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Scentsational Marketing in Business: A Study of Scent Atmospheric

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Scentsational Marketing in Business: A Study of Scent Atmospherics

Thesis submitted in partial fulfillment of Honors

By

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Summary

This research will evaluate a marketing tool called atmospherics. This tool, although very powerful in capturing a consumer's interest through the use of memories and the overall aspect of buying, is sometimes forgotten when constructing a marketing plan. The thesis will evaluate the strengths and weaknesses when using this marketing tool and then apply those characteristics to a specific example of a bakery.

Chapter 1

Introduction to Atmospherics

Atmospherics is the tool by which marketers can appeal to buyers through the human senses, may that attraction be through scent, sight, sound, or touch. Businessdictionary.com thoroughly defines atmospherics as “retail-store factors such as display design and fixtures, flooring, smell, sound level, store lighting and temperature, wall coverings, and other elements of a store's ambience, which can be studied and controlled by a retailer to influence the consumer's buying mood.” Overall, Atmospherics and can be a force behind a brand or product that unifies buyer’s emotions with a particular product.

The start of Atmospherics began with a man named Philip Kotler (1973). He wrote an article entitled “Atmospherics as a Marketing Tool,” which gained renown as one of the leading articles for atmospheric research. He notes that for Atmospherics to be successful, four questions must be answered.

1. Who is the target audience?
2. What is the target audience seeking from the buying experience?
3. What atmospheric variables can fortify the beliefs and emotional reactions the buyers are seeking?
4. Will the resulting atmosphere compete effectively with competitors’ atmospheres?

Kotler describes in depth the various ways a marketer can use a brand’s atmosphere to attract potential buyers. “Atmospherics is the effort to design buying

environments to produce specific emotional effects in the buyer that enhance his purchase probability” (Kotler, 1973). Kotler suggests that more than a simple product is required to attract buyers; a product or brand must have the “total package, which includes the services, warranties, packaging, advertising, financing, pleasantries, images, and other features that accompany the product.” (Kotler, 1973). He devises another four-part questionnaire to ensure that atmospheric elements are used in a manner that will positively affect buyers.

1. What is the extent of conscious atmospheric planning in different industries?
2. What values are customers seeking in different common buying and consuming situations?
3. How do different atmospheric elements work?
4. What objections or defenses does the buyer have against “subliminal” persuasion?

Atmospherics aim to attract buyers through their senses. Light atmospherics focus attention on the varying degrees of lighting used within stores. A particular study by Boyce, et al. shows that upon a remodel of a supermarket, “sales increased significantly, as well as the number of items sold in the bakery” upon adding lighting fixtures as well as updating the whole bakery section. (Boyce, et. al, 1996). This particular study mentions that customers responded to more lighting in the bakery section of the store, even though skylights as well as fixed electrical lighting was added. More importantly, the other parts of the supermarket had not been remodeled at the time of the study. In addition to light, Atmospherics can relate to

color as well; research shows that, “cool colors are preferred more than warm colors in general. In addition to that, color affected price judgments of individuals.” (Söker, 2009). Shoppers preferred products that were cooler colored and tended to stay away from warmer colors. Color in retail environments can have effects on all aspects of shopping, but most importantly colors effect shopper’s time spent in a store and their overall merchandise image. Shoppers may spend more time in stores with favorable colors or may choose products with favorable colors over ones with unfavorable colors (Bellizzi and Hite, 1992; Bellizzi, Crowley, and Husky, 1983; Crowley 1993).

Another sub-category of Atmospheric structure in a store is the use of music in the shopping experience. One such study looked at the effects of music in a mall setting. This study found that, “Shoppers who had made an unplanned purchase spent, on average, \$32.89 more when music was playing than those in the control condition” (Dingfelder, 2005). Other research backs up these claims as shoppers spend more time in places with pleasant music, rather than no music playing at all or perceive the time spent in the store differently (Guéguen, 2007; Freire). Evidenced by research, music playing in stores has a huge effect on shoppers’ experiences. Music may make shoppers stay longer, perceive products in a better light, and even influence their purchasing decisions.

Other elements of store atmospheres can focus on store layouts, temperature of the store, usage of signage in the store, and many others. This thesis will focus on the usage of scent in a store environment to influence consumer behavior by reviewing scent marketing research. But first, exploring the connections to

Atmospherics and marketing is vital to understanding how to properly use scent to influence shoppers.

Connections to Marketing

Shoppers react to the store atmosphere, whether consciously or subconsciously, as soon as they enter a store's environment. If marketers can study these reactions and perceptions, then the marketer can synthesize solutions that maximize a store's influence on shoppers and serve the customers within the store more efficiently. Studying shoppers' attitudes, reactions and overall satisfaction with the store's brand experience can help marketers better understand consumer behaviors.

Shopper attitudes and reaction to retail environments is important to marketers because those reactions determine future shopping choices (Woodruff, Cadotte, & Jenkins, 1983). Further, research shows that many factors like, "location, visibility, ease of access, dimension, planning and design, anchor tenant, tenant mix, image building strategy, marketing and management, as well as customers; oriented thinking pattern" can have positive or negative effects on shopper reactions (Wee and Tong, 2005). For example, if a consumer enters a store and has a negative experience, the consumer is not likely to revisit the store. Using Atmospheric research, marketers can understand what types of environments usually evoke positive reactions in customers. One study shows that "increase in perceived crowding in a retail store (created from either human or spatial density) can decrease the level of satisfaction that shoppers have with the store" (Machleit, 2000). Shoppers, once they have experienced a store, will then begin to draw conclusions about the whole company brand. All of these connections are

formulated during the moments a shopper enters the store until he or she leaves the store. Therefore, it is imperative for marketers to understand the connections consumers make in response to the store environment. Recently, scent marketing has received much attention, prompting events and conventions across the nation, as well as blogs and online conversations about its effectiveness. One such compilation is the Scent Marketing Digest. This online blog site keeps marketers up to date on recent news in scent marketing. Because of the attention in the marketing industry, this thesis will focus on this particular facet of atmospheric research.

Introduction to Scent

To better understand scent Atmospherics, it is imperative to explore differences in the various characteristics of scent based Atmospherics.

The usages of scents in real world industries are almost endless. From Abercrombie and Fitch using their signature cologne to permeate the store (Gross, 2011) to a device that allows users to send scents via text messages (Steinmetz, 2013), world businesses are beginning to see the power of using scents to market products. Even the real estate market can use the smells of “bread just out of the oven; freshly cut grass; roasting coffee beans,” to entice home buyers (Johnson, 2013). Elizabeth Musmanno, the President of The Fragrance Foundation, speaks of scent’s imperative role in industry by saying, “Smell can entice consumers to stay longer, shop longer and purchase more” (Johnson, 2013). Just like music or light, scents can entice shoppers to linger in a store, which translates to a higher purchased amount. But what types of scents should a marketer use? Can one specific scent target a specific group or groups of people?

Two major categories are best used to describe the effects on different demographics: age and gender. Age difference is one facet of scent-based marketing that may answer those questions. Research shows that in the fragrance industry, “Women ages 18 -24 tend to gravitate toward sheer, floral scents such as Happy (Clinique), Tommy Girl (Tommy Hilfiger) and Curve for Women (Liz Claiborne),” whereas younger girls prefer sweeter scents like cotton candy or marshmallow based scents (Grubow, 2007). This same research showed that as age increased, so did a woman’s desire for a more individualized scent. When manipulating scent based atmospheres, it would be beneficial to research overall trends of a specific target market. Even gender has a role in scent marketing. Research shows that males preferred a rose-based scent and females preferred sweet scents like vanilla (Spagenberg, et. al, 2005). The same study showed that shoppers of each respective gender spent on average fifty percent longer in stores with these ambient scents.

Other factors to consider when looking for a perfect scent would be country of origin, cultural differences, and even sexual orientation and gender identity. However, these factors have not been heavily researched and would only serve a greater purpose in specialty niche markets.

Biology of Scent Marketing

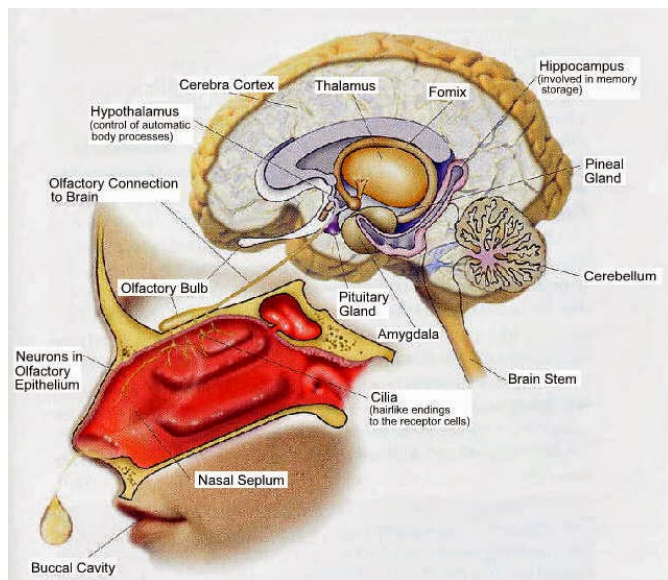
Scent based marketing is arguably the most powerful tool of Atmospherics, as scents play directly into shopper’s memories. Research, which will be analyzed throughout this thesis, shows that scent marketing is especially effective in coercing shoppers to buy more when the scent is congruent with the product (Klara, 2012;

Dingfelder, 2005). Some of these experiments take place in malls throughout the world and seek to evaluate the effects of stores with scents in conjunction with shopper's attitudes about the particular store. One such study concluded, "that a pleasant fragrance positively influences consumers' affective reactions, evaluations, and intentions to revisit the store, especially when the consumers score high on affect intensity. Strategically manipulating the store environment via ambient scents is an inexpensive yet effective way to positively influence consumer behavior" (Doucé et. al, 2011). Using scents not only attracts buyers to return to a store, but buyers can develop a certain "feel"

for a store based on its scent.

"Ambient scent contributes to the building of a favorable perception of the mall environment, and indirectly of product quality" (Chebat et. al, 2003). Buyers' perceptions of brands can favorably increase in conjunction with a well-placed scent present in the shopping experience. But how is scent so powerful in dictating consumer's attitudes towards products?

Image 1



Wentz, R. (2013, October 8). The Body Blog. Retrieved December 10, 2014, from <http://rachelwentzbooks.blogspot.com/2013/10/something-smells.html>

Scents play directly into memories due to the wiring of the olfactory system in the brain. Chemicals in the air cause firing of "sensory neurons that line the upper

portion of the nasal cavity and then send impulses along their axons directly to the olfactory bulb in the brain” (Raven, 2014). The olfactory bulb then connects directly to the limbic system. This structural connection can be seen in image 1. This structure in the brain is the main area where memories, emotions, and learning occur. Even more amazingly, “a well-known study by the Fragrance Institute determined that people can recognize 10,000 distinct odors; that is a simply staggering statistic. It also has been recorded that people can recall specific smells a full year later with nearly 66% accuracy” (Ruffolo, 2011). The connection to scent and these structures in the brain attribute to the emotional responses that come along with particular scents. “It triggers an emotional response, and the customer builds an emotional connection with the brand” (Klara, 2012). Furthermore, these associations can then drive a product’s increased perceived quality and overall purchasing habits of consumers. One such article, “Chain Store Age,” shows the effects of a scent based marketing plan. “Stores (utilizing scent marketing) have witnessed increases of people staying up to 20% longer on average [...] and 300% sales increases in particular products” (Wilson, 2007).

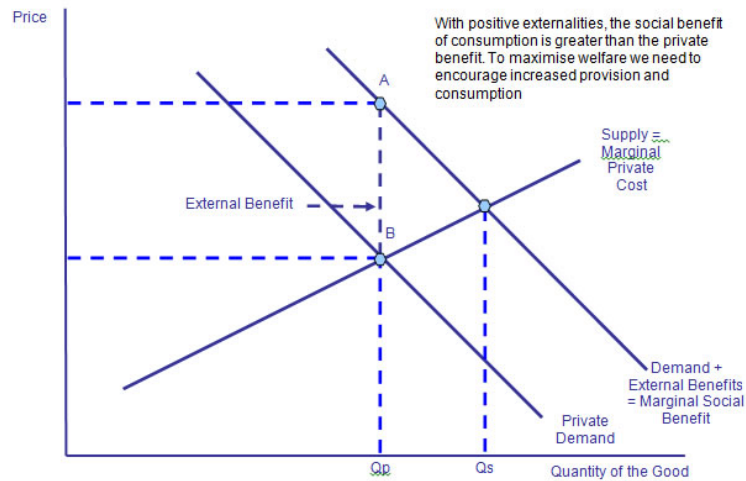
Although the biological background of scent-based marketing is powerful, once intertwined with economic principles, Atmospherics can blossom.

Economic Factors of Scent Marketing

Externalities are a type of benefit to a third party that occurs when consuming a good or service (Pettinger, 2012). Textbook examples are few and far between, but easily memorable is the example of a bakery. As a bakery produces its goods (pastries, cakes, donuts, etc.), the smell permeates throughout the whole

Image 2

interior, as well as the nearby exterior of the bakery. When consumers pass by the on the street, they smell these goods and are drawn inside by the pleasant scents. For better



Riley, G. (2012, September 23). Positive Externalities. Retrieved January 5, 2015, from <http://tutor2u.net/economics/revision-notes/as-marketfailure-positive-externalities.html>

understanding, negative externalities work in the same manner. If a consumer decides to smoke a cigarette on the sidewalk, then those who are bothered by the smoke experience a negative externality of the smoker using a product. Another way to look at externalities is to view them as benefits or costs. “Positive externalities are benefits that are infeasible to charge to provide; negative externalities are costs that are infeasible to charge to not provide” (Caplan, 2008). These costs and benefits can then be directly compared to scent based Atmospherics.

As scents permeate throughout a store, consumers are drawn to that certain store. Atmospherics, especially those involving scents, can be directly linked to the microeconomic level with the use of externalities because in a way, Atmospherics are a type of externality. Entering the store, consumers do not pay for the scent directly, but still enjoy the scent that accompanies the good. Externalities follow similar rules to supply and demand curves, and their graphs look similar. In the

above graph, marginal social benefit is greater than private benefit. The store that applies atmospheric principles does not “enjoy the scent,” but rather the customer is meant to take in the atmosphere of the store. When social benefit outweighs private benefit, there is a positive externality. These microeconomic principles are the foundation from which scents derive their power. Businesses, although intentionally may apply atmospheric principles to their stores, still benefit from consumers using their products or service. The atmosphere becomes like an externality in that it occurs along-side the consumption of a product.

Once one understands the biological and micro-economical aspects of scent based marketing, then this marketing tool can enter the industry and make a real-world impact in every market segment.

Industry Factors

Kotler suggests that it is very important to choose scents that align with what the customer wants and to choose a level of sophistication with scent based marketing that work together with the product or brand.

It is imperative to expertly assay the type of product being marketed through scents, as the scent must align with the total package for the product. One such study, which focuses on the effects of Christmas music, illustrates this point. “Results indicate that the effects of adding an ambient Christmas scent are moderated by the nature of the background music. In particular, consumers' evaluations are more favorable when the Christmas scent is in the presence of Christmas music. The presence of the Christmas scent with non-Christmas music, however, lowers evaluations” (Spagenberg et. al, 2005). Shown here, when a specific

scent does not align with a product, customer expectations of that product can actually decrease. “No element of the marketing mix can be left to trial and error, however; all components must be cohesive and only then will the sum of the parts be equal to something greater than the whole.” (Busch, 2003). Those who use this research see products as more than a sum of all its working parts; a product or brand is a whole package experience for shoppers. The usage of scent in the Food Service Industry is even more important, because consumers in these industries must usually wait within the brick and mortar store for a period of time before they receive their purchased goods.

Scent Research in Food Service Industries

According to statista.com, an average \$440 billion were spent in eating places in 2014. With that kind of revenue, food service restaurants must set themselves apart from other restaurants in many ways. One way to accomplish this feat is through scent marketing. Imagine walking into a restaurant and smelling fresh baked cakes, pies, and cookies. Marketers can use a store’s specific scent to set restaurants apart from one another. Studies show that consumers prefer specific kinds of scents that accompany specific moods. Usually, these “findings suggest that aromas from basil, cinnamon, and citrus flavors aid in relaxation, whereas peppermint, thyme, and rosemary help to energize. Ginger, cardamom, licorice, and chocolate have been reported to arouse a sense of romance.” (Hunter, 1995). Also consumers crave those scents that have attributions to foods. “Along the lines of appetite, developers are recreating aromas that were originally associated with food flavors. This cross-fertilization of flavors and fragrances is coupling savory and

sensual smells to enhance perfumes and candles.” (Bolan, 2004).

The best example to illustrate this feature would be The Fudgery. This retail food service chain makes fudge and other candies. However, the most notable difference of this particular store is the overwhelming sweet smell of chocolate fudge that permeates out of the store. Without knowing, consumers are drawn to this store’s scent and usually offered a free sample. It then becomes very difficult to turn down purchasing a slab of the sweet candy!

Stores like The Fudgery use their scent as a way to market products to consumers. They have even launched a campaign on their website where users can click a button labeled “Follow the Scent” and browse items available in store. This excellent marketing technique is scent-based atmospherics in action. Other examples of stores that use scent based marketing are bakeries. One such bakery, located in Virginia, couples sweet treats with the atmosphere of historic downtown Bristol. This store also relies on scent-based marketing. As customers enter the store, their noses are filled with the scent of fresh made doughnuts, cakes, and specialty coffee drinks.

Even banks can utilize scent Atmospherics in their branches. “Venture Bank's signature cookie baking is a long-standing tradition by experiential branding standards, nearly 13 years old” (Stephens, 2007). This cookie baking tradition set the bank apart. Even when the bank underwent a rebranding (previously First Community Bank), customers still felt at home as the bank kept its tradition of baking cookies.

One such online company, Air Aroma from Australia, has fully grasped the power of scent marketing. They offer customers diffusers and essential oils to use in retail environments. Customers can choose from thousands of scents and even make their own brand specific scent using the essential oils by simply visiting www.air-aroma.com. This site even offers products to customers with specific retail environments and shows customers why scents would be useful to attract customers to this environment. For example, the site shows how those in the grocery business have a little harder time implementing scent marketing. In order to keep produce and breads fresher, grocery stores have implemented refrigerating systems. This helps with overall health of the products, but also reduces the overall scent of the product. To fully get the fresh fruit experience, shoppers must go to local markets to shop for fruit that is usually picked fresh that day. This site deals with scent atmospherics across all business areas and shows how Atmospheric principles can apply to almost any business situation.

To efficiently use scent marketing in any industry, a SWOT analysis would be beneficial to conduct before introducing any type of atmospheric variables.

Chapter 2

SWOT Analysis

SWOT (Strengths, Weaknesses, Opportunities, and Threats) analyses look at businesses internally and externally. They focus on a firm's specific internal strengths and weaknesses and then how the firm can compete in the outside market in relation to its opportunities and threats. Moreover, because of the internal and external analyses, a SWOT analysis is a simple, but powerful marketing tool (Goodrich, 2013). Marketers can expertly look into a firm's environment and the market environment. "Businesses should also consider 'softer' elements such as company culture and image, operational efficiency and potential, and the role of key staff" (Goodrich, 2013). Once the SWOT analysis is complete, then marketers can use specific strategies to target weak areas mentioned in the analysis and continue to implement those strategies where the firm is strong.

Often, within a service industry, such as a bakery, specific factors that hurt a firm may be hard to pinpoint. If marketers can delve into a firm's specific areas of expertise, then can they begin to remedy those problems, which may be difficult to pinpoint. Furthermore, marketers in service industries can implement other tools to help them pinpoint weaknesses such as consumer surveys, consumer attitude research, and overall market shares for particular products.

In the specific example of a bakery, marketers would be inclined to implement a SWOT analysis to assay the relative popularity of the bakery products, consumer attitudes toward the brick and mortar store, and consumer brand satisfaction with the particular bakery.

| | |
|---|--|
| <p>Strengths:</p> <ul style="list-style-type: none"> • The combination of well matched scents is endless • Scents are connected to memories, memories can bring up emotions • Scents are fairly easy and inexpensive to implement in a store's atmosphere • Scents are not as obvious to customers as other visual or haptic clues | <p>Weaknesses:</p> <ul style="list-style-type: none"> • Customers may not like a particular scent/ the scent is too strong • Customers may be allergic to scents • It is hard to pinpoint a scent's effectiveness without heavy research |
|---|--|

Strengths

Scent-based atmospherics have a few pros of which firms can take advantage. The first, as evidenced by research, is the connection of scents with specific memories of consumers. As scents bring up these memories, consumers are more likely to view the brand aligned with the scent in a more positive light. Moreover, customers who have these pleasant memories will also spend more time in stores with these ambient scents, and therefore spend more. Also, scents are not like any other atmospheric element in that they can be combined in endless possibilities. For example, many perfumes contain a layering effect of many scents. Customers can detect these scents over the life of the perfume and the scents usually pair well together. Moreover, scents are usually not consciously detected by a shopper, which makes it harder for that shopper to pinpoint a specific marketing strategy and try to overcome the power of suggestion. Finally, ambient scent is generally easy to implement in a store environment, as many cost effective scent generation devices exist today. One such method for implementing scents in stores refers to a specific

term, micro-nebulization. Stores using this method may introduce “a very fine flow of perfume oil into a jet air stream, which produces a very dry fragrance delivery” (Jeffires, 2007). Other methods may also deliver scents such as HVAC extension or simply spraying perfume through the store.

Weaknesses

Scent atmospherics develops a few disadvantages as firms use the tool. First, firms may have no idea if a particular consumer entering the store is allergic to a particular scent. Some consumers may even be allergic to all types of artificial scents. This weakness, although uncontrollable, is highly specific to a specific group of consumers. Also, consumers may actually have a negative emotion associated with a particular scent. For example, if a consumer ate apple pie for thirty years of her life and hated the taste of the sweet, she would not be likely to enter a store that smelled of apple pie. This sort of disadvantage is also shopper-specific and out of the control of the marketer. Lastly, deciding which type of scent to use in a shopping environment is tricky. Lots of research goes into the effects of particular scents in different store environments. Moreover, these studies are often expensive and may not give conclusive results. To fully reap the benefits of ambient scent, marketers must first implement a scent and study the effects of that scent. This process may be bulky and time consuming, which may deter some firms from using scent-based atmospherics.

Conclusion

Using ambient scents in stores may be a tricky tool that requires finesse and research. However, if this tool can be successfully implemented, then marketers can reap the rewards of a strategy that can differentiate particular firms. Once differentiated, firms can then begin to gain an advantage over the competition and reap the rewards of this simple, yet effective atmospheric tool.

Chapter 3

Managerial Application to a Bakery

This section will focus on the managerial aspect of marketing a full service bakery to consumers. Full service bakeries are those bakeries that offer customers with a wide range of products. These products could include pastries, doughnuts, candies, and cakes. Some bakeries would even serve specialty drinks such as hot teas, coffee and cappuccino drinks, and maybe even smoothies for the hotter months. To successfully implement a scent-based marketing campaign in a full service bakery, one would need to understand the bakery demographics, product lines, the overall marketing mix of products as it pertains to a specific overall marketing strategy and then apply these concepts to an atmospheric based marketing strategy.

Demographics

Consumers of bakery products cover a wide demographic; therefore most of these trends are based on casual speculation. (Each bakery would serve different demographics, so these speculations are drawn from general knowledge. Research in each bakery should be performed to completely understand their own target demographic). Those who usually are patrons of full service bakeries are primarily women or those who are celebrating a specific function. Specific functions could include Christmas, office parties, birthdays, and weddings. These types of patrons would benefit from specialty cakes and cupcakes, or other finger foods like cookies and doughnuts, depending on the specific function's needs. Moreover, those patrons

who are married and have children capture 31.6 percent of the prepared desserts market share (Best customers demographics of consumer demand, 2012). Other patrons would include educated individuals who prefer to “patronize coffee/bagel restaurants (Waldfoegel, 2010), and those who are tourists in the town where the bakery is located, as well as the general town’s population.

Age is also a factor in the bakery demographic. Based on the Best Consumers Index, those patrons aged 45 to 64 captured almost 47 percent of the market share for prepared desserts (Best consumers demographics of consumer demand, 2012). Those in this age demographic would be the primary demographic to target, as these consumers usually have stable jobs and more disposable income to spend on sweet treats.

With any local store there will always be “regulars” who attend and the goal of the overall marketing strategy would be customer retention to generate more “regulars” for the bakery. The main customer base, however, would be women and those who are celebrating a specific function.

Product Lines

Briefly mentioned above, standard full service bakeries provide all sorts of sweet treats for patrons. However, those treats that set one bakery apart from another could be special to a particular bakery. For instance, Rembrandt’s in Chattanooga, TN, offers guests coffee cups made from chocolate that are filled with a chocolate-coffee mousse. Another example of specialties to a particular house would be Carlo’s Bakery in New Jersey. Specifically Italian, the owner, Buddy

Valastro, offers patrons with highly specialized cakes for any occasion. These cakes can be decorated in any way, as Buddy makes use of a particular bakery product called fondant. This sweet dough can be molded into any shape, can cover wedding cakes for very smooth finishes, and can even be used to make special characters such as Mickey Mouse.

Moreover, some bakeries may even offer seasonal items to customers. One such bakery located in the heart of Boone, North Carolina implements this strategy. Stick Boy Bakery offers customers with a variety of breads and cookies and cakes. However, items are only available in certain seasons. This bakery does not focus on specialty cakes.

In order to fully develop a signature item, a Bakery must decide what it does well. Is the particular bakery in question good with fondant? Or does the bakery make excellent doughnuts? Possibilities are endless, but when developing product lines, bakeries must focus on what they do best and which market they want to target. Full service bakeries may try to offer clients with all services, but the quality of those services may not be up to par with customer preferences. Therefore, it is more imperative to market specialties of the particular bakery, rather than the total sum of products.

Marketing Mix

The overall marketing mix refers to the price, place, product, and promotion. This mix could be better simplified by thinking of the mix as the total benefits and value a particular product or brand can offer a customer. For example, Wal-Mart offers customers with easy shopping locations, value in pricing, a wide variety of

products, as well price matching and other promotions offered to customers when shopping at the store.

For a bakery, the four “P’s” would be a little harder to pinpoint. In terms of place, bakeries may not have much say in the matter. Oftentimes, these small businesses are subject to the hassle of finding a storefront to rent. Many small business owners may not have the capital to start from scratch and build a store. However, if a bakery manager decided there was a place to choose a location, then situating the bakery in a large city would be ideal, and preferably situated in a downtown area. Downtown areas and big cities allow for a broad customer base with which to do business. Also, large cities may provide a bakery with the opportunity to branch into a special niche market, such as highly specialized cakes. When considering price, bakeries have plenty of options to choose from, but most certainly would hit a ceiling on what they could charge customers. However, as specialized products increase, so do their prices and returns. In terms of promotions, bakeries usually offer customers discounted day old bread. Other promotions could include discounts for senior citizens, veterans, or students. Many stores today participate in these types of promotions. Products, as mentioned above, are virtually endless. However, the bakery must maintain focus on their particular strengths and weaknesses.

Each bakery would be encouraged to figure out what works best for their particular store, as slight changes in any of these factors of the marketing mix can change the whole mix itself.

Marketing Strategy

Generally, a marketing strategy aims to increase sales and gain an advantage over competitors. These plans usually last a couple of years and rely heavily on the firm's internal and external characteristics. Strategies implement changes to bolster certain areas within the company or adapt to changes outside the company. SWOT analyses are an easy way to label the internal and external characteristics of a firm. However, a strategy puts these labels against a plan of action to further a company or brand.

Bakeries would be best off by using Smith's "differentiation and segmentation strategies." Smith implies in his strategy that firms could "bend the will of demand to the will of supply." (Smith, 1956). Simply, firms could distinguish some aspect of their marketing mix apart from their competitors in order to gain an advantage. Every bakery will have some aspect that it is famous for whether that be Buddy's case with Carlo's Bakery being a premiere store for wedding and highly event specialized cakes, or Rembrandt's offering of their signature coffee chocolate cups. Each bakery set itself apart from the competition by pushing an aspect of its own marketing mix. The same should be done for any other bakery. Some bakeries may make the best bread in the world; some may have the best doughnuts money can buy. Bakeries must find out individual aspects of their own marketing mix drives customers to revisit their stores, and then utilize those aspects as much as possible.

Atmosphere

One such factor that a bakery can use to set itself apart from competitors is its store atmosphere. The research shown proves that atmospherics can be a powerful marketing tool for business; if a bakery can implement atmospheric changes to its brick and mortar store, then that bakery can gain an advantage over its competition without having to launch an actual marketing campaign; the atmosphere can do the selling.

Atmospherics covers a huge set of characteristics visible (or not visible) in the store. It would be impossible to cover all those here, so only a few will be mentioned, with a focus on scent atmospherics. In terms of setting the mood with lights, bakeries can be successful with partially dimmed lighting in seating areas. However, those lights that shine on the products must be much more powerful, as products in a bakery are often more ornate than other food service industries. Colors in a bakery could range from blues, to yellows to reds and may even correspond to the season. However, a growing fad in today's market is the display of local artists. Many food service locations offer customers with a live band on certain nights and may display artwork from local artists. These artists' many colored canvases, along with sounds, would be beneficial for a bakery to implement market differentiation.

As for scent atmospherics, bakeries have many advantages and disadvantages they must face when implementing these tools. Bakeries are known for their sweet treats, and those treats do smell good. However, it may be impossible

to pinpoint on a specific scent to use in conjunction with the bakery brand, as the scents of all the baked goods may mix.

To Mix or Not to Mix: Finding the Best Matching Scents

The method of producing an in-store scent would be fairly easy and effective if the bakery decided to allow all the scents of production to intermingle. As research shows, women (one of the main target demographics for bakeries) prefer sweeter scents like vanilla. However, choosing one scent to release in the bakery would be much harder. Ovens usually will emit scents through production. Those items that are cooling would have to be completely sealed in order to keep their scent from lofting throughout the bakery. Also, if a certain bakery decided to make coffees and smoothie drinks, those production processes would have to be in a sealed room. Once all production aspects are enclosed, then the bakery could use any type of scent releasing product to create the ambient atmosphere. However, this second approach may not be practical.

The cost of enclosing all production aspects would be astronomically expensive. Moreover, the enclosures may prohibit workflow. Food service industry workspaces must be fairly open and easily navigable by employees. Without these types of spaces, employees could not be efficient in their production and serving of products. Moreover, the costs versus benefits of enclosing production spaces to brand with one specific scent would not be favorable, as the construction costs for enclosing spaces could not be outweighed by production and sales.

Therefore, it may be best for bakeries to allow the scents of their products to intermingle. As the human nose can detect more than 10,000 distinct odors,

customers could pick out the various smells corresponding to their favorite bakery treats. Furthermore, each distinct bakery would have its own distinct products with their own distinct smells. However, it may be important to the bakery to analyze when the store's peak hours are and what kinds of scents work best to bring customers to the door. For example, if a bakery is located in a downtown area and most people are shopping or on the streets at noon, perhaps the bakery could bake its best smelling item at this time. Moreover, each season would allow for a specific "house special" smell to permeate the streets. In summer, the bakery could produce very fragrant citrus smelling cakes and pies. In winter, the bakery could warm customer's noses with scents of cinnamon and vanilla.

As the bakery doors open, the scent would flow out of the bakery and into the street, pushing the store's atmosphere past its own brick and mortar boundaries. Within the store, customers would smell the scent, and in turn want to spend more time in the bakery itself, driving sales and profits. Moreover, the ovens of the bakery could be routed to vent outside the store, allowing scents to escape the confines of the brick and mortar store in colder weather. This type of routing would not be too expensive to undergo and would be included in start up costs, as it would be a cost necessary when first building (or renovating) the bakery. Unknown to the customers, the bakery is actually implementing its own segmentation strategy that has been deliberately thought out.

Unique Customers

With any such retail store, food or otherwise, there will always be an abundance of unique customers. While using, bakery owners would also have to

take into consideration the preferences of their customers. It has been evidenced that customers' memories are connected to the scents they may smell. However, what happens when a particular customer has a bad association with vanilla scents, or may even be allergic to a scent? What should the bakery do?

For practicality, the bakery must totally understand its target demographic and their preferences. However, one particular customer who does not like a particular scent of the bakery is not significant enough to disassemble the whole atmospheric mix. Moreover, those with allergies strong enough to elicit physical reactions generally do not visit stores such as bakeries. Warnings can be posted outside to further prevent any life-threatening allergic reactions. As long as the bakery uses general preferences shared by the target demographic, then the largest amount of customers the bakery can reach will be reached. It would be financially and physically possible to target each individual customer with atmospherics, as the tool requires the following of broad demographic trends.

Why Focus on Scent?

Understanding the demographics' preferences, especially when considering scent marketing, is very difficult. Research involving the effectiveness of these strategies takes lots of time and money. However, bakeries generally do not generate enough profit to undergo a full-scale research project to assay the effectiveness of its scent marketing. However, there are a few strategies the bakery can use to understand what scents work best with bakery customers.

First, bakeries would find it easier to allow the different scents of production to intermingle. The cost of keeping production areas enclosed is too high. In a sense,

the bakery would then pay nothing for physically producing a scent for its customers. This scent would accompany production and would be completely free.

Furthermore, bakeries could implement a type of customer survey to assay the relative effectiveness of the store's atmosphere. The survey could include questions like: Was there adequate lighting when choosing a product? Rate your overall impression upon first visiting the bakery. Should the bakery make any changes to its physical appearance? Were there any products that you smelled when you first came through the door? Which product did you consume and why? Customer surveys, although simple, are very powerful. Those customers who have an opinion on any matter of the retail setting will often fill out these cards and be very honest. Once these surveys are tallied, then those managing the scent marketing strategy can really gain insights into what works best in the bakery according to its atmosphere.

Conclusion

In conclusion, the power of using atmospheric elements within stores is boundless. As research shows, colors, lighting, store layouts, and specifically scent can have an effect on shopper behaviors and attitudes towards the particular store. Furthermore, using scent-based atmospherics is extremely beneficial and easy to implement when differentiating a bakery in a market segment.

Motivations

The author of this thesis chose to write about bakeries from the many dreams he had growing up of some day owning his own bakery. Since he was a child, the researcher has baked cookies, cakes, pastries, and tarts and shared that joy with others.

One such inspiration was his third grade teacher, who encouraged him to follow his dreams. The author often baked cookies to bring to the class. This habit of sharing sweets did not stop there, however. The researcher would even bake cakes for those birthdays he encountered in his high school years. Over the years, the author's cakes became more and more extravagant. In college, the researcher fully mastered many elements of managing a bakery. His time spent at Food City taught him the ends and outs of running a bakery. He learned to bake, inspire coworkers, solve problems, and even decorate cakes.

The author still has dreams of one day owning his own bakery and chose to draft a thesis that would help him understand bakeries from a marketing perspective. This thesis is the sum of that learning.

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