

PremiumScenting
With AIRQ

The Ultimate Car Showroom Experience

Unlocking the power of scent
in automotive retail

Initial



Preface by Mark Reader

The automotive industry has historically been one of innovation. From the first production Model T Ford in 1908 to the now widespread adoption of hybrid cars, the industry hurtles at over 100 miles per hour. In order to keep pace, experience must also evolve or risk customers changing lanes in favour of another brand that's captured their attention. As consumers, we are now collectively more knowledgeable and decisive, but we're also time poor.

Automotive brands and showroom retailers are reassessing how they stand out and capture a customer's attention. A sale needs to be more than a conversation, it should be an experience – a multi-sensory experience – but more specifically, one that incorporates the emotive power of scent.

So, how can scent help? Scent captivates consumers; it enables them to develop a personal relationship with a brand. The right smells, which evoke memories and emotions, can increase dwell time and brand loyalty. To understand this better, we commissioned Walnut Unlimited, with whom we undertook a ground-breaking study to measure the impact of multi-sensory experiences on consumer involvement levels. Using virtual reality, we examined respondents' emotional responses to scent, imagery and audio combinations, using Galvanic Skin Response wearable technology and an unscented control.

The results show a significantly higher response of 38% to scented rather than unscented conditions across all experiences, revealing scented retail spaces are more immersive and memorable. Scent created an early impact, demonstrating that smell provides consumers with a sense of orientation in a new space. It also showed that using the senses in balance and congruency created the greatest impact.

To further explore how a carefully selected scent can benefit automotive brands and car showrooms, we also commissioned a survey by marketing agency Orange Sage, which interviewed key players in automotive brands and retailers leading the way in delivering enhanced consumer experiences. On assembling the results, we found a wealth of untapped opportunity.

Despite the changing customer journey over the years with the rise in online information at our fingertips, the brick and mortar experience, now more than ever, plays a critical role in connecting us from online to offline in the real world. Making sure this transition is seamless is vital - and providing a multi-sensory experience that connects people to a brand is where the real opportunity for the automotive sales industry lies.

As with our previous reports, the Business Impact of Scent, and the Ultimate Hotel Experience, at Premium Scenting we are leading the agenda. Read on, and we would like to hear from you via our website [premiumscenting.com](https://www.premiumscenting.com).

Mark Reader is the Group Category Director for Rentokil Initial.

Prior to his current role with Rentokil Initial, where in recent years he has been working with teams within the group to develop business service solutions across multiple sectors, Mark held operational, marketing and merchandising roles within retail environments.

Premium Scenting is serviced by Initial and Ambius, part of the Rentokil Initial Group.

38%

higher response to scented rather than unscented conditions
[The Ultimate Car Showroom Experience, Rentokil Initial]

Scent amplifies the visitor experience

1. Introduction

“Visits to car dealerships pre-purchase have decreased from 4.8 to 1.8 visits. So, there is more responsibility than ever before on manufacturers and showroom owners to make each consumer visit memorable and seamless.”

Multi-Brand Automotive Retailer
[Global Automotive Leaders Study, Rentokil Initial 2019]

A row of pristine cars gleams in the sunshine at the front of the showroom. Different shapes, sizes and models stand together, their glistening metallic surfaces boasting smooth edges and sharp angles. Carefully crafted by experts, engineers and artists, these are a symbol of success and for most people, it will be one of the biggest purchases of their lifetime.

Every automotive purchase is influenced by experience, whether it's the effortless pleasure of driving, the sound of an engine firing up for the first time, through to the leather like new car smell. Potential buyers stepping into an automotive showroom will be influenced by the layout, the aesthetics of the cars on display, the interaction with staff, the whole immersive experience – including scent.

Consumers empowered by online research

From the automotive brand and retailers' perspective, the focus has traditionally been on the volume of people visiting the showroom and cars bought. However, the path to purchase is rapidly evolving with the rise of online research. Customers now come to buy a car already armed with all but their final purchase decision.

At Initial, we have conducted an in-depth study of automotive brands and showroom retailer leaders globally to build an understanding of what the current industry perception is towards scent and what the opportunity is in positively influencing the consumer experience.

The results are remarkable and eye opening – first impressions have never counted more – as visits to car showrooms pre-purchase have decreased from 4.8 to 1.8 visits.¹ This means more responsibility than ever before to make each consumer showroom visit memorable and seamless.

Showroom visitor numbers are forecast to stay low, so automotive brands and retailers should look at what they can control. That is, a multi-sensory experience, where there are targeted visual, tactile, auditory and scent activations delivered as a fully immersive brand experience that capture consumer hearts and minds.

Sources:

¹ Global Automotive Leaders Study - Rentokil Initial 2019



“Scent, well chosen, can amplify each experience.”

Dr Andy Myers, Walnut Unlimited

“If two senses are triggered, brand impact on the consumer increases by 30%. If three senses are triggered, the impact increases by an incredible 70%.”²

A multi-sensory experience

It's true that brands and retailers think very carefully about what their retail and commercial spaces look like, and maybe even what they sound like, but many fail to consider their customers' noses. And yet smell, or olfaction as the scientists like to call it, is key to triggering our emotions and memory.

Our sense of smell cannot be turned off. Every one of us breathes on average 20,000 times a day, and with every breath comes the opportunity to connect a customer more meaningfully to your brand.³

In our ground-breaking study, Initial worked with independent research house Walnut Unlimited and found that the power of scent can increase consumer involvement in experiences by a staggering 38%.⁴ It is no coincidence therefore that sensory activations are quickly rising to the forefront of the sales experience in the automotive sector.

This is in line with findings from international business leader Martin

Lindstrom, who found charging up consumer senses can influence customer engagement and brand understanding, and create a stronger, more meaningful emotional connection to a brand. If two senses are triggered, brand impact on the consumer increases by 30%. If three senses are triggered, the impact increases by an incredible 70%.⁵

“We observed an orientation effect with the sense of smell – where we saw a significant initial impact of scent across all experiences within the first five seconds”

Dr Andy Myers , Walnut Unlimited, 2017

The power of the olfactory component within the multi-sensory experience is often underestimated. In fact, research confirms that we are 100 times more

likely to remember something we smell than something we see, hear or touch. Furthermore, 75% of emotions are generated by smell – so they have the potential to inspire and motivate purchasing decisions.⁶

Drawing from expert opinion within the study, together with our ground breaking multi-sensory research, this report looks to answer the following key questions:

How can automotive brands and showroom retailers collaborate to deliver the ultimate customer experience?

Why – from an automotive brand and showroom retailer perspective – do you need to incorporate scenting to power your multi-sensory experience?

What specific business challenges can scent address?

So, take the wheel, observe the benefits and see how you can shift gears to embrace the power of scent.



Ultimate Car Showroom Experience, 2018. Premium Scenting

Sources:

- ² Lindstrom, M. (2005). Brand sense: How to build brands through touch, taste, smell, sight and sound. London: Kogan Page
- ³ The Power of Scent Marketing, Ambius
- ⁴ The Ultimate Car Showroom Experience, Rentokil Initial
- ⁵ Lindstrom, M. (2005). Brand sense: How to build brands through touch, taste, smell, sight and sound. London: Kogan Page
- ⁶ Lindstrom, M. (2005). Brand sense: How to build brands through touch, taste, smell, sight and sound. London: Kogan Page

Reinventing the role of the car showroom

2. Automotive retail in the age of disruption

“People don’t come to fact find generally, their shopping list used to be 10 or 12 cars, now it’s 2 or 3 because they’re much better informed.”

Single Brand Automotive Retailer [Global Automotive Leaders Survey, Rentokil Initial 2019]

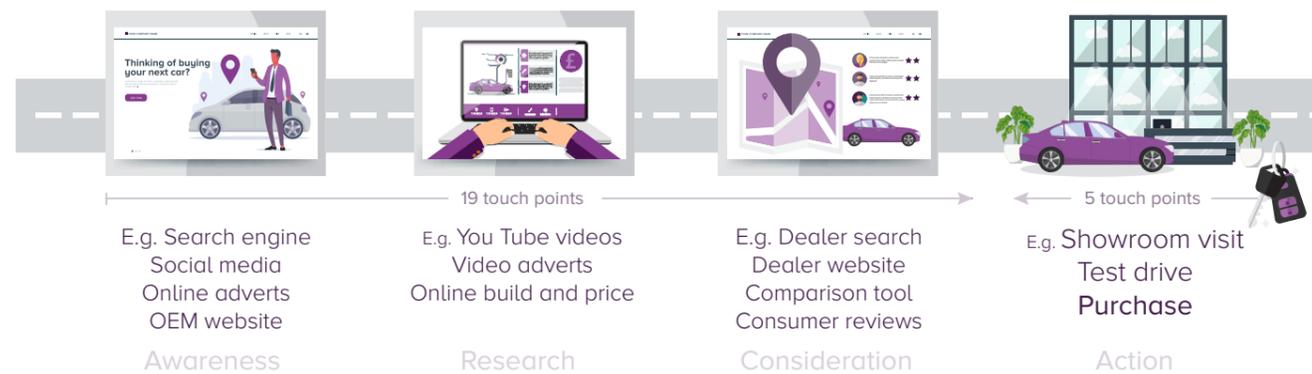
Overall, the global automotive industry is in better shape than it was five years ago, especially in the US, where profits and sales have recovered following the recent economic crisis, and in China, where growth remains strong. This progress will likely continue. By 2020, global profits could increase by another EUR 25 billion, to EUR 79 billion.⁷

Automotive brands are adapting to regional demand in regard to their production, and showroom retailers are negotiating supply and distribution accordingly. The automotive industry is on a road trip, with twists and turns that will change the industry globally, sales will continue to move fluidly, environmental regulations will tighten, and new technology will challenge previous conceptions of what was possible. But amongst all of this, brands and retailers that want to succeed need to look to the centre of what is driving the industry and keeping the wheels turning – the customer.

Shifting patterns in the journey to purchase

There are more automotive brands than ever, with an increasing breadth and sophistication in the products they offer to consumers. Driving brand loyalty has now become paramount in creating repeat purchases and influencing first-time buyers. In addition to creating brand loyalty, there is a changing landscape of how consumers engage and interact with a brand. Of the 24 touch points of purchasing a car, 19 have become digital.⁸

Customers now carry out 90 percent of their research online before visiting a showroom.⁹ They arrive at a showroom with a pre-conceived idea of what a car will look like in real life and how the leather seats will smell. The salesperson is now becoming a consultant, strategically advising customers on the details of the car and what will suit their preferences.



The evolving automotive purchase journey: 19 of 24 touch points of purchasing a car online¹⁰



“We used to ask customers about their family and mileage to form a plan, whereas now they come in saying, ‘I want a 520 diesel. I know what it does, and I know what I need – that’s what I want.’ We’ll now be consultative to try and understand why they’ve come in, in case that’s not the best car for them, because it’s key to us to give advice on the most relevant car.”

Single Brand Automotive Retailer [Global Automotive Leaders Survey, Rentokil Initial 2019]

Sources:

- ⁷ https://www.mckinsey.com/~/media/mckinsey/dotcom/client_service/Automotive%20and%20Assembly/PDFs/McK_The_road_to_2020_and_beyond.%20ashx
- ⁸ Millward Brown Digital and Polk 2015
- ⁹ Millward Brown Digital and Polk 2015
- ¹⁰ Millward Brown Digital and Polk 2015

Introducing 'Total Retail'

First coined by PwC, 'Total Retail' encompasses the need to create a unified brand story across all channels to ensure a consistently superior customer experience.¹¹ Total Retail is about taking your customer on a brand journey that's always consistent and delivers the experience they have come to love, expect and demand, at every customer touch point, online and offline.

Automotive brands are now recognising the importance and value of providing a seamless multi-channel experience, from researching online to visiting a showroom, there needs to be a smooth and effortless transition for the customer.

The connection from online to offline in car showrooms needs to match up with expectations of customers to ensure that the magic of buying a car as an experience is brought to life. For the modern retail brand, it's about understanding every step of a potential buyer journey, and how to tell the brand story using all the immersive, multi-sensory levers available in the physical retail location.

Partnering to deliver immersive brand experiences

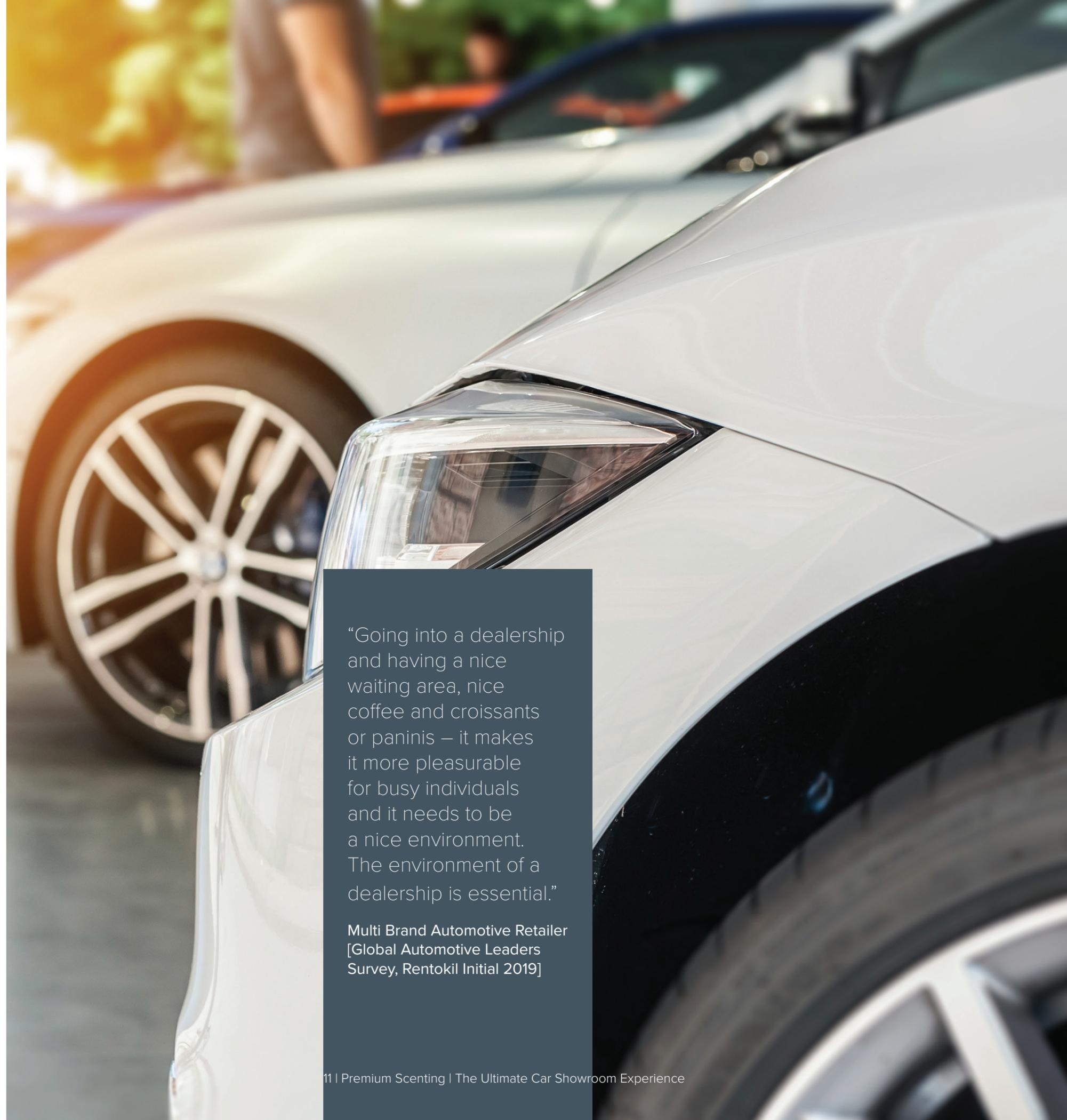
Automotive brands and retailers need to collaborate to deliver the best brand experience in the showroom to sell more cars, and part of this is recognising the vital but changing role the showroom has on influencing a customer. Buyer behaviour is shifting, but their senses remain fundamental. Optimising the experiences they have, the things they touch, the surfaces they feel and what they smell, is crucial to converting the consumer to a purchase decision.

Indeed, physical experience can also be damaging, if it doesn't meet expectations or excite at the pivotal moment of deciding to buy, customers may change their minds in favour of an alternative brand that has captured their imagination. The responsibility is on car retailers to ensure the showroom look and feel is consistent across locations, with brand standards and customer expectations met. From external signage and brand insignias, to materials used on the floors and walls and for some, the type of coffee (or champagne) served.

With scent there is an even greater opportunity for automotive brands to create a multi-sensory experience that captivates consumers and stimulates an emotional response, whether they are behind the wheel test driving or walking into a showroom to see a brand's car for the first time.

Sources:

¹¹ Power of Scent Report, Premium Scenting



“Going into a dealership and having a nice waiting area, nice coffee and croissants or paninis – it makes it more pleasurable for busy individuals and it needs to be a nice environment. The environment of a dealership is essential.”

Multi Brand Automotive Retailer
[Global Automotive Leaders Survey, Rentokil Initial 2019]

Delivering immersive brand experiences

3. The power of scent in automotive retail

Automotive retailers need to use the physical car showroom to give customers a magical, immersive experience that is unobtainable online and encourages them to linger for longer. Supporting our research findings, a study by Professor Anla Stohr found scent in shops can lengthen consumers visits by 54%.¹²

Used correctly in the showroom, an effective scent experience has the power to attract a higher footfall, encourage longer dwell times, and improve brand perception and customer loyalty. It's in the showroom where emotional and physical experiences converge, and it's this convergence that retailers have the power to control and bring to life through the power of scent.

According to Professor Charles Spence, MA, PhD, Professor of Experimental Psychology and Head of the Cross Modal research laboratory at Oxford University, scent is currently underutilised: "I believe that the more effective use of scent in retail spaces is probably the single most cost-effective intervention that one could deliver when it comes to enhancing the multisensory brand offering. What is crucial though, is that the scent you use is congruent with the other elements of the brand proposition."

Congruence across senses

In our VR-audio-scent research we found scent to have a powerful congruent impact, increasing candidate involvement levels with the whole experience and supporting earlier research that the sense of smell is most rooted and 'emotional' of all. This impact will only be delivered if the sensory stimuli align with the entire experience – across visual, smell and auditory.

This means all sensory stimuli should fit together to support the brand story. Scent is a mysterious element that requires expert knowledge to understand the feeling that a brand or showroom is trying to create and translating that into developing a fragrance that resonates with consumers is a complex challenge.

Fragrance could make a difference to support automotive brands and the showroom experience – a good scent can influence first impressions and help create a positive atmosphere, creating a memorable brand experience. As a result, brands and retailers are beginning to re-think the power of scent and how it ties in with other human senses.

"Engaging all the senses in balance creates stronger message structures from the brain, creating differentiation and stronger memories of the brand."

Dr Andy Myers, Walnut Unlimited

"Used correctly, effective scent experience has the power to firstly attracting a higher footfall, secondly encourage longer dwell times, and finally by improving both brand perception and customer loyalty."

The Business Impact of Scent, Rentokil Initial

Sources:
¹² Anla Stohr





What's the best part of driving or buying a new car?

When asked this question, the majority (42%) of consumers rated the smell of the new car as the best part of the experience. The experience of smell was picked over the look and feel of the new vehicle and the sound of the engine. The experience of purchasing a car is far more than a simple transaction for many consumers who often recall a full multi-sensory experience.¹³

Business Impact of Scent Report, Rentokil Initial

First impressions matter

Showroom retailers can also tap into this opportunity by deploying experiential scenting in their showrooms, in order to increase footfall and create a deeper immersive retail experience from the moment a customer walks through the door.

It's more than the look of a brand's expertly crafted car or the well-designed showroom that has an impact. Our Premium Scenting multi-sensory research found an initial impact of scent in the first five seconds across all experiences has the power to significantly have an impact before any visual role is fully established.¹⁴

Interestingly, the effect of scent on involvement deepens as dwell time in an environment continues if all the senses are in harmony and congruent with each other. Knowing this, showroom retailers should take note of their design layout and how it welcomes customers in store.

According to Dr Andy Myers, the cognitive neuroscience expert with Walnut Unlimited who carried out our research, our sense of smell is the first sensory cue that supports our orientation in a new space before the visual role is fully established, and the sense that drives immediate immersion in the experience.¹⁵

“In California you can't drive 10 metres before you get to another car dealership! You have to get to the customer first, impress the customer and provide a great experience – because there is so much choice – you have to make a great first impression.”¹⁵

Single Brand Automotive Retailer [Global Automotive Leaders Survey, Rentokil Initial 2019]

Sources:

¹³ The Business Impact of Scent Report, Rentokil Initial

¹⁴ The Ultimate Car Showroom Experience, Rentokil Initial

¹⁵ Global Automotive Leaders Survey, Rentokil Initial 2019

¹⁶ The Ultimate Car Showroom Experience, Rentokil Initial

“As a retailer, we invest money into the site because we appreciate the atmosphere and first impressions play a part in someone’s choice. The first contact and reaction to the customer is very important, but all senses support that.”

Multi Brand Automotive Retailer [Global Automotive Leaders Survey, Rentokil Initial 2019]

Brand scenting

As brands move to position themselves as total experiences or ‘ways of life’, ‘sensory signatures’ are becoming more common. Amplifying the impact of individual sensory elements, used holistically they can generate enhanced involvement and create a consistent, recognisable brand identity.

People can recall smell with 65% accuracy even after a year. With such a powerful memory attached to smell, car brands are creating signature scents, or olfactive logos, that deliver a strong yet subtle brand affiliation, and allow customers to feel like they’re part of the brand the moment they enter the showroom.

Being consistent with high brand expectations, ensuring customers can walk in and have the same brand experience regardless of location is critical. Whether it’s the first or one of several visits a customer makes, they should be presented with a consistent, signature look, feel and smell of the brand.

“Getting the environment right is essential. We changed one of our showrooms where even I would walk in and feel uncomfortable – you had to walk past all the sales people to get to the receptionist. Since we changed the layout it feels like a totally different ambiance – transformed – so much more welcoming. We want people to be as comfortable as possible from the moment they walk in.”

Multi Brand Automotive Retailer [Global Automotive Leaders Survey, Rentokil Initial 2019]





How to create a signature brand fragrance:

Recommendations from Master Perfumer, Christophe Laudamiel



Commencing the process of composing your brand fragrance When we get a brief from a brand, we look carefully at the purpose of the scent, and the feeling that brand wants to convey to its consumers, either about their brand or their space.



Understanding the essence of your brand Some of the feeling will be outlined by a brand, using attributes and adjectives, but we also pull out factors that show there is expertise behind a brand – to create a smile when people smell the scent, and to show that we really understand the feeling that has to transpire from a space.



Brand connection: Emotion and experience The first aspects we think about when developing a fragrance, is what is the emotion and the feeling to be created, and the obvious signals that we want people to get when they smell the scent.

As a consumer, there are associated smells that relate to certain locations, for example the smell of a Pina Colada on a tropical vacation, or a beautiful oaky wood in a traditional location, or a fire place in a winter resort.



Perfumery: A fusion of art and science We sit down and write a fragrance formula and mix ingredients, from 20-80. It's like building a structure, in a scent there needs to be elements that may not participate in the overall smell but can affect the brightness of the fragrance or the diffusion of the fragrance.

Researching the Ultimate Car Showroom Experience

4. About the research

Our Premium Scenting/ Walnut Unlimited study was a ground-breaking experiment. It set out to uncover the power of scent in car showroom experiences, specifically:

- The impact of multi-sensory experiences on consumer involvement
- And, the impact of scent within sensorial experiences
- And if traveller personae impact on the preferences for different types of multi-sensory experience.

The research mechanics

Led by Dr Andy Myers, a cognitive neuroscience expert with Walnut Unlimited, a range of six experiences using virtual reality (VR), audio and scent were created. A Galvanic Skin Response (GSR) device was used on a group of 50 candidates to measure small changes in skin conductance, at a level that people are unable to verbally articulate, thereby allowing a direct glimpse into the human subconscious.

Each candidate then took all six of the multi-sensory experiences, each experience lasting 30 seconds, with a one minute interval to allow GSR levels to return to a base level. Half of the candidates took experiences matched with a scent and the other half were unscented experiences. Each candidate participated in a qualitative research interview, selecting their preferred experiences and explaining their choices.

Overall, the study showed three key findings:

- 1 The significant impact of scent on involvement levels** The study showed that scent made a **38%** difference in emotional involvement between the scented and unscented conditions – and a statistical significance of **99%**.
- 2 The time effect: First impressions count** The study found an initial impact of scent in the first **five seconds** across all experiences, consistent with the strong neurological relationship between the olfactory and limbic systems, asserting the notion that scent has a **powerful initial impact** before the visual role is fully established.

- 3 Interaction effect around sensory balance** We found that while scent had initial impact across all the experiences, there were important variables. In low stimulation experiences, those with sensory balance – akin to the Beach, Cave Waterfall, Northern Lights and Underwater experiences – **the effect of scent on involvement deepens as dwell time continues**. In the very high stimulation experiences – namely Skiing and Base-jumping, where involvement was already high – we saw an early impact of scent

but one that tailed off, and we did not see a continued significant effect between scented and unscented conditions. This is due to the sensory imbalance with the highly active visual sense dominating, overwhelming the potential impact of the other senses.

“Engaging all the senses in balance creates stronger message structures from the brain, creating differentiation and stronger memories of the brand.”

Dr Andy Myers, Walnut Unlimited



“It felt like I was actually doing it [the multisensory experience] and the scent enhanced the experience. I was seeing, hearing and smelling my surroundings.”

Candidate 24

Six experiences

	Visual: Luxurious calm, white sand and crystal blue ocean Audio: Very gentle lapping waves Scent: Green freshness with watery and marine accents and aromatic notes of cedarwood
	Visual: Green luscious foliage with a waterfall cascading from a rock formation Audio: Very gentle lapping waves Scent: Fresh evergreens with a hint of pine
	Visual: Vibrant green Northern Lights interacting in an outdoor nightscape Audio: Natural crackle of gusting wind Scent: Cool hints of aloe with dewy green notes
	Visual: Tranquil underwater scene surrounded by beautiful, serene aquatic life Audio: Gentle classical music Scent: Relaxing muguet balanced with hint of eucalyptus
	Visual: Advanced level ski-run surrounded by pine trees in mountain setting Audio: Natural sounds of skis cutting through snow Scent: Invigorating white pine and birch
	Visual: High adrenaline base-jumping from cliff edge Audio: Gentle breeze and nature sounds of the Swiss Alps followed by rushing wind of free-falling at 120mph Scent: Blend of watery cucumber and fresh mint



Next steps for automotive retailers
looking to introduce a scenting programme:

1

Consider your target audience. Who are they, what do they expect of your brand? Developing fragrances that are uniquely suited to appeal to your customer base requires expert vision and assistance.

2

Consider your brand attributes. What message are you trying to communicate to your customers? Are you trying to associate your brand to an ideal? When embarking on a scent strategy, you should be clear about your scent objective: whether this is to remediate bad odours, improve general ambience, or drive brand engagement and recall.

3

Consider your location. What cultural and geographical challenges do you need to think about when deploying a scenting solution? Temperature, humidity and cultural preferences can play a huge role in shaping the best scent for your brand – and how it is deployed.

4

Don't ignore the physical space of your brand. The layout of each building, its design and its function are of paramount importance, both when developing the right fragrance and when considering the optimum diffusion methods. Work with experts to refine your fragrance and invest in the best possible technology to ensure even, consistent and subtle results.

5

Future-proof your strategy. Consider how it can be extended to generate deeper excitement and higher impact – for example through additional products such as home sprays or by deploying scent within the car itself.

From transactional to experiential

5. Conclusion: Towards the Ultimate Car Showroom Experience

Scent is a fundamental component of physical experience – this will never change. Despite the ongoing evolutions within the automotive industry, owning a vehicle will always be a multi-sensory experience made up of sight, touch, sound, and smell. However, the role of the showroom has evolved and there's a need to work with brands to create an immersive multi-sensory experience that takes customers on a journey and excites them from the first step of entering the room to the moment they drive away. Used effectively, scent can empower, change minds, and evoke a sense of emotion that will help automotive brands and showroom retailers influence a customer's decision to buy.

So, start by asking what type of scenting is the right approach for your brand? A customised brand scenting solution can maximise brand impact at every location.

We believe the showroom will always be a place for people and product to engage. A place to explore, learn and purchase. It's there in the moment that they will want a hands-on, multi-sensory experience. It's here that lies the opportunity:

- To create a consistent multi-sensory brand experience in every location
- Maximise the time spent in the showroom
- Build brand loyalty through memorable experiences
- Influence and inspire customer intent to purchase

Can you remember the first car you bought? The feel of the steering wheel in your hands, the sound of the engine turning over, and the smell of new car as you drove down the road? It's these memories that automotive retailers have the power to control and influence, and as an industry that needs to be put at the forefront of brand strategy.

Introducing scent can put your dealership in the fast lane. While there can never be a one-size-fits-all solution, consult expert opinion about the types of scent that could represent your brand and create the perfect scent impression at every location.

“We know how powerful scent can be in memory and memory formation. So, in a car showroom, it makes sense to use some kind of signature scent as a unique sensory experience, which will reinforce memories and, when you visit, access those memories you formed there.”

Dr Andy Myers, Walnut Unlimited

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www.premiumscenting.com

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