

Scent marketing: Hong Kong retailers

By Erica Ng, WGSN, 19 September 2013

Fashion retailers in Hong Kong explore sensory brand building with scents created to reflect consumers' tastes and the local culture.



2%, Hong Kong

* WGSN ANALYSIS

- Driven by a need to communicate more than just visually and inspired by new diffusion technology, Hong Kong retailers are turning to scent branding to enhance the shopping environment
- New signature fragrances recognise the role scent plays in triggering emotions, extending shoppers' dwelling time and making repeat visits more likely
- Signature scents will be tailored for different markets. Chinese consumers tend to prefer natural, lighter scents that reflect the local culture, such as green tea
- Scents are allergen-free and not harmful to pregnant women and children
- The report on [audio branding in fashion](#) explores how sound is being used as a way to connect with consumers

In retail, visual stimulation is the most common way for brands to appeal to shoppers, but scent marketing has a long history, such as the alluring smell of freshly-brewed coffee in a cafe, or flowery fragrances in a five-star hotel. Chanel has used its No.5 perfume in its Paris boutique since 1921.

Retailers and brands have good reason to use scent. It remains a powerful way to influence product perception. A study by the Smell & Taste Research Foundation placed Nike sneakers in an unscented room and one scented with a floral fragrance. The majority of respondents said they preferred or were more likely to buy the shoes in the latter.

Among Hong Kong fashion retailers, scent marketing is emerging as part of overall brand strategy. This is being driven by a need to communicate with shoppers on a new level as well as the development of scent diffusers, which make in-store scent marketing both safer and more economical.

According to Daniel Fong, chief marketing officer of Sky Work Design, a local scent marketing agency with clients including Samsung and adidas, there is scope for brands to expand. "The problem with using a common scent (as the majority of local retailers still do) is it doesn't represent your brand, and that's giving up a huge potential to build customer loyalty," he said.

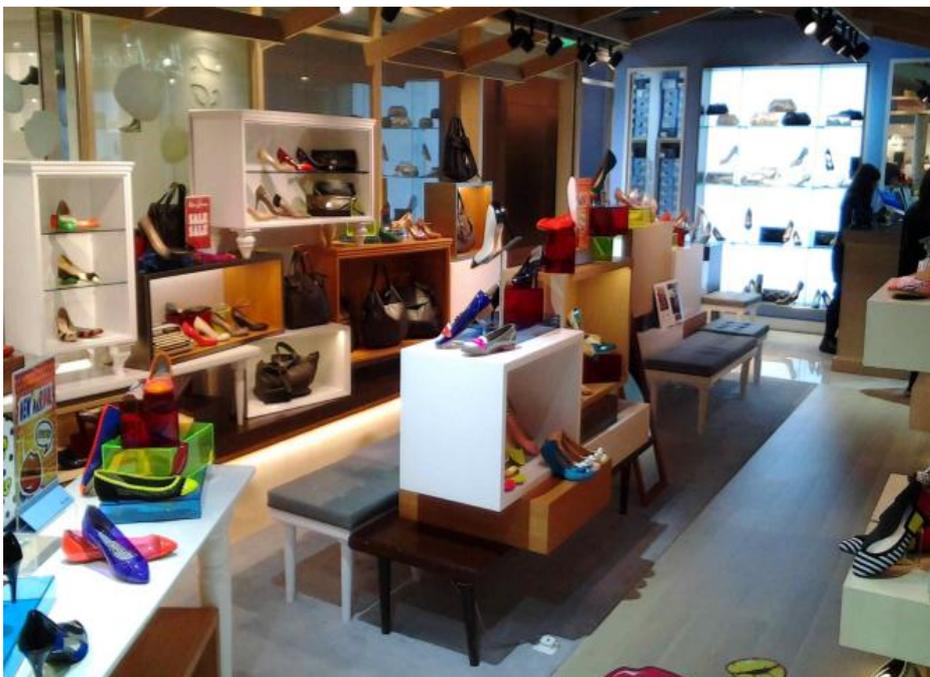
Developing a signature scent



House of Avenues, Hong Kong



House of Avenues, Hong Kong



House of Avenues, Hong Kong



House of Avenues, Hong Kong

Footwear design label House of Avenues is one of the latest Hong Kong brands to develop scent marketing. The brand started creating its signature fragrance six months ago, choosing a mix of green tea and cream to create a soothing environment.

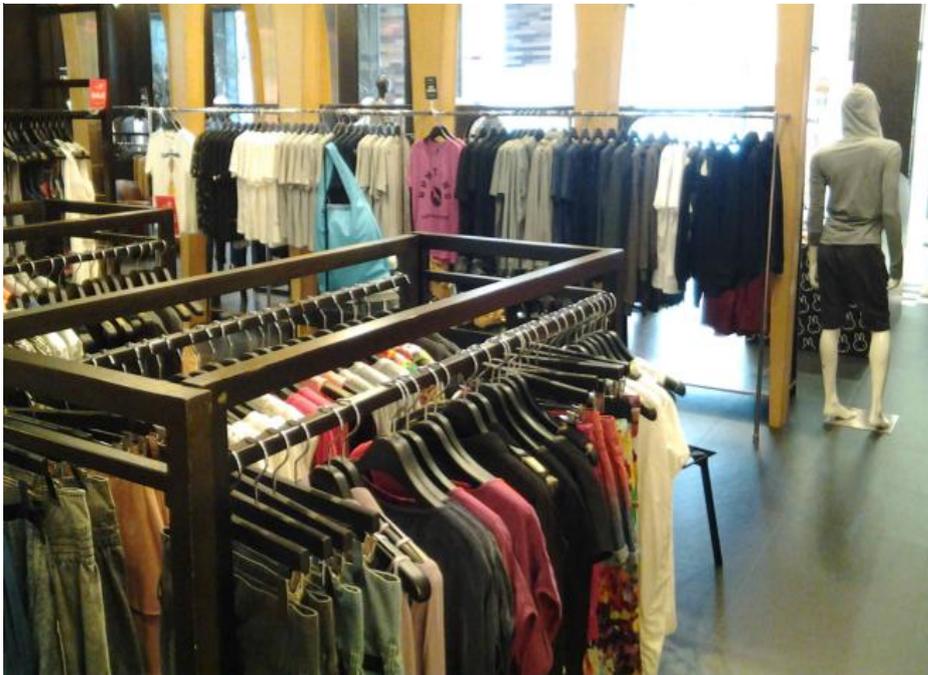
"We didn't want anything too sweet or too strong," says assistant manager of House of Avenues, Jazzy Yu. "The last thing we want to do is make it so overwhelming that it drives customers away."

Yu believes Chinese consumers prefer more natural, lighter scents compared to Westerners. Sky Work Design's Fong adds that Hong Kong brands and consumers tend to prefer scents that reflect where they are from. "Variations of the green tea smell are popular as they reflect their Asian roots and the scent of bauhinia (the floral emblem of Hong Kong) is a popular choice, too."

When introducing its scent in-store at House of Avenues, Yu says the brand started with the least concentration and worked our way up. "The important thing is to keep listening to your staff and your customers during those first few weeks to find the right level of intensity," he adds.

The green tea scent is now being pumped into store within three of its retail locations in Hong Kong. The next step for the brand, says Yu, is to introduce the same scent in other customer touchpoints such as its shoe boxes or direct mailing to strengthen the association between the scent and the brand.

Building a signature scent



2%, Hong Kong



2%, Hong Kong



2%, Hong Kong



2%, Hong Kong

For Hong Kong-based fashion chain 2%, scent has been part of its retail and marketing strategy for the past two years. The brand created a sweet and fruity fragrance for its eight retail spots across Hong Kong, which public relations and marketing manager Jan Cheung says has yielded surprising results among consumers.

"Shoppers are asking our sales team about the scent and whether it's for sale as a perfume," Cheung says. "People are staying in the shop longer, and they are happy to chat more with our staff."

While Cheung will not reveal how the use of scent has affected shop sales, she says 2% is confident of the strategy and has been using the same scent at fashion shows to provide a multi-sensory experience when most other brands are still only focusing on visual and audio at events.

"For us, it's more about customer experience and developing an emotional connection than directly increasing revenue. Like any other brand building strategies, it's hard to quantify return but we're definitely seeing the potential," she says.

As scent becomes a key brand building tool for 2%, Cheung says the number one priority is to ensure the scent is scientifically certified and is safe for people to inhale over a long period of time. "Anyone could walk into our shop – children, pregnant women – we have to be certain that what we're putting in the air is safe and harmless. More than anything, our sales team is there for eight hours every day. We have to be responsible," she says.

2% is now exploring the possibility of using the scent in its retail shops and fashion shows outside of Hong Kong, starting with mainland China and Taiwan.