is overlaid with a network of red lines and dots, suggesting a digital or data-driven theme. The text 'RESEARCH FINDINGS' is prominently displayed in the center.

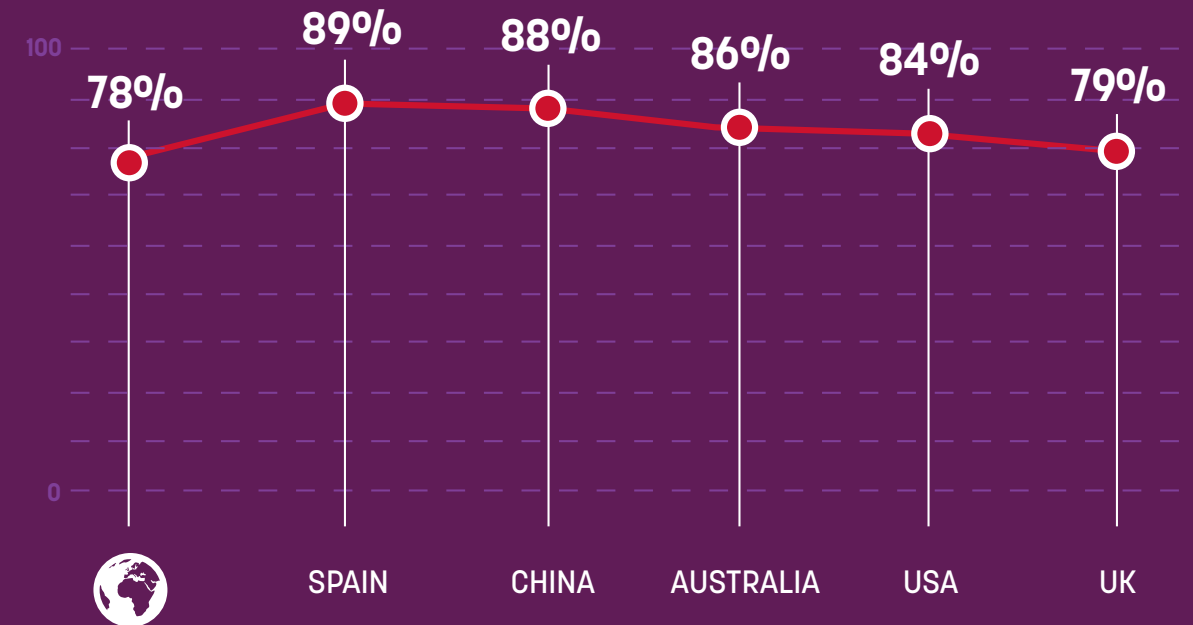
RESEARCH FINDINGS

COMBATTING THE E-COMMERCE EFFECT

78% of shoppers say an enjoyable in-store atmosphere plays a key factor in opting to make purchases in-store vs. online

78%

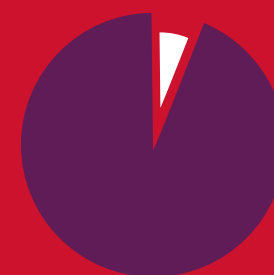
This is particularly true for shoppers in **Spain, China, Australia, the US** and **the UK**.



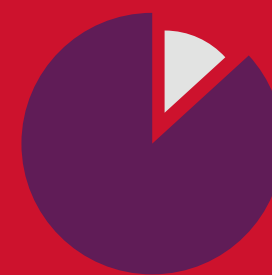
A TOOL TO ENCOURAGE REPEAT VISITS

90% of shoppers say they're **more likely to revisit** a brick & mortar business if the music, visuals and scent create an enjoyable atmosphere.

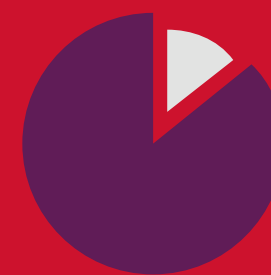
90%



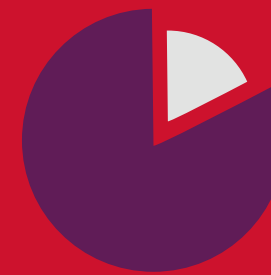
95% of
Spanish
shoppers agree



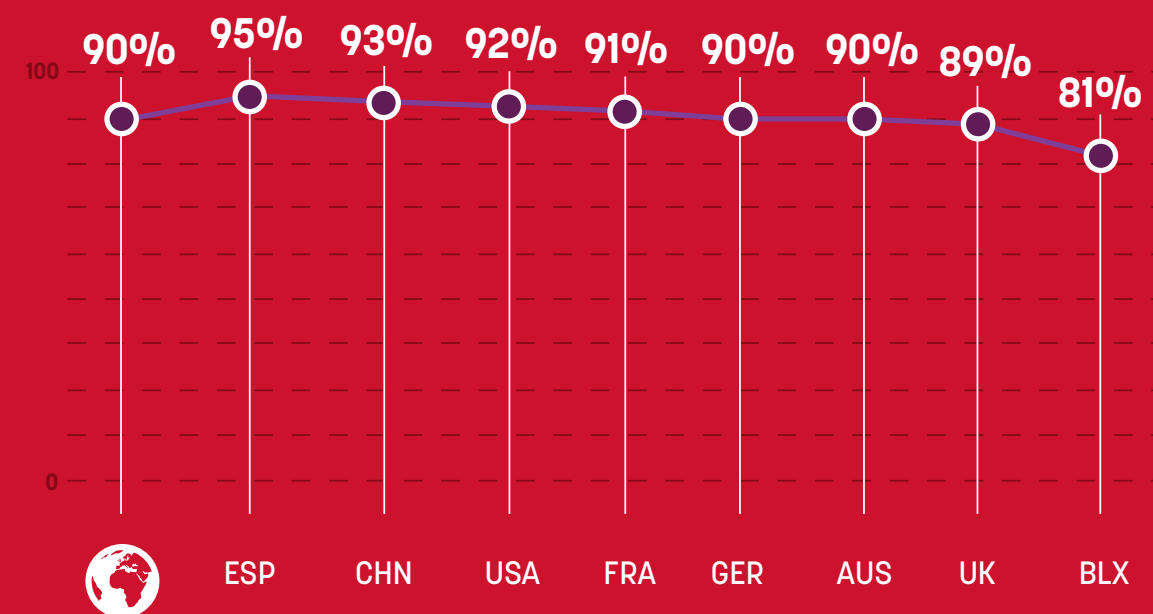
93% of
Chinese
shoppers agree



92% of
American
shoppers agree



81% of
Benelux
shoppers agree



STAY LONGER, SPEND MORE?

75%

of shoppers say they are more likely to **stay longer** in a place of business if they're enjoying the music, visuals and scent

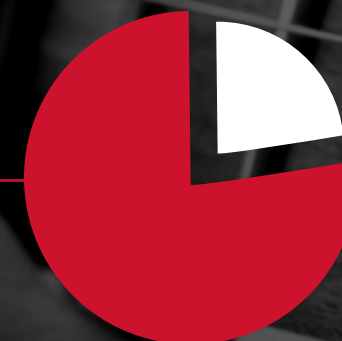
Business owners in **China** and **Spain** can expect the biggest boost in dwell times, as 92% of Chinese shoppers and 86% of Spanish shoppers say they'll stay longer with these sensorial elements in place

92%

Chinese Shoppers

86%

Spanish Shoppers



77% of US shoppers



76% of French shoppers



74% of Australian shoppers



56%

The ability to touch and try different products or services is cited as the biggest driver in making consumers more likely to want to buy something in-store.

THE POWER OF INTERACTION THE POWER OF PERSONALIZATION

4IN10

consumers around the globe say "feeling like the experience is personalized to me" makes them more likely to purchase something

POSITIVE EXPERIENCES YIELD POSITIVE REVIEWS

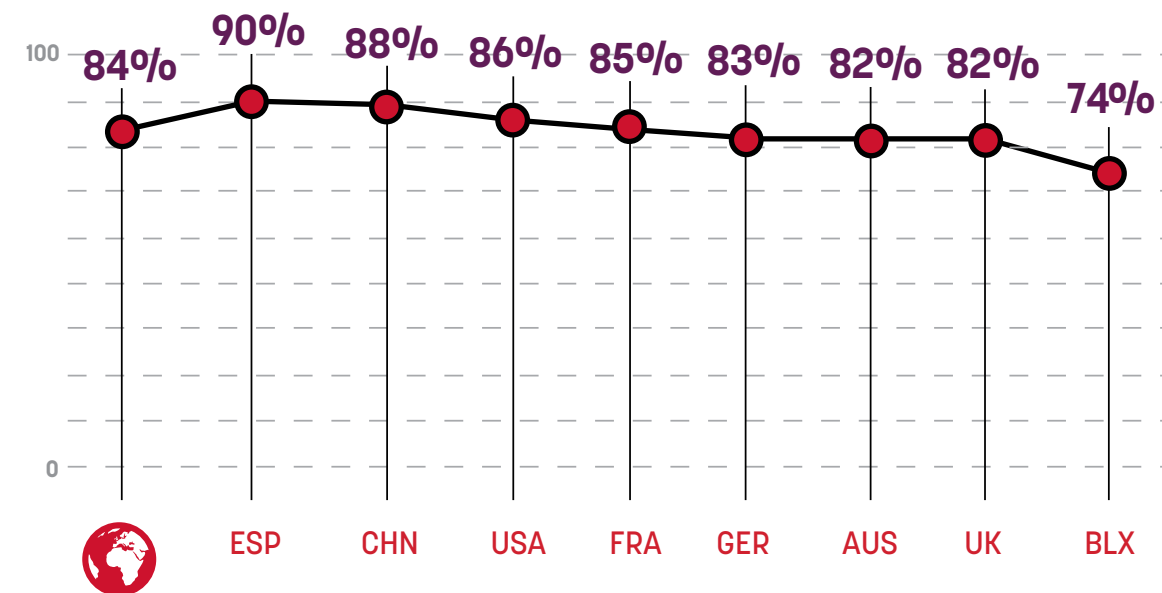
8IN10

THE POWER OF SHARING

Just over 8 in 10 consumers globally would recommend a store if they found the sight, sound and scent sensorial elements to be enjoyable.



Spanish and **Chinese** shoppers consistently have the highest positive reactions to sensorial marketing across the board, including the highest likelihood to recommend a positive sensorial atmosphere



POSITIVE IN-STORE EXPERIENCES LEAD TO POSITIVE SOCIAL POSTS

CHINESE SHOPPERS ARE MOST LIKELY TO SHARE THEIR IN-STORE EXPERIENCES VIA SOCIAL MEDIA

Chinese shoppers (56%) are more than twice as likely to share their in-store experiences via social media than shoppers elsewhere (27% globally)

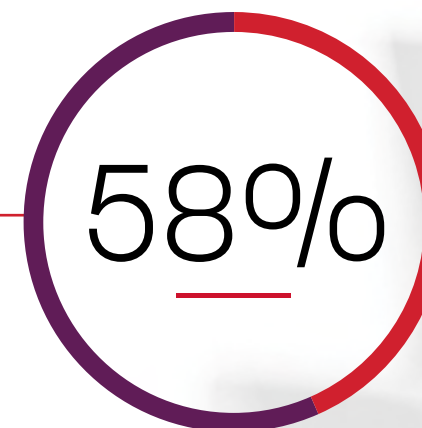


AND AS A CATEGORY, BEAUTY SHOPPERS GLOBALLY ARE THE MOST LIKELY TO SHARE THEIR IN-STORE EXPERIENCES ON SOCIAL MEDIA



CHINESE & AMERICAN BEAUTY SHOPPERS ARE MOST LIKELY TO POST

SUCCESS IS WITHIN SIGHT



..... QSR customers recall specific messaging they've seen on digital screens



..... Gen Z **grocery** shoppers around the globe say they've been made aware of a product or special promotion by digital screens in store



..... **Pharmacy** customers around the globe say they've stayed longer because of engaging content on digital screens in store

SIGHT DRIVES INFLUENCE, INSPIRATION & RECALL

43%

OF CONSUMERS AROUND THE GLOBE HAVE BEEN INFLUENCED BY DIGITAL CONTENT THEY VIEWED WHILE IN-STORE.

ALL EYES ON CHINA

In China, **76%** of consumers report being inspired, informed or entertained by digital content – more than **1.5X greater** than other countries.

76%



7IN10

Chinese shoppers recall specific products or special promotions on digital screens in fashion stores, beauty stores and grocery stores.

WHAT DO SHOPPERS LIKE TO SEE ON DIGITAL SCREENS?

BEAUTY
FASHION
GROCERY
PHARMACY

IN THIS ORDER

- + In-store specials and promotions
- + Product and/or service information
- + Product and/or service availability and recommendations

QSR

- + In-store specials and promotions
- + Menu options/product information
- + News/Entertainment

BANKS

- + Product and/or service information
- + Special rates and promotions
- + News

BUT BEYOND INFORMATION



of **fashion shoppers** say they've been attracted *into* a clothing store after noticing "engaging content on store screens" inside.



4 in 10 say they've also enjoyed watching TV programming



1 in 3 banking customers say they've been entertained by **useful or interesting videos** on screens

SOUND THE TALE OF THE TUNES

COMPOSING THE MOOD

85%

Music is the **number one factor** in lifting a shopper's mood in-store, and it has an overall positive impact on 85% of global shoppers.

“MUSIC
LIFTS MY
MOOD”

59%

Global
Consumers
agree

....

62%

US
Consumers
agree

“MUSIC
MAKES ME
STAY LONGER”

46%

Global
Consumers
agree



NOT JUST
MUSIC,
BUT THE
RIGHT
MUSIC

THE RIGHT MUSIC MATTERS (A LOT)

More than half (57%) of shoppers warn they'll disengage if brands make poor music choices such as unenjoyable or "unfitting" music or music that's played too loudly

MUSIC MATTERS REGARDLESS OF BUSINESS CATEGORY



MUSIC & FASHION

74% of all fashion shoppers - and 80% of French fashion shoppers - remember enjoying music while perusing the sales floor.



MUSIC & QSR

58% of QSR customers recall hearing and enjoying music while dining



MUSIC & BEAUTY

1 in 2 shoppers recall hearing and enjoying music while shopping in a beauty store



MUSIC & GROCERY

1 in 2 shoppers recall listening and enjoying music while grocery shopping. 1 in 4 remember overhead promotional messaging, and 1 in 5 recall altering their shopping list due to overhead promotional messaging.



MUSIC & BANKING

1 in 4 banking customers specifically recall a bank playing "appropriate" music.



YOUNG, ALERT & RESPONSIVE GEN-Z

Gen Z consumers around the globe are most likely to notice and be responsive to in-store sensorial marketing elements (1.4x more than the total adults surveyed), with significantly higher numbers of them agreeing they enjoy hearing music in store, notice and enjoy pleasant scents in store, and feel influenced by in-store video/digital content.



..... VS.



And more than half (59%) say **they've stayed in a physical place of business longer** because they were enjoying the music.

1 IN 2

Gen Z'ers say they've been influenced by in-store video/digital content.

SCENT THE NOSE REALLY KNOWS (& REMEMBERS)

81%

of consumers globally say they've
been **"positively impacted"** by in-store
scent elements

1IN2

AHH, BREATHE

1 in 2 consumers say a nicely scented business
"lifts my mood"

1IN3

NOSE AROUND AWHILE

1 in 3 consumers say a nicely scented business
makes them "stay longer"

1IN5

AND BE INSPIRED

1 in 5 consumers say a nicely scented business
"makes me more likely to want to buy something"



WHO RESPONDS
TO SCENT
ELEMENTS?
SPANIARDS DO!

ESPAÑA, ESPECIALY

Spaniards may be particularly aware of Scent, with **85%** of all Spanish shoppers noticing if a store has a pleasant Scent, versus **63%** globally. **47%** of all Spanish respondents say a pleasant Scent will bring them back to a store.

ACROSS CATEGORIES, SCENT MAKES AN IMPACT

IT'S A
BEAUTIFUL THING

56%

of beauty category shoppers
around the globe have stayed
in a store longer because of a
pleasant scent

HEALTHY SCENT,
HEALTHY SIGN?

45%

of all pharmacy shoppers "remember
noticing a pleasant scent."
Spaniard (62%) and German (59%)
pharmacy customers were the
largest group to notice.

KNOW YOUR FASHION,
KNOW YOUR SCENT

40%

4 in 10 fashion shoppers can
specifically name clothing
stores which "have a certain
scent when you walk in."

ADIOS AU REVOIR VAARWEL AUF WIEDERSEHEN GOODBYE

Be warned: While a pleasant scent lifts moods, dwell times and wallets, an unpleasant scent can be damaging.

330%

Global shoppers have left
a business due to unpleasant
or overpowering scent

440%

US
Shoppers

490%

German
Shoppers

WHY IT ALL MATTERS

Despite all online headwinds, the power of brick-and-mortar is undeniable. This study is yet another important and inspirational call to all in-store marketers, regardless of industry. What you do is important. Every detail matters more than ever and contributes to the overall experience and impact on your customers. Above all other channels, the in-store experience is where a brand can truly come alive and engage in a way that stimulates all senses and sets the stage for creating the most powerful, emotional and memorable impressions for your brand.



Brick-and-mortar, when done well, will continue to evolve, grow and flourish. The demands and preferences of consumers will drive the in-store experience to improve, delight, amaze and showcase the complete personality and essence of a brand. Sensorial marketing efforts drive elevated Customer Experiences. And elevated Customer Experiences drive success.

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FOR MORE INFORMATION

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ABOUT MOOD MEDIA CORPORATION

Mood Media is the world's leading in-store media solutions company dedicated to elevating the Customer Experience. Mood creates greater emotional connections between brands and consumers through the right combination of sight, sound, scent, social and systems solutions. Mood reaches more than 150 million consumers each day through more than 500,000 subscriber locations in 100+ countries around the globe. Mood's clients include businesses of all sizes and market sectors, from the world's most recognized retailers and hotels to quick-service restaurants, local banks and thousands of small businesses. For more details: www.moodmedia.com.

ABOUT WALNUT UNLIMITED

Walnut Unlimited is a more than a market research agency, they are the human understanding agency. They uncover human insights that help bring global brands closer to understanding people for better business decisions. Through innovative thinking, they use no-nonsense science drawing on specialisms in neuroscience and behavioural psychology and economics. They work across retail and customer experience, technology, financial, FMCG, brand and communications. Information about Walnut Unlimited can be found here: www.walnutunlimited.com.

