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SPAIN

Sensory Marketing Intelligence

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Sensory Marketing Intelligence – Abstract & Take Aways:

Abstract:

The third tide in Marketing, or Marketing 3.0, builds on top of the previous tides, the first being Transactional Marketing - marked by the famous 4P's to address the Mass Market - and the second being Relationship Marketing - marked by the usage of segmentation to address different segment needs and CRM - allowing Companies to deliver the ultimate multi-sensory brand- experience. This approach, based in Prof Bertil Hulten Sensory Marketing Model and its three explanatory levels, can be used to develop a Sensorial Positioning as the position a brand or company occupies in the mind of the customer in relation to the human mind and senses, or merely differentiate a brand.

The advent of Marketing 3.0 brings to the Competitive Intelligence function the need of being prepared to capture competitors' Sensorial Identity and Positioning, as well as, help develop its own. Sensory Marketing Intelligence intends to give the CI practitioner a framework to assess competitor strategic positioning, to map the market and identify white spaces or opportunities while leveraging Sensory Marketing strategies to competitive advantage.

Take-Aways:

- Understand the Sensory Marketing theory and Sensory Marketing Model, as per Professor's Bertil Hulten scientific based theory and use its Sensory Marketing Model as a base for developing Sensory Marketing Intelligence
- Capture Competitors Sensorial Positioning and do its Mapping
- Leverage Sensory Marketing Intelligence to a Competitive Advantage
- Anticipate internal customer (Marketing) Competitive Intelligence needs
- 1st mover advantage!

Why me?

- **Co-Founding Member CPCI (Portuguese Community of CI)**
- **ACI Accredited**
- **SCIP member**
- **15 Years International Experience in FMCG**
- **Competitive Intelligence, Strategy, Advisory, Marketing, Trade Marketing and Sales**
- **Invited Professor of Strategy in Master of Marketing Intelligence - Spain**
- **Invited Professor of CI in Master of Competitive Intelligence - Portugal**
- **Bachelor in Economics, Master in Marketing - Universidade Nova de Lisboa**

Agenda

1. Context
2. Sensory Marketing Intelligence (the need for)
3. Capturing Competitor Sensorial Identity and Sensorial Positioning
4. Examples

1. Context



The New World Order...

Key facts:

1. Needs changing faster » need to “touch the consumer” ▶ Relevance & Closeness essential
2. Global Competition » Information overload, lack of time, noise » attention span ▶ Harsh fight for Customers attention and time
3. "Time to Market" shortening ▶ Less "Time for Action"
4. All managers learn and are trained in the same schools ▶ Similar Ways of Thinking
5. Mass Marketing/Micro Impact » Not just a Product ▶ Think/Live/Experience Brand

...leads to a tougher Competition

Main conclusions:

- Individualization & Tailor-made as key – Exclusive / Individualism ► Micro Marketing
- Difficult to Innovate (in Communications, in new product/ services) ► Differentiated
- Use of Legal (Alliances or Joint Ventures) or Illegal (Counterfeit) means ► Speed / Time to Market
- Emotional, cognitive and symbolic Values more important in Marketing ► Feel
- From Mass to Experience Markets ► Bonding & Loyalty (unforgettable)



Need to develop and sustain competitive advantage

So... What is Competitive Advantage?

Competitive Advantage

Value

= Function / Cost

Market Vision

= Knowledge of the System's Evolution (Components)

System's Function Understanding
(backed by **Trends** allowing for Innovation)

Quality

= Performance to Specification



The difference? **Market Vision**

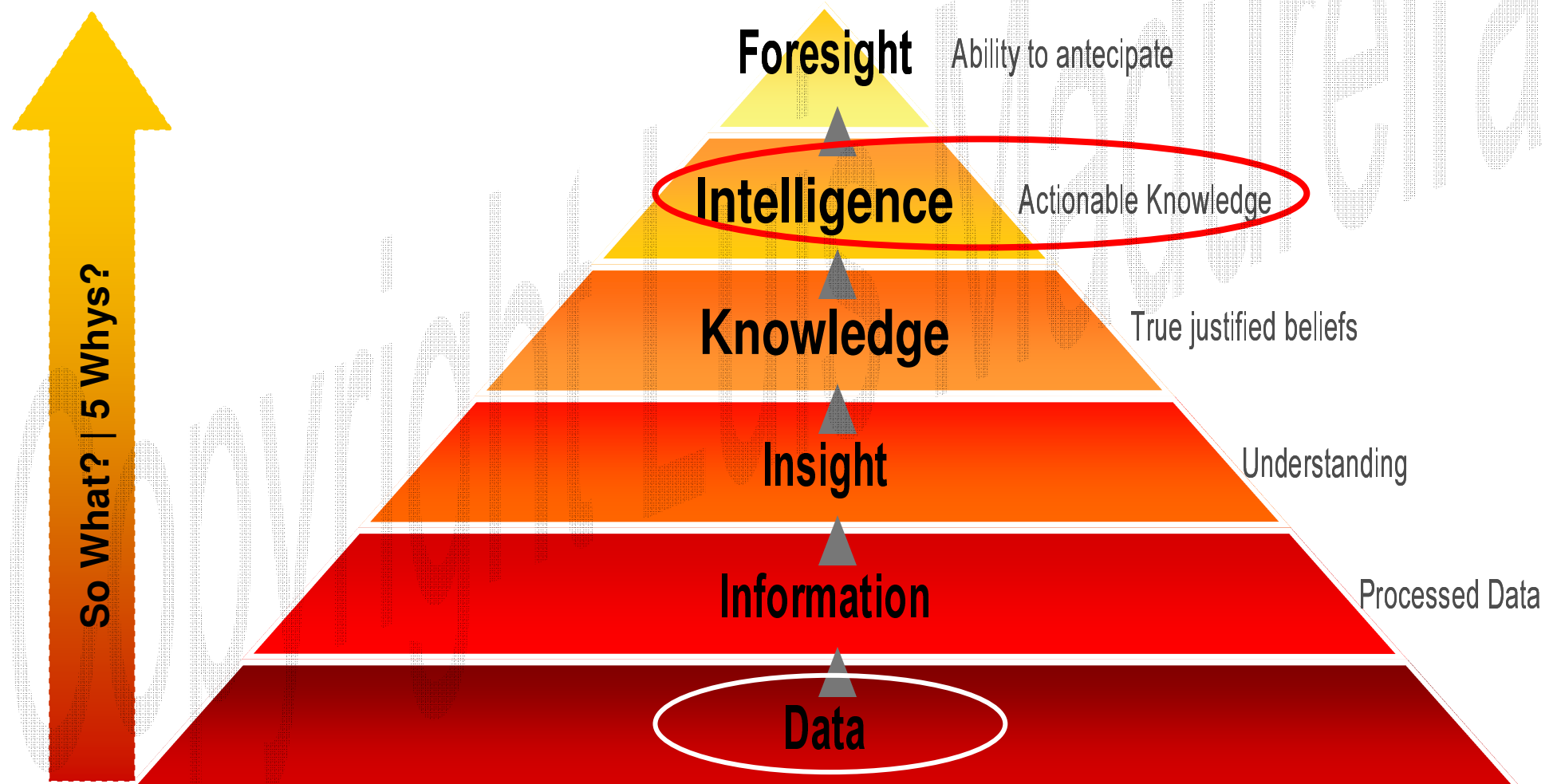
Allows for meaningfull Innovation that meets customer rapidly
changing needs resulting into a sustainable advantage

Sustainability \leq Innovation

Innovation = Creativity + Strategic Fit + Value
Needs + Technology

Common mistake: Ideation starts the innovation process

Innovation <= Intelligence

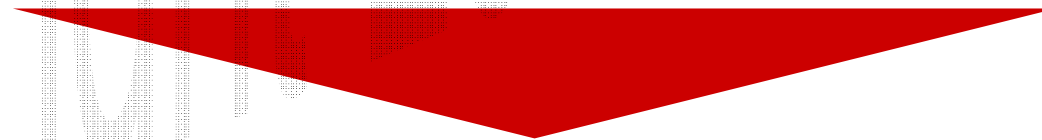


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Competitive Intelligence \leq Innovation 1st Step

CPCI SHORT DEFINITION

Legal and Ethical process
of actionable knowledge development
to suport decision making
in order to improve the competitive performance of organizations.



Industry Drivers
(namely Consumer and Technology)

2. Ensuring Strategic Intelligence



Driver <= Sensorial Strategies

- What business am I in? | Which needs do I care for? | Which aspirations do I give answer to?
- Who competes with my company / product / brand, catering for the same Need States?
- What experience do I provide to my consumers? How do I make them feel?
- And the competitors?



NEW BATTLEFIELD – SENSORY MARKETING

- Activating each of the five senses creates a bond between the feeling and the emotion.
- Make the consumer enter our Brand Sensorial Universe will create bonding and loyalty



NEW PARADIGM

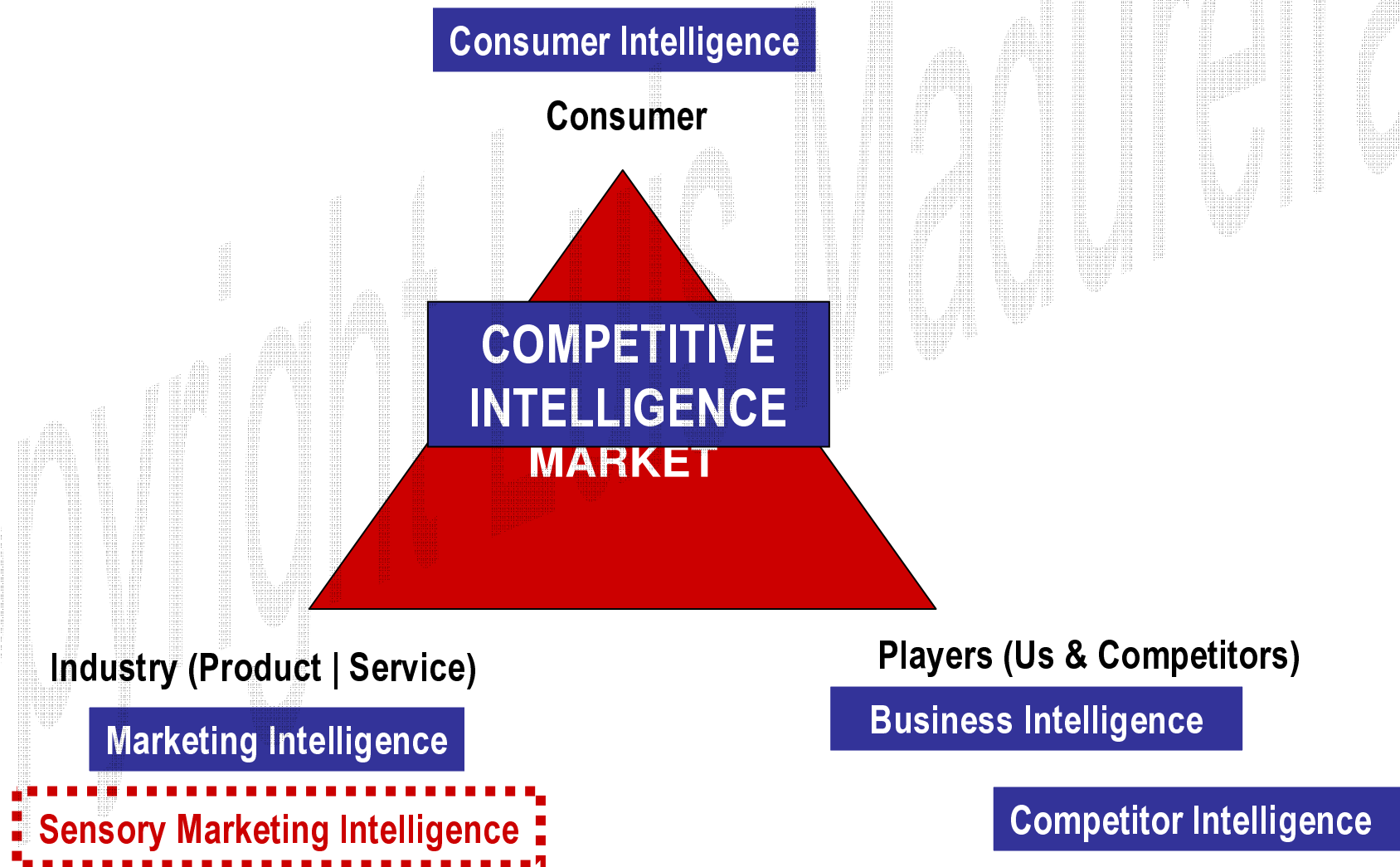
- Treating customers through sensorial strategies to accomplish supreme sensory experiences

Sensorial Strategies \leq Sensory Marketing Intelligence

Sensory Marketing Intelligence 'ELEVATOR PITCH'

Actionable Knowledge development
on the Industry's Sensorial Competitive Environment
to improve the Marketing performance
of our Organization and Brands.

here does it fit?



Wrap Up: Sensory Mktg Intelligence as the Answer?

Tougher Competition results in the need to:

1. Create and protect a specific Competitive Advantage
2. If not competitive in accessing Raw Materials and Labour costs then you need Innovation
3. Need to master Intelligence and be capable of influencing Communications
4. Create a gap through knowledge management in order to build Competitive Advantage
5. Sensory Marketing as a New Paradigm

A possible answer for developing such a Competitive Advantage:

Sensory Marketing Intelligence

3. Essential Positioning



2. Identify the required Brand Positioning

1. Begins with evaluating the company's market and market positioning
 - business goals and objectives, and its competitors in order to identify “white space”
2. Craft a Sensorial positioning and a set of image attributes
 - This first step can be a qualitative, quantitative or a combination of the approaches

Need for CI, and specifically, for Sensory Marketing Intelligence.

Positioning will then guide development of all individual sensory stimuli.

(series of detailed interactions with the company's customers, as well as discussions with a company's managers and by researching potential directions for positioning appropriate to the company's goals)

E.g. : If a positioning is based around a concept of “freshness,” it may lead to

E.g. 1: the use of upbeat sounds and a clean, fruity scent or,

E.g. 2: In the case of a hotel chain, the selection of towels that have a particular texture.

Sense

Definition

Concept

Brand Experience



Taste

- Most distinct emotional sense
- Entices customer to experience other senses
- Related to the customer's full sensory experience

- Sweet
- Sour
- Salty
- Bitter
- Name
- Presentation



Auditory

- Customers react with feelings to music (+video)
- Need to become more personal or individualized
- Creation of a brand signature

- Music / Voice
- Jingles
- Rhythm
- Tempo, Tone, Timbre

NOKIA
Connecting People



Visual

- Most powerful and seductive
- Brand awareness through use of a picture
- Basis for the Company/Brand Image
- Best sense to detect changes and differences

- Shape
- Light
- Color



Olfactory

- Closely related to our emotional life
- Long-term / lasting memory pictures
- Natural connection to a product
- Subtle scents can create unconscious affection

- Intensity
- Evocative
- Reproductive
- Pleasantness



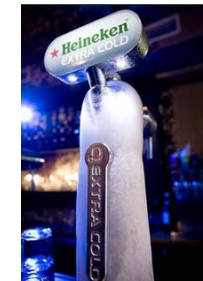
FRESH HANDMADE COSMETICS



Tactile

- Physical contact with the surrounding world
- Allows to feel the product and discover all the concepts associated with it
- Tactile Marketing
- Present when purchasing and consuming
- Impulse buying

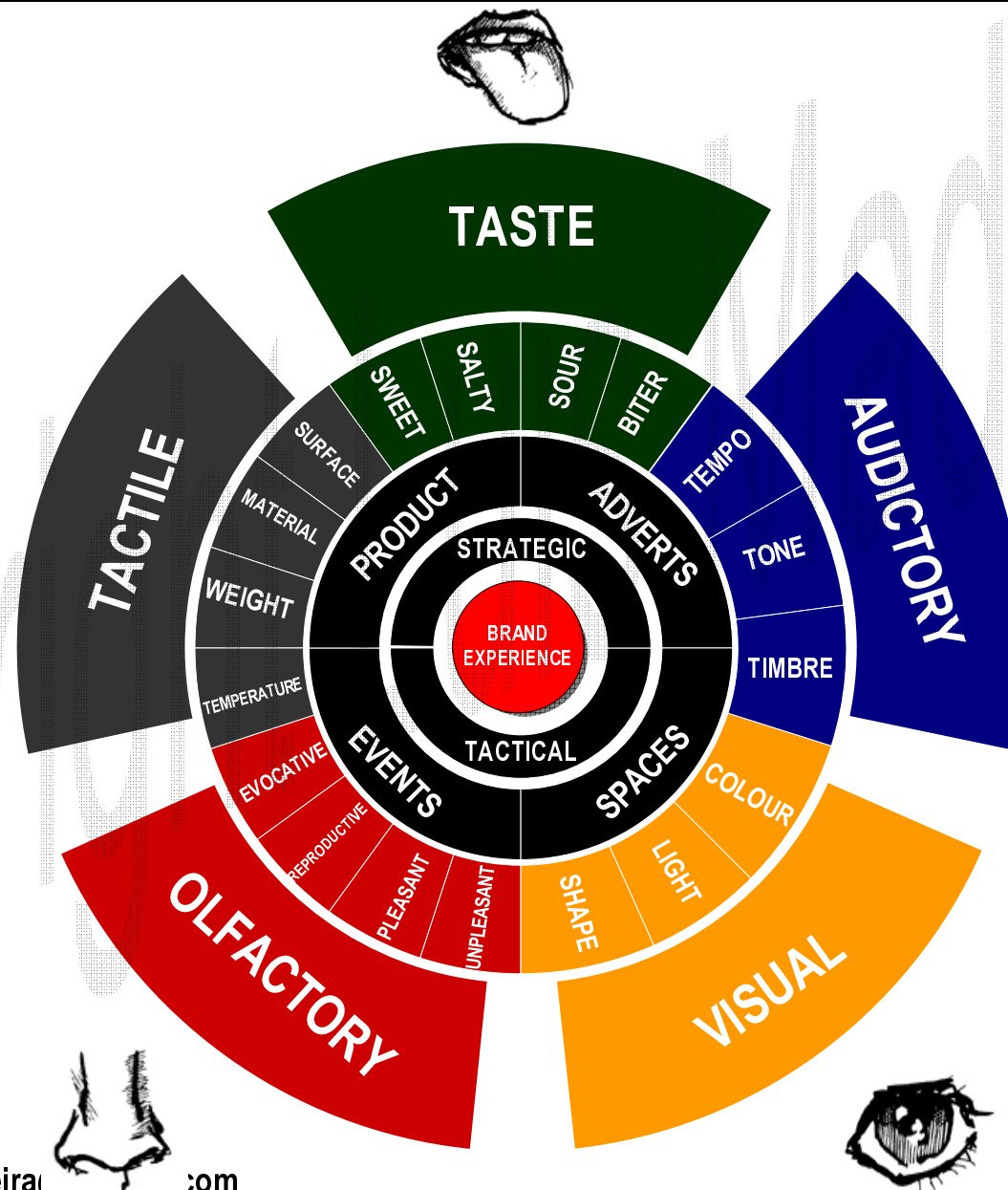
- Material
- Temperature
- Weight
- Surface
- Form



4. Practicalities



Sensory Marketing wheel



Background Videos

GAP History

GAP '09
Collection

GAP
American
Classic

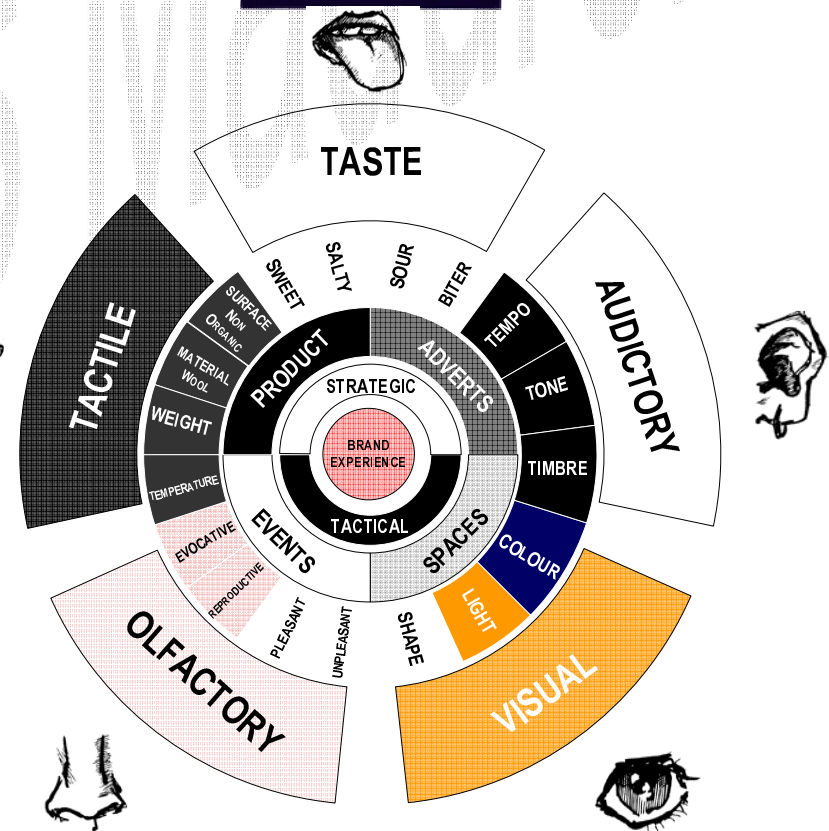
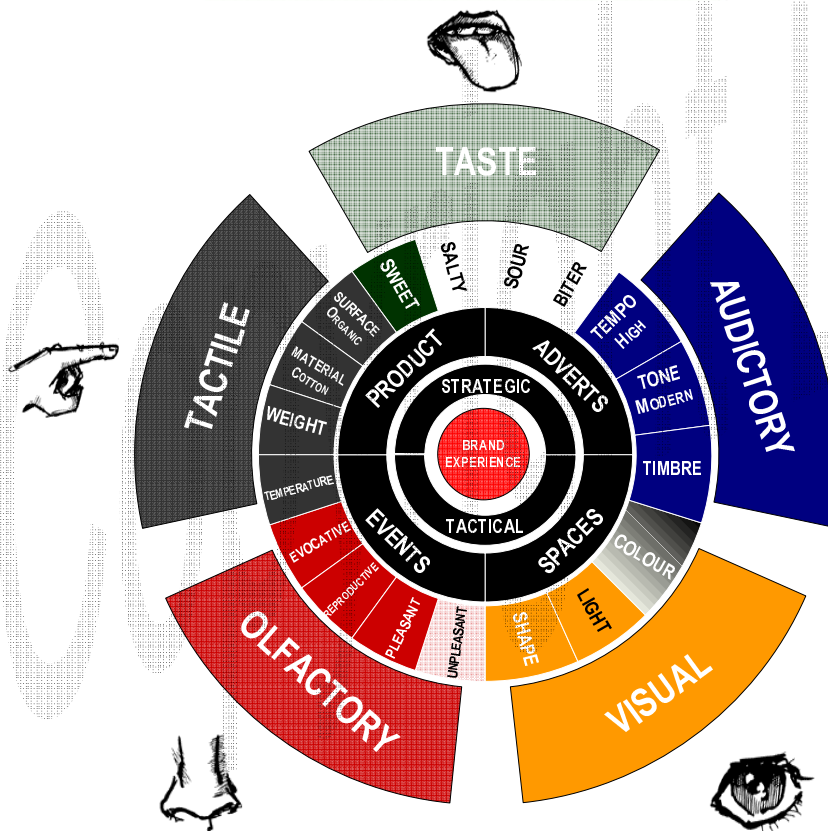
**Abercrombie
& Fitch**
TRADEMARK SINCE 1892

A&F
5th Avenue
Store

A&F
Models
Casting

A&F
Consumer
Experience

Analysis: Strategic, Static Vs Dynamic



EXECUTIVE SUMMARY



Executive Summary:

- 1. New World Order » No Nonsense Consumer » Tougher Competition**
- 2. Need to develop a NEW SUSTAINABLE COMPETITIVE ADVANTAGE**
- 3. Innovation as the source » Starts with Intelligence, NOT Ideation**
- 4. Sensory Marketing as a New Paradigm**
- 5. Need for Sensory Marketing Intelligence**
- 6. Use the Sensory Marketing Intelligence Framework**
- 7. Know yourself and the Industry Players and guarantee Strategic Fit**

Sun Tzu

***"It is enough, to adjudge the opponent correctly,
to concentrate one's own strengths and win the people***
– that is all"



Thank You!

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CPCI

Portuguese Community
de Competitive Intelligence

