

THE EFFECTS OF SENSORY MARKETING ON THE IMPLEMENTATION OF  
FAST-FOOD MARKETING CAMPAIGNS



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FAST-FOOD MARKETING CAMPAIGNS

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By  
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### ABSTRACT

Mass marketing strategies are failing in how to connect to customers and the need to seek out new concepts of how to reach their target market, and more importantly, how to remain in their minds and become the first and only option is presented. Sensory marketing is an emerging technique which integrates the five human senses in order to create a total experience which the customer remembers. An investigation of sensory marketing is being undertaken in this research using Au Bon Pain stores in Thailand as a case study in order to demonstrate its effectiveness in the fast-food industry.

Au Bon Pain stores in Thailand were investigated using the qualitative approach of triangulation, integrating secondary data provided by the company, an interview with Au Bon Pain management and direct observation of Au Bon Pain stores by the researcher. These sources were then compared and used in complementation to provide evidence for this study.

The results of this study show the effectiveness of the use of sensory marketing in Au Bon Pain stores in Thailand, through a reported increase in sales and the expansion of the company through new products offered and the opening of new stores. The company has adapted to the local Thai environment and has proven to be a

successful brand recognized through the country as a result of the implementation of sensory marketing.



Approved: \_\_\_\_\_



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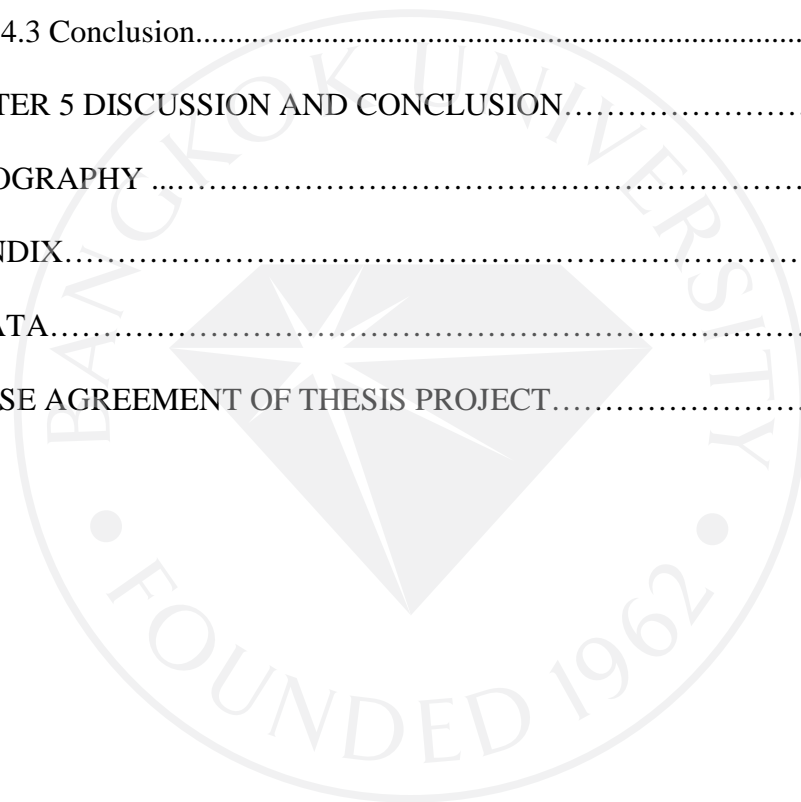


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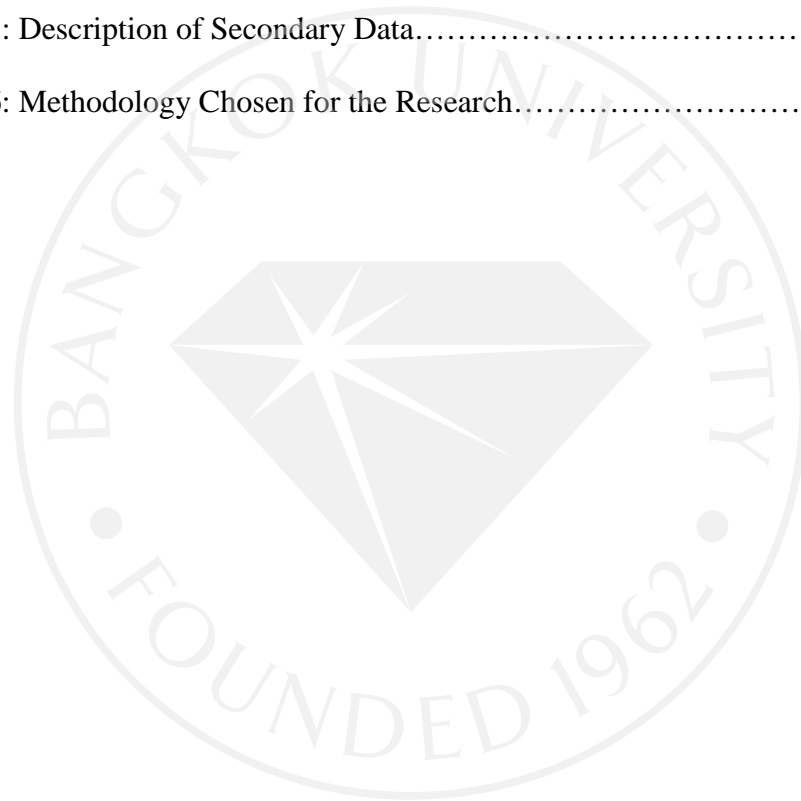
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# CHAPTER 1

## INTRODUCTION

This chapter introduces the research proposal for this study, where the background of the study, the statement of problem, the intention and reason for study, the research objectives, the major research question: sub-questions development, the assumptions, the scope of research, the benefits of research and the limitation of research are presented. The structure of this introductory chapter is as follow:

- 1.1 Background
- 1.2 Statement of Problem
- 1.3 Intention and Reason for Study
- 1.4 Objectives
- 1.5 Major Research Questions: Sub-Question Development
- 1.6 Assumptions
- 1.7 Scope of Research
- 1.8 Benefits of Research
- 1.9 Limitation of Research

### 1.1 Background

Traditional marketing strategies, for example advertising focus on attracting the costumer by auditory and visual communication only and it is here when a gap occurs and companies are lacking their brand performance; traditional marketing styles need to reinvent, looking to target customers in a personal and individualized way; where long-lasting relationships between customer and brand are created, with the use of creative advertising and the distinctive marketing communications. (Barwise, 2004)

Here is where the power of evoking the five senses is a new way of getting the consumer's attention, understanding that marketing must engage the consumer's sense and affect their behavior, which at the end would affect their emotions, perception, memories, preferences and the purchase decision. (Krishna, 2009)

Sensorial marketing is a revolutionary way for doing marketing. It is a wave of emotions given to the brand where the consumer can identify a value that will not be attributed to the benefits of the product or its service but to the brand to which it belongs.

To exceed expectations and experiences is the foundation of this wave, where the unconscious is constantly fed and manipulated by a dosage of creativity and appropriate experiences. Feelings and emotions that resulted from the external stimulation will travel to the memory and will register an event that will later on be turned into a desire to act upon it completely, and with this it will produce an original, pleasant, good and happy moment.

Therefore, as suggested by Bernd Schmitt, (Schmitt, 1999) "Marketing will completely change. The client will not choose the product or the service based on the equation cost-benefit, but for the experience that will be offered before the purchase and during its consumption. If the commercialization and the product or service offer a pleasant experience and satisfy your need then greatness will be archived."

The service will feel different, not one more that belongs to the crowd, and will allow the client to become surprised through relevant experiences where they can identify how it smells, taste, feels, looks and how the brand sounds. The purpose is to direct the efforts of the company to the conception as how they want to be perceived by everybody, recreating moments in which the clients will fall in love with the brand

because of their gratifying experiences. Also occurring is the immersion of the consumer with the products knowing that their decisions are based on their personal emotions and not on reality.

This research will analyze the case of Au Bon Pain, a successful company in Thailand that is implementing strategies of sensory marketing, looking to increase their product's and service's appeal. This study will develop a link between the strategies proposed by sensory marketing theory and what companies do when they are implemented in real life.

## 1.2 Statement of Problem

It becomes essential to power up the messages that brands want to transmit to their target market, as at this time new products developments are failing at rates that had not been imagined before; advertising campaigns are inadequate to make the customer desire the products or services they advertise. This leads to the thought that brands require something more, something that makes the customer buy new products or services, brands need to deliver a full emotional experience, appealing to the five human senses. (Lindstrom, 2010a)

According to new developments in the industry and researchers community, it becomes necessary to identify the concept of what sensory marketing is; seeking to identify successes in the implementation of this practice beyond a fashion trend.

It comes into consideration that traditional marketing methods have large gaps, and advertising campaigns are an instantly forgettable flash in the consumers mind; it is time for marketing to reinvent itself, and companies must find a better way to get to their target market and create a special bond between product/services and consumer. It is all about costumer individualization and brand experience; marketers

must look to develop a long lasting brand loyalty, creating and delivering sensory experiences. But how can companies accomplish this goal? The latest addition of marketing science goes beyond a new trend and is the one to propose the importance of evoking the five human senses when companies are establishing a brand image. (Hulten, 2009)

Marketers should reach the concept of what a brand image is, and establishing patterns or brand associations in the customer's mind and hearts; transmitting the message of offering the best product/ service in the market, which will satisfy the consumer needs as well as their expectations and desires. (Freemantle, 2004)

Nevertheless sensory marketing is a new concept, and the vital role of the five human senses in marketing campaigns is only being recognized, this acknowledgment will modify the way products and services are created and especially the way they are sold to the customers. What is important is how brands relate with their target market and how they can evoke powerful feelings that will affect what the customer buys. (Krishna, 2009)

### 1.3 Intention and Reason for Study

Facing the developed world where companies must have a globalized business plan, marketing is another link in the value chain that adds meaning to the way of how companies unveil their products and services. It is marketing that is responsible for meeting or creating consumer's needs, while making profits.

That is where new waves are important to enter into a competitive market with strong strategies, differentiating but remembered by the consumer. Today the traditional marketing methods have large gaps and the need to reinvent itself in new trends that go beyond a fashion, one of which is sensory marketing.



One of the authors of this trend is Carlos Fernando Villa G., who calls it "a strategy aimed at customer loyalty through a process of differentiation or added value in service delivery. It presents the client sense of unique and unmistakable value, providing an unforgettable experience that will encourage them to replicate and spread the consumer experience to their acquaintances, regardless of the price." (Villa, 2009)

Sensory marketing seeks to create a total impact of the five human senses, so that later this will be remembered as a good personal experience with a product or a brand. The consumer perceives the message from the sensory system, triggering feelings that together with new experiences will create a unique involvement of consumer/ product or service.

Mass marketing strategies are failing in how to connect to customers and the need to seek for new concepts of how to reach their target market and more importantly how to remain in their minds and become the first and only option is presented. In this matter the intention of this research is to analyze the characteristics and theory of sensory marketing and the importance of its implementation to establish suitable brand awareness, discussing the cases of Au Bon Pain Thailand and their sensory marketing strategies.

#### 1.4 Objectives

The research is aimed to identify the main characteristics and applications schemas used in sensory marketing to evaluate the effects in marketing campaigns, therefore, a case of implementation will be assess to establish the relationship between theory framework and practice. This will lead to create strategies based on the observations of the used of sensory marketing.

### 1.5 Major Research Questions: Sub-Question Development

Major Research question:

How does the implementation of sensory marketing campaigns affect brand image and the perception of products and services in the consumer's mind?

Sub-Questions:

How do the five human senses determine which products or services the customers like? How does emotional bonding affect the perception that consumers have of a product or service and of the brand itself?

What are the main strategies proposed from sensory marketing theory? Is their implementation for real life situations reachable where product/ services and customer are involved?

What are the requirements to develop an ideal synergy between product/ services and consumer's needs?

How a sensory experience with a brand will determine the way the purchase decision is made?

### 1.6 Assumptions

This research is based on the following assumptions:

The data which will be collected and later analyzed would be valid for this research only; meaning it can not be generalized.

Sensory marketing has an effect on consumer behavior therefore would affect consumer preferences and the purchase decision, which would present a change on sales and revenue.

This study will be subject to the availability of decision makers, manager and costumers of Au Bon Pain, and their willingness to participate in this research.

The strategies proposed by sensory marketing framework have different ways of implementation hereby would present different outcomes.

### 1.7 Scope of Research

This research will investigate the case of one successful company in Thailand Au Bon Pain and its application of sensory marketing. In order to recognize characteristics and application schemas, strategies proposed by the theory and make a link between practice and theory at two different branches, which will be the stores at the shopping malls Siam Paragon and Emporium.

### 1.8 Benefits of Research

This research will bring the concept of sensory marketing beyond a fashion trend, seeking to create an impact by the five senses, so that later this will be remembered as a valuable and unforgettable experience with a product/service and the brand. The implementation of these kinds of strategies will be analyzed in a successful company in Thailand, Au Bon Pain; this will make clear the direct impact of the application of sensory marketing, making as a result a bonding between the customer and the brand.

### 1.9 Limitation of Research

This research would have the following limitation:

The available budget and time for conducting this research is limited.

This study will be based on a case study, Au Bon Pain, and will bring a better understanding of how this company uses sensory marketing in their marketing campaigns, as a reference of specific cases; hereby the strategies and the collected data cannot be generalized.

The researcher was not able to obtain sales figures before and after the implementation of sensory marketing strategies in Au Bon Pain restaurants, however, a qualitative description of sales trends was given in the interview. Last but not least the research is limiting field sampling to three locations only, despite the fact that Au Bon Pain has 42 branches in the Bangkok area.



## CHAPTER 2

### LITERATURE REVIEW

This chapter present the literature review required for this study on the effects of sensory marketing on the implementation of marketing campaigns. This literature review chapter is organized as follows:

#### 2. Sensations Produce Emotions

##### 2.1 Perception

##### 2.2 Sensory Thresholds

##### 2.3 Sensory Receptors

###### 2.3.1. Smell

###### 2.3.2 Taste

###### 2.3.3 Touch

###### 2.3.4 Sound

###### 2.3.5 Sight

##### 2.4. Sensory Marketing

###### 2.4.1 Models Proposed by Sensory Marketing

##### 2.5 Objectives of Sensory Marketing Campaigns

##### 2.6 Sensory Marketing vs. Traditional Marketing

##### 2.7 Advantages and Disadvantages of the Implementation of Sensory Marketing

##### 2.8 Steps to Creating a Sensory Brand by Martin Lindstrom

##### 2.9 Steps to Creating a Sensory Brand by Bernd Schmitt

The literature review for this research is based on identifying the major strategies proposed in the theory of sensory marketing as the ideas and strategies of two of its creators, Martin Lindstrom and Bernd Schmitt, which will reveal the importance of “using fragrances, sounds and textures to enhance the appeal of a product or a service”. (Lindstrom, 2010a, p. 1)

Companies which are looking to add value are using sensory marketing in order to create a total impact by the five senses and a rewarding personal experience with a product/ service and a brand, seeking to develop a unique involvement with the product and brand performance; in this matter the appropriated use of sensations and perception play an essential role, trying to evoke emotions that at the end would transform the brand into a sensory experience that would go beyond what the customer sees.

Companies are losing track of their customers, and every day is more difficult to create a strong bond with them, which indicates that mass media marketing strategies are failing; this is the reason why individualization of the customer and brand awareness becomes an essential part of the marketing department, where the goal of the sensory marketing is to focus in satisfying customers developing experiences where the five human senses are in the center of their marketing campaigns.(Hulten, 2009)

Companies that have a strong relationship with their customers are the ones that are building unforgettable experiences to offer them and to share with them. Nowadays customer are looking for more than the right product at the right time and price, they are looking to be satisfied with thrill and the pleasure that the experience with the brand can print in their memory. (Clegg, 2003, p. 14)

## 2. Sensations Produce Emotions

It is important to examine the impact that the sensations have in the emotions and in turn their impact on the memory, where according to the degree of intensity of the experience would create a memory that would evoke past experience. Emotions are intense, stimulus-specific affective states. The emotions that occur can be of two types: basic emotions and complex emotions. The first refers to basic components of human beings lives; we can find this type of emotion all around the world, with the special feature that facial expressions are similar across different cultures, an example of which is sadness or joy. The second type evokes a combination of basic emotions like nostalgia; most of the emotions that marketing generates are complex emotions. (Schmitt, 1999, p. 123- 125)

“Emotion gets our attention through our senses - which then influence our decision making processes. Brands that create an emotional connection to consumers are much stronger than those that don’t – it’s as simple (and complicated) as that.” (Lindstrom, 2010a, p. 4)

Emotions are uncontrolled feelings triggered by environmental events, which could be internal or external events. Even though emotions are associated with human behavior, the situation and own perceptions across different individuals and cultures will determinate the intensity of the emotion and the degree of how the behavior would be affected. (Hawkins, 2000)

In this matter it is important to make a clear differentiation between feelings, emotions and moods; feelings are describe as specific sensations, for example anger or joy; the emotions are the responses to feelings, generally short-term meanwhile moods are longer-term collections of feelings. (Freemantle, 2004)

When talking about the memory, we are referring to the storage of learned information that human beings keep through their lives; there are two types of memory, the first is the short-term memory that works as a snapshot photo, meaning that this type of memory is responsible for storing the information for a specified period of time. The second type is the long-term or eternal memory, which starts building since childhood, holding events for long periods of time. The way that the information is encoded when it is perceived determines how it is stored in memory. (Solomon, 2007.)

“The memory influences the information humans are exposed to, attend to and the assignment of interpretations. At the same time, memory itself is being shaped by the information it is receiving”. (Hawkins, 2000, p. 285)

Therefore it is said that human beings behave according to the encodings that are stored in their memory. What is not stored in the memory will not create an experience, and without an experience it is not possible to generate a behavior. It is important to state the appeal of sensory marketing in the industry, which is to develop an experience between the brand and the consumer; the result of this behavior will be translated into sales. What is pursued by sensory marketing is to tattoo the brand in the consumers' minds by stimulating continuous repetition of an experience that will determine future involuntary responses. (Vieria, 2009)

External Stimulus → Perception → Mood → Behavior

Figure 1: Process of Creating a Behavior.



Source: Viera, J., (2009). *Emotional engineering (how much emotions influence the purchase decision)*. Colombia: Asomercadeo

“Experiences create learning, and what is new is attractive. What has been learned or experienced does not arouse people’s attention. That is why reinventing the brand with unique experiences is a need based on the customers’ requests to feel special and not like a number.” (Montalvo, 2009, p. 4)

The products work also as marketers of the memory, where consumers could employ them to evoke memories from past experiences, either good or bad.

(Solomon, 2007.)

### 2.1. Perception

Before extending the concept of perception it is important to clarify the meaning of the sensations as they are unquestionably the means of communication between individuals and things. Through them, human beings can perceive the immediate responses of the sensory receptors; hereby the sensations are the means by which people have access to the environment around them.

As Michael Solomon states in his book of consumer behavior, sensation is the immediate response of the sensory receptors (eyes, nose, mouth, fingers, ears) to basic stimuli such as, light, color, sound, odors and textures.

The existence of at least three elements are acknowledged to be involved in the sensations: the stimulus, the sensory organ and the sensory relationship, which are factors that influence the way people feel and experience something in the environment.

Here is where perception is playing an important role; perception is the process of assimilation and engagement of the sensations that are

interpreted once internalized, organized and selected by the individual who experiences them, and this would help to form an idea of the world; it is the critical process that links the individual consumer to a group, situation and marketer influences. (Hawkins, 2000)

The perceptual process suggests three stages through which the individual gives meaning to the stimulus, according to their own prejudices, needs and experiences.

Figure 2 and figure 3 will show the perceptual process and how the stimulus will affect the purchase decision of customers.

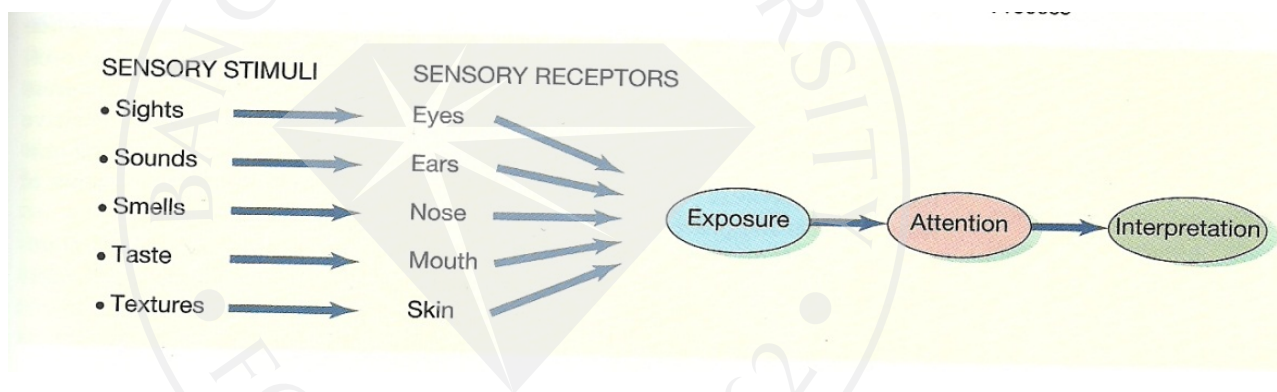


Figure 2: Overview of the Perceptual Process.

Source: Solomon, M. R. (2007.). *Consumer behavior* (5<sup>th</sup> ed.). London: Pearson

Education.

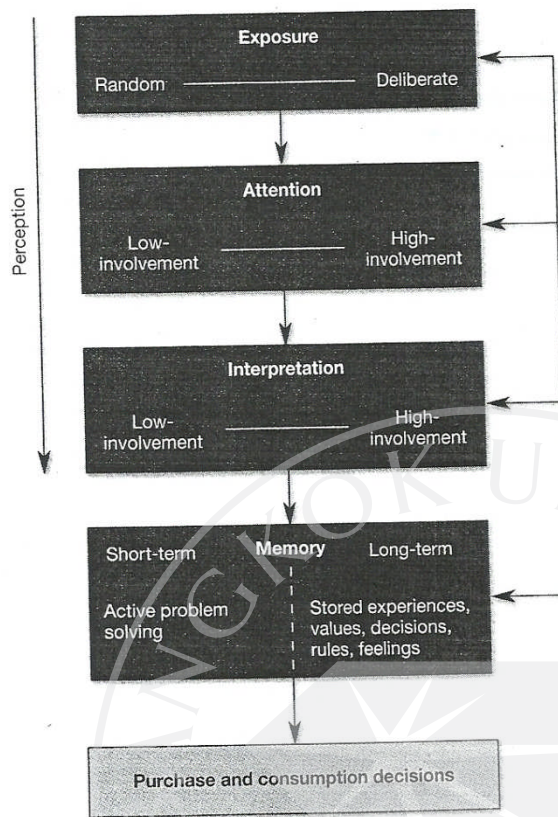


Figure 3: Consumer Decision Making Process

Source: Hawkins, D. I., Best, R. J., & Coney, K. A. . (2000). *Consumer behavior: building marketing strategy* (8<sup>th</sup> ed.). USA: Mc Graw Hill.

Exposure occurs when a stimulus alters a person's sensory receptors nerves for example through a print advertisement or a TV commercial. The attention for its part refers to the degree to which people orient these stimuli within its range of explosion, with a focus to a specific stimulus that reflects the level interest has the stimulus for the individual; in other words attention occurs when the sensory receptors nerves are activated and the sensations goes to the brain. And then there is the interpretation which is the meaning ascribed to sensory stimuli, the message would be shaped by the situation, the individual itself and the characteristics of the stimulus. (Hawkins, 2000)

The process of recording an event begins when a sensory stimulus is perceived by different sensory receptors; such information is received by the amygdala, which is a set of neurons whose main function is the processing and storage of emotional reactions. This is where coding is performed; after making the classification if the message is appealing or not, the information passes the pituitary gland where it classifies and interprets the different levels of association of the emotion after this comes the registration of the event where the behavioral footprints are made. (Vieria, 2009)

Marketing stimuli are important sensory qualities; they are based on colors, smells, sounds, tastes and even the "feel" of the products. Not all feelings pass successfully through the perceptual processes. Many stimuli compete for the attention and most are not captured or accurately learn. People have different thresholds of perception. A stimulus may be present at a certain level of intensity before being detected by the sensory receptors. Besides this, a consumer's ability to detect whether two stimuli are different is an important aspect of marketing in many contexts, such as changing the design, packaging, altering the size of a product or price reduction.

## 2.2 Sensory Thresholds

The sensory threshold is the minimum amount, or intensity, that must have the exact measure for the occurrence of proper receipt of a stimulus. There are two types: the absolute threshold and differential thresholds; the first indicates the minimum amount of stimulation that should be performed to discover the stimulus in the sensory channels. In contrast, the differential threshold is responsible for detecting changes in the performance of a stimulus. It is this that allows customers to

see the change in packaging design or variation in the size of a product, which is why it is important to marketing management and brand management. (Solomon, 2007., p. 50-51)

### 2.3 Sensory Receptors

“We experience practically our entire understanding of the world via our senses. They are our link to the memory. They tap into our emotions, past and present.” (Lindstrom, 2010a, p. 13)

#### 2.3.1. Smell

Although it is the brain that interprets odor; the nose, which is the olfactory organ, is responsible for collecting and perceiving the different odors and chemical compounds that are transported in the air.

The sense of smell is the most sensitive of the senses, and is better able to evoke memories; because odors are able to evoke emotions and memories, these are responses to scents that are the result of early associations that could recall good or bad feelings, and that explain the relationship between smell, memory and mood. For example, a pleasant sensation is recorded in our brain associated with a specific smell, and every time you perceive this odor; you would recall the feeling of pleasure associated with the specific fragrance, and will so forever. (Solomon, 2007.)

The olfactory system has the capacity of identifying an endless list of smells that surround humans every day. These scents evoke sensations, images, memories and associations. The sense of smell affects us substantially more than we are aware of; it's a vital role in human survival, acting as an alert to keep distance from danger, from fire for example. (Lindstrom, 2010a, p. 96)

The perception of smell is not only to the sensations of odors themselves, but the experiences and emotions associated with these feelings. (Fox, 2009)

Unfortunately, companies have not realized the power which the sense of smell has to strengthen the positioning of a brand among the consumers; that is why it is essential to create a specific brand scent which would help to give a clear difference from the competition, for this is important to answer questions like: What do you as a marketer want to transmit to the customer?, What is the feeling you want to evoke when the customer enter the shops, stores, offices, rooms where the brand is present?. The answers should go hand in hand with the nature of the business and the strategic segment of the product.

Each of the components that constitute an aroma has a meaning and transmits specific sensations. The right mix of them helps to fully explain what the brand wants to tell to its customers, whether it is technology, safety, proximity, versatility, professionalism, originality or commitment. Although it is hard to believe, there are companies that specialize in developing a fragrance that contains these ingredients, which aids in building the brand and attracting customers. (Michelli, 2006)

### 2.3.2. Taste

Taste is the weakest sense of all, and needs the sense of smell to determine the aromas of the products. These two senses are interlinked and known as “the chemical senses”, which means that both are able to sample the environment. (Lindstrom, 2010a)

Taste buds, also known as taste receptors, are small lumps that can be found at the base of the tongue, and it is thanks to them that we can distinguish different types

of sensations called flavors; it is notable that humans have the ability to distinguish four basic tastes which are sweet, salty, bitter or sour.

To enjoy an exquisite meal, accompanied by a bubbly drink, is perhaps one of the most exorbitant pleasures a person can experience; the tidal wave of flavors through taste can be felt, rather than a routine to feed and thus provide the body with nutrients that are essential to carry out the duties and the cares that life brings today. It transcends the moment that you decide to marvel the taste, feeling the different textures and enjoying flavors like sour, sweet, salty and even bitter, or just decide to have that special meal, that is usually indescribable. Words become too short for describing these emotions, and that is why this sense can be an extremely important strategy for marketing, because the brain has the capacity to relate and recall flavors, associating a good experience with the brand, and is here where using the sense of taste becomes a valid strategy that would evoke desires of which the reason is not understood.

“It is possible to take advantage of aroma without including taste. However, taste without smell is virtually impossible. Taste is closely related to smell, but it’s also closely related to color and shape. We as consumer’s associate color with certain taste: red and orange are sweet; green and yellow are sour; while white tends to be salty.” (Lindstrom, 2010a, p. 101)

### 2.3.3. Touch

Through the sense of touch it is possible to feel and perceive physical characteristics, such as smooth, rough, hot, cold, soft or hard. Humans are able to experiment essentially four types of sensations: pressure, temperature, texture and consistency.

The skin is the largest sensory organ in the body. It is stimulated by the shape, texture, consistency and temperature of a product, and for this reason, it is called the moderator of the relationship between consumers and their experiences with the products in the market place.

This sensory channel is linked to and regulates mood, and has provided associations that generate experiences that can reach the skin, whether from the hug of that special someone, a luxurious massage or from the wind on a spring afternoon. It has been proven that touch is a factor in sales interaction. (Solomon, 2007.)

The tactile qualities in a brand are often not quite as obvious, but could define how consumers perceive the product, because how a brand feels has a lot to do with what sort of quality consumers attribute to the product. This is the reason why a bottle of wine with a screw top is perceived as low quality and it does not taste the same as the one that came with a cork; even though it is the same wine, it is just a matter of perception. (Lindstrom, 2010a)

#### 2.3.4. Sound

Through the ear humans are able to perceive different pitches (high or low), or intensity (weak or strong), or the volume and the direction of the sound, which contributes to its role in verbal communication.

Music is an effective way to go directly into the emotional mind, passing through the rational mind, and it is there in the emotional mind where marketers can find a paradise for consumers who purchase motivated by desire. (Gobe, 2006)

The sense of hearing is responsible for collecting the different sounds available and is one of the most used in marketing, because in many ways



hearing affects feelings and behavior of individuals, giving them the experience that the brand wants to transmit.

Sound has an immediate cognitive effect in the emotions and therefore in the memory. The separation of a brand name on specific sounds are called phonemes, and it has been demonstrated how these signals affect the assessment of consumers and transmit the meaning of the inherent properties of the product. (Solomon, 2007.)

An excellent marketing strategy is the association of certain sounds with products. We can see this strategy with Kellogg's the cereal brand, which has invested money and time in the power of auditory stimulus, testing their own crunch; in this manner anyone can be able to recognize their famous flakes.

As a tactic of the stimulation of this sensory channel, an important role comes to play on the creation of jingles and advertising music that differentiate each brand from its competition, softening not only the environment but also contributing to the characterization of the personality of what the company is offering, thus creating added value and emotions to the customer.

“Hearing is passive; listening is active. The sound of a brand should target both the hearer and the listener, considering that each one is as important in influencing purchase behavior as the other. While hearing involves receiving auditory information through the ears, listening relies on the capacity to filter, selectively focus remember, and respond to sound. We use our ears to hear and our brains to listen. Sound is emotionally direct and should be considered a powerful tool” (Lindstrom, 2010a, p. 73)

### 2.3.5. Sight

The eye is the organ of vision which aims to detect light and send it to the brain, where the objects are interpreted and identified.

It is sight which allows one to recognize the size, shape, volume, brightness and color of the elements in the environment and the distance between them and people.

One of the strategies used to stimulate this sense in marketing are the visual elements of advertising campaigns, store design and packaging of products, which communicate meaning to the visual channel by color, size and style. (Solomon, 2007.)

Images are able to communicate clearly what the words hardly say; this is the reason why it is essential to move from image to experience, the challenge being to transmit values, functions and to generate good feeling through experiences. (Nadeau, 2007)

Colors are recreated in the brain as a tool for cognitive and effective perception; they are used as a source of information. Being able to decode the reality from certain associations connected with the social experience. The impact of colors in the decision-making process is because the product is a symbol that indicates the personality and projects the image that people have of themselves and the environment, this being vital for the positioning and image of a product. (Herrera, 2011)

“Color manages our feelings; the mood influenced by the colors around us. Advertisers and marketers know this well and manage to blow our minds with a palette, influencing us with colors that are directly related to our mood”. (Oñorbe, 2011)

As stated above, the use of color is important in marketing strategies and campaigns, since color will affect the customer's behavior and perception of products directly, as an example the package of a product could evoke a luxury product or a low-priced copy, just by changing its color; this is one of the reasons why it is important to use multi-sensory communications, in order to improve the mass marketing strategy in a company. (Alder, 2001, p. 181)

“The total sensory symphony produces a domino effect. In the way impressions are stored in the brain, if you trigger one sense it will lead to another, then another... at which point an entire vista of memories and emotions will instantaneously unfold. Succeeding with two elements is only half a story; creating a synergy across the senses is, or should be, the goal of every brand on earth.” (Lindstrom, 2010a, p. 38)

#### 2.4. Sensory Marketing

Bernd Schmitt, Professor of International Business at Columbia Business School in New York City, was the first to formulate marketing outside its traditional outlines. He was also the first to talk about the impact of emotions in the purchase decision, and is the first who sees the need to replace marketing strategies based on the features and benefits of the products or services, for new strategies where the emotions and experiences are involved.

Customers are exposed and bombarded with advertising that looks to persuade and influence them to buy their products instead of the competition. Companies have the need to encourage customers to like them and buy their products and services; providing positive experiences where they can relate with the brand and where an

emotional bond will be the key to make a permanent relationship between company and customer. (Freemantle, 2004 )

Marketing needs to reinvent itself and points towards a vision where it is essential that the customer feels comfortable with the products, services and location where purchase is made. This is how this new trend called sensory marketing or experience marketing does it; it gives added value to the brand, trying to give a stepping point between its competitors and making the customer fall in love with the brand through unforgettable experiences that encourage the customer to transmit them with their relatives and making the purchase decision a habit.

As Schmitt says: “Marketing takes a new turn. The customer no longer chooses a product or service only for the cost-benefit equation, but the experience offered before purchase and during the consumption. If the product or service provides an enjoyable experience and satisfies the customer needs, success is assured”. Thus we witness the role played by the five senses in the relational world, where feelings and emotions should develop rewarding experiences that affect the purchase decision and customer loyalty.

Marketers have realized that emotions sell and the importance of creating emotional strategies in their marketing campaigns is a must do, for this reason companies need to develop a strong bond between their brands and their customers, where a relationship between emotions and the motivation to buy has to be present. It is all about emotional appeal and differentiation; “the emotional motivation does not only create a purchase decision, but takes the customer right through the buying action, from perception of need to post-purchase justification”. (Alder, 2001, p. 164)

Brands that practice sensory marketing put in their products a special charisma that will talk about the way of life of their costumers, seeking to identify with their needs. These strategies must show the perfect combination of sensorial stimuli, where the five human senses are involved to trigger the right emotional response. (Clegg, 2003, p. 72)

#### 2.4.1 Models Proposed By Sensory Marketing.

##### Model Sem (Strategic Experiential Modules).

This model tells us which experiences to create and helps to translate customer needs using five ways to create experiences: Act, sense, feel, think and relate.

Action to Schmitt refers to the creation of experiences through the behavior of customers, their lifestyles and activities, to change in the long term the behavior of those in favor of the product or service offered. As for sense, he defined it as tangible aspects that refer to the five senses. The feelings or emotional states try to include affection for the brand in order to influence consumers with positive or negative impressions. Thought seeks to make customers think, to reflect on the message to be transmitted. Finally, relate, described as the power to create social experiences, brings the individual into a social context reflected by the brand.

These five strategic modules are from experience, and each of them has an adequate structure and principles. Marketers should use them in order to offer to customers an enjoyable an unforgettable experience.

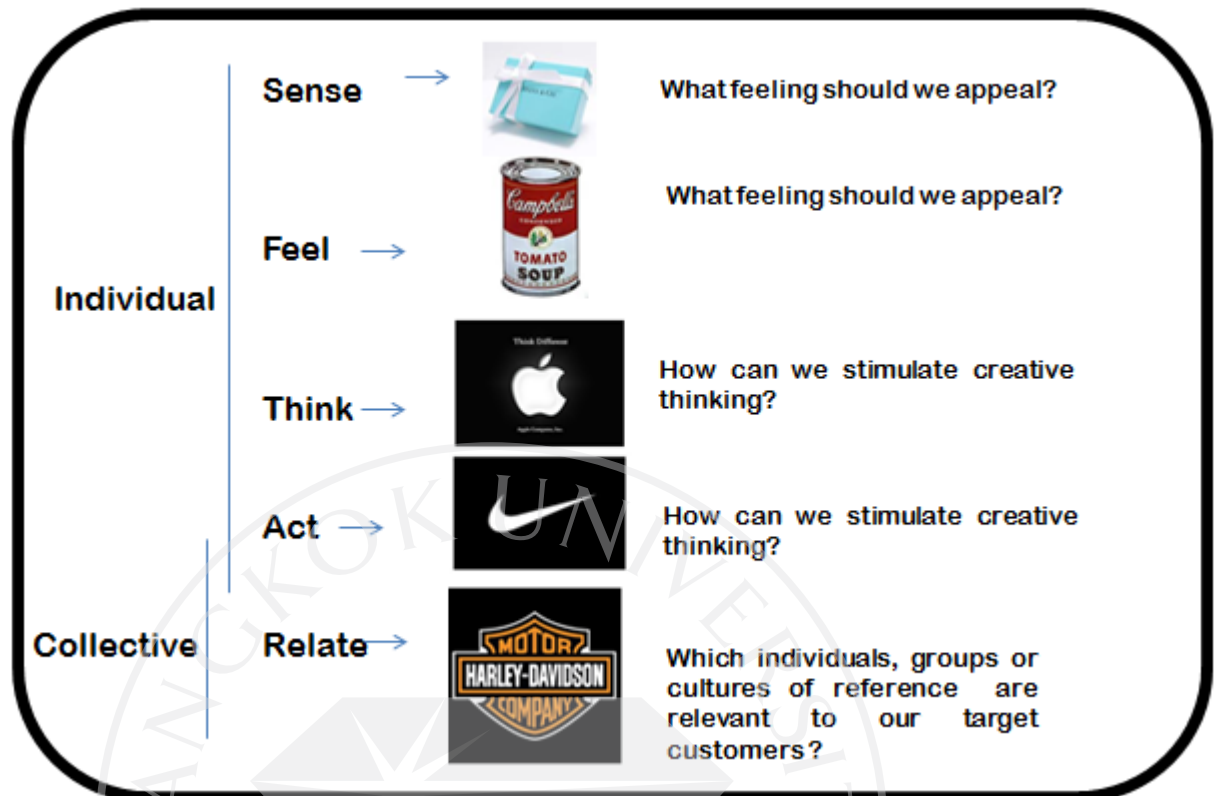


Figure 4: Model SEM, Strategic Experiential Module.

Source: School of Engineering of Antioquia, Colombia. (2008). *Marketing strategies*

*course*. Retrieved from

[http://www.gla.ac.uk/news/archiveofnews/2008/september/headline\\_92430\\_en.html](http://www.gla.ac.uk/news/archiveofnews/2008/september/headline_92430_en.html)

- Expro Modules

Here belongs the experience provider, which means the technical and tactical implementations that mention how to create an experience through the visual and verbal identity of the brand.

Bernd Schmitt talks of seven different types of Expro Modules, which are grouped into subgroups as follows:

- a) Communication Expro

This group concerns to the different channels that expose or communicate what the brand has to offer, either by text or images that at the end will transmit to the consumer what the brand is selling.

b) Identity Expro

It is essential that the brand has a specific identity, because a lack of it would create confusion among consumers and would give advantage to the competitors. Every company should do a personification of their brand, where recognition of the components is a requirement; this is why brands have a name and a logo that characterizes them among the competition.

c) Presence of Product Expro

This type of Expro belongs the product design, the packaging and the brand personalities; this last subject refers to the celebrities associated with the brand and its characteristics, as an example the marketing campaign that Dunkin' Donuts used in Thailand with the Korean presenter Lee Min Ho, where the company was targeting to young generations.

d) Co-branding Expro

In this category the brand is located in different events to target customers. These events symbolize the moment where the customer would evoke the use of the product, to finally allow them to identify the spaces and moments where the product should be in used. This will permit a remembrance of the brand and the desire to connect with it.

e) Enviromental Expro

This group mentions places where the brand recreates the experience they want to transmit to costumers. These places promote positive feelings that urge customers to

purchase, use and interact with the product; examples of these are trade shows, conventions, products launches, and stores where the brand is present, among others.

f) Web sites Expro

Websites are important not only to publicize the information of the brand, but are also essential to interact with the customers, providing them with good experiences where animation, audio and video are required, as suggested by Bill Gates: "Sales are the ultimate goal, of course, but the sale itself is only a part of the online customer experience. "

g) People Expro

The interaction between brand representatives and customers is one of the most effective ways to get to customers and to get to know the benefits of the product. This interaction will result in the purchase decision and at the end the customer's needs would be satisfied.

## 2.5 Objectives of Sensory Marketing Campaigns.

Before mentioning the three basic objectives of this theory, it is necessary to mention the five principles that describe sensory marketing theory, in order to give a better understanding of what sensory marketing is all about.

First, this theory sees customers as an emotional being, and therefore argues that their decisions are more emotional and sentimental than rational, which would lead to passionate decisions.

The second principle states that the customers' emotions are responsible for developing the purchase decision, generated by positive or negative feelings for the



product or service, that at the end would create a special link between customer and product, called loyalty.

The third principle suggests the need to understand the emotions, values, beliefs, feelings and culture of customers, in order to achieve a better knowledge in benefit of the brand; where marketers would have to develop qualitative research methods, which are not only aimed at meeting the needs, problems and expectations of customers as stated in the traditional marketing.

The fourth principle states how important the persuasion strategies in the relationship between brand and customer are, which seeks for a specific behavior using emotional communication.

The last principle of this theory describes how to achieve loyalty, developing a perfect and pleasant moment with the product or service and generating positive impacts through memorable moments of interaction with the brand. (Lindstrom, 2010b)

The guidelines for sensory marketing are:

Achieve to be identified from the competition, being at the top of the consumers mind, standing out for offering unique experiences with the brand.

Penetrate the heart, skin and veins of consumers, in order to trace and conquer their minds by emotional experiences.

Create intense and lasting relationships with customers.

These are the desires that underlie sensory marketing framework, which are measured by an increase in sales, the level of recruitment and the interaction between costumers and products or services. The “word of mouth” is also important as it reveals the experiences between brand and costumers, which at the end will be

transformed in loyalty, developing a sense of belonging and recognition. (Valdés, 2009)

The goal of sensorial brands is to find the way to related with costumers, in the less expected ways, to surprise them with the offered experience and to make them fall in love with the brand. The use of these marketing strategies will bring to the company a more effective way to communicated with and reach customers, because they will remember the sensorial experience they had with the brand and will seek and come back for more. (Clegg, 2003)

#### 2.6 Sensory Marketing vs. Traditional Marketing.

It is important to highlight the differences between traditional marketing and sensory marketing, in order to understand the benefits that this new wave could bring to any brand and how its implementation would help to capture and retain customers.

Traditional marketing focuses on the features and benefits in the functionality and performance of products or services; it considers customers as rational decision makers, who act as a response to the industrial economy. It aims to attract customers when they are doing the product selection on the shelf, where it generates the most emotional moment, since the product is in contact with the customer. It also states the importance of persuading individuals during the pre-sale and sale stages.

A fundamental theory of traditional marketing is the *marketing mix*, which describes the four P's of marketing: Product, Price, Place, and Promotion. These are the tools that an organization has to communicate with the customer, and are vital considerations of a successful marketing campaign. (McCarthy, 1993)

The service industry has increased significantly over the past century; therefore, the study of the marketing of these services is relevant to keep up with a changing time. Services are generally defined as deeds, processes, and performances. However, there is much overlap between the sale of goods and services. Relevant to this study, the fast food industry, while classified as a serviced, has many concrete attributes such as the food and how it is packaged. Therefore, a diversified approach is necessary to address the unique challenge of marketing to this type of service.

(Zeithaml, 1996)

An additional consideration for the marketing of services is that they are intangible and based on experience, rather than just the final product consumption, as traditional marketing dictates. To achieve a successful experience for the customer, marketing must evoke appropriate emotions, where the customer's senses are involved. (Lovelock, 1996)

To this end, marketing techniques have evolved into the practice of sensory marketing. Sensory marketing is based on the creation of brand concept, and brand image, building a perfect synergy between product or service and customer, and generating a higher consumption. This kind of marketing designs strategies from the

customer perspective, which is considered more emotional than rational, and which focuses on providing solutions and results instead of only products; it is based on customer and company collaboration in order to create emotional value.

(Lindstrom, 2011)

Sensory marketing incorporates the desire to provide and transmit holistic experiences, and aims to create links with the customer, creating loyalty as it focuses on the post-selling experience. This new wave of marketing is full of sensations, and

relies on different ways to transmit the message, using an effective response to the information, brand management and communications. It proposes the consumption or use of a product or service as the most important moment in which a brand can influence a customer, creating a long-term relationship.

Sensory marketing looks to create positive experience through the five human senses, making consumers fall in love before, during and after the purchase decision; it is all about the brand awareness and how this wave would help solve new marketing challenges. (Hulten, 2009)

#### 2.7 Advantages and Disadvantages of the Implementation of Sensory Marketing.

To be able to understand this marketing trend, it is fundamental to mention the advantages and disadvantages of it. This way the reader would have the tools to decide to implement this new wave in the current context, and would be able to determine whether or not the benefits of the creation of brand personality, which characterizes sensory marketing, are worth trying.

One of the key advantages of sensory marketing is the capability of including the five human senses, since the more senses that become involve in an experience, the more memorable and effective the experience would be. This would bring greater memories and synergy between the company's strategies and the customer's needs.

The memorability is another attribute that empowers the vision of the brand in the long term, which implies a possibility to reduce spending on marketing, because these experiences tend to be so rewarding that customers would be responsible for transmitting the message with word of mouth.

The brand is differentiated when the customer is making the purchase decision, and is there when the strategies of sensory marketing must attribute

emotional concepts beyond the tangible characteristics of the product, where the brand would improve its awareness and strengthen customer loyalty.(Lindstrom, 2007)

It is also important to expose the potential risk that may come when a brand uses strategies of sensory marketing; in the first instance, an improper use of the tools, such as odor dispensers or sounds can get out of control. An excess of these tools can cause the opposite effect and would create negative responses to the product or service. The company needs to have a high degree of brand awareness, which includes defining their target market, since the message must be in tune with the customer's taste along with the values and attributes of the product.

An improper management of the customer could be the bond breaker between brand and customer; this could be generated from an unpleasant experience. The message may be lost, and the consumer exposed to too many multisensory factors, which may delay or in the worst case mistake the concept the brand wants to transmit; for this reason, the experience must be pre-planned and evaluated for their effectiveness.

Unlike the risks mentioned above, the difficulty is creating a brand that customers would like, and that would fulfill their needs, and since everyone is looking for different things, all may vary depending on culture, religion or age. That is why the concept should be global but the application should be local, making it essential to have a full knowledge and understanding of the audience that the brand wants to captivate.

## 2.8 Steps to Creating a Sensory Brand by Martin Lindstrom.

In his book *Brand Sense, Sensory Secrets Behind the Stuff We Buy*, Lindstrom mentions a few steps on how companies can create multi-sensory brands; as shown by the following model.

Table 1: Steps to Create a Sensory Brand by Martin Lindstrom

Model: Steps to Creating a Sensory Brand By Martin Lindstrom	
1	Visualize each and every one of the brand components
2	Achieve the smash the brand philosophy; the customer must recognize the brand without its name and logo.
3	Fully understand the brand components and find the ideal mix to appeal.
4	Joining the brand components.
5	Launching a multi-sensory brand
6	The art of selling the perception.

#### 2.9 Steps to Creating a Sensory Brand by Bernd Schmitt.

In the other hand, Bernd Schmitt discussed in his *Marketing Book* the 10 steps that should be considered to create and correctly use sensorial brands, therefore transforming traditional marketing into more creative tools that make the customer “feel” the brand.

Table 2 : Steps to Creating a Sensory Brand By Bernd Schmitt.

Model: Steps to Creating A Sensory Brand By Bernd Schmitt.	
1	planned experiences: what kind of experiences the brand wants to transmit to its customers
2	Keep in mind the customers experiences: marketers need to get to know the customers, their preferences, lifestyle and culture.
3	Make the customer enjoy the experience: marketers must pay special attention to details.
4	Have an element that summarizes the brand; going beyond the company name or brand logo.
5	Think of the situation of consumption and how the customer would interact with the product or service.
6	Achieve complete experiences, developing supreme sensory experiences.
7	Define and control the sensory impact.
8	Use creativity.
9	Marketers need to consider how the experience would change in new situations
10	Add dynamism to the company, the brand must be versatile

As stated above, both authors Martin Lindstrom and Bernd Schmitt consider that for developing and creating sensorial brands, marketers need to follow a few simple steps that go through knowing all the brand components, clearly understand the customers' needs and culture, make strong but flexible marketing strategies, understand the role of the five senses in the branding process, and make sure to evoke memorable experiences that make the customer fall in love with the brand; "Companies can take advantage of every single human sense to build a better and more durable brand." (Lindstrom, 2010a, p. 104)

Both approaches complement each other in a unique way, where the model that Lindstrom proposed is more about the components of the brand and how to take advantages and make the most of them, he states how the brand needs to develop in order to connect with the customer in a deeper and permanent way, which would allow to affect their behavior and the purchase decision; In the other hand, the model proposed by Schmitt talks about the appropriated and multisensory experiences the brand needs to share with the customer, making them fall in love with the brand and all its components.

At the end both approaches give directions on how to implement a correct sensory marketing strategies, involving the five human senses and evoking good experiences that would increase a product's or service's appeal, which is the main goal of this marketing wave.

The secret to be successful developing a sensorial brand is to appeal to the five human senses, where the implementation of these types of strategies in a company's marketing campaign, will be fundamental in influencing the perception of customers

and changing their purchase decision, till the point of creating a long-term relationship. (Alder, 2001)

As stated through this literature review traditional marketing strategies need to make a change, coming from the use of visual advertising to developing a more creative and innovative marketing communications; is about building long-term relationships between brands and costumers, integrating the use of the five human senses with multi-sensory experiences and culturally sensitive strategies, that will bring the costumer closer to the brand. (Gobe, 2006)

The following figure will shows a precise summary of the literature review proposed in this chapter.

As the reader can see, sensory marketing seeks to create a total impact of the five human senses, so that later this will be remembered as a good personal experience with the brand. The customer will perceive the message from the sensory system, triggering feelings that together with unforgettable experiences will create an involvement with the brand, affecting directly the customer's purchase decision and bringing the customer's loyalty to the company, which is the final goal for its implementation.



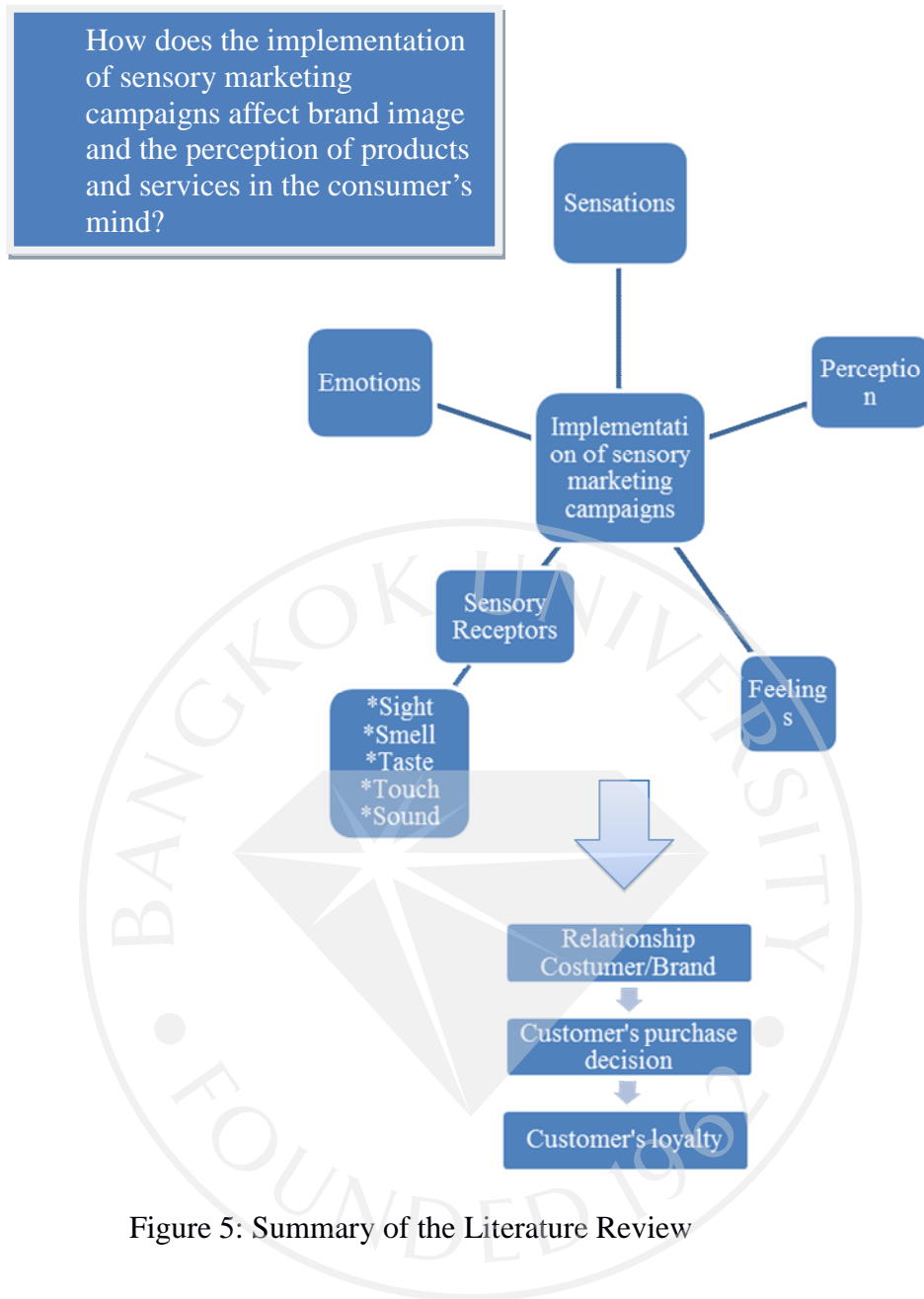


Figure 5: Summary of the Literature Review

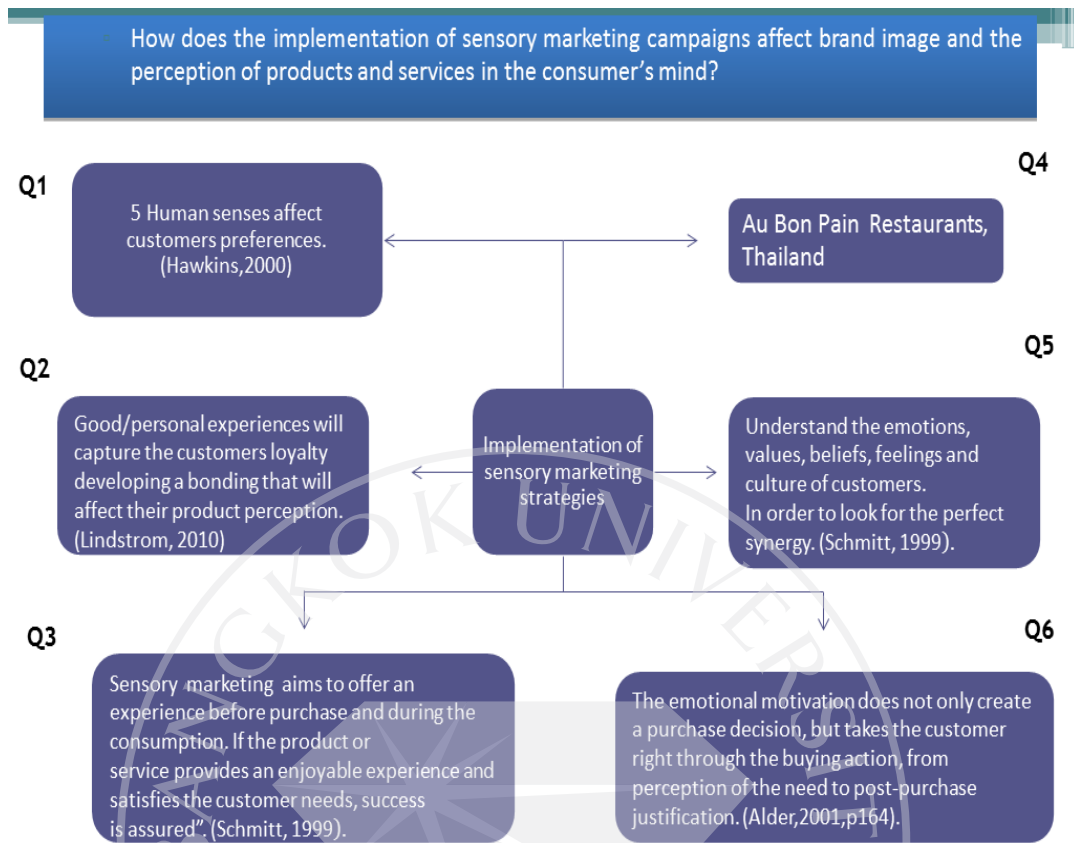


Figure 6: Implementation of Sensory Marketing Concept Map

## CHAPTER 3

### RESEARCH METHODOLOGY

This chapter explains the research methodology that will be used in this study; consisting of three main parts, as follows: the first part is the literature review of the research methodology, the second part is the description of the research methodology and sub-methods chosen for this study, and the third part the reader will find a summary of the ideas developed in this methodology chapter. The structure for this chapter is as follows:

#### 3. Literature Review of the Research Methodology

##### 3.1 Description of the Research Methodology

###### 3.1.1 Direct Observation

###### 3.1.2 Interview

###### 3.1.3 Secondary Data

##### 3.2 Summary of the Methodology

#### 3.1 Literature Review of the Research Methodology

First, this research will briefly discuss the difference between qualitative research and quantitative research. In addition, this study will discuss the qualitative research methods, such as Grounded theory, Institutional ethnography, Participatory action research and case study methodology. These will lead to justify which methodology is the most appropriated for the study.

The qualitative approach is a nonnumerical interpretation that talks about the observation of behavior. It aims to look for an understanding of the meaning individuals or groups to a social or human inquiry (Creswell, 2008). On the contrary

the quantitative approach is a numerical representation of the observation. Techniques such as collecting, analyzing, interpreting and presenting numerical data are used to develop the final written report. (Teddlie, 2008)

Grounded theory is an inductive approach of doing research, which allows the researcher to use collected data either qualitatively or quantitatively. It attempts to conceptualize the study of social life through the process of constant comparison; this methodology allows the researcher to be creative and scientific. Institutional ethnography, was developed and named by Canadian sociologist Dorothy Smith in the early 1980 as a sociology for women, but through time it developed as a research methodology that is based on “personal experiences of individuals, therefore proceeds to uncover the institutional power relations that structure and govern those experiences” (Babbie, 2010, p. 312). Participatory action research talks about the effects of social research when the subject (the individual being studied) has the control over the purpose and procedures of the research; this methodology is based on capability building, participation and empowerment. (Babbie, 2010)

In the other hand case study research is “an empirical inquiry about a contemporary phenomenon (e.g. “case”) set within its real-world context especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2008, p. 18)

In order words a case study research is an investigation that emphasizes on describing, understanding and controlling the individual and their characteristics of real life events, individual referring to small groups, organizations and managerial processes. (Woodside, 2010).

A case study research looks to answer specific research questions that can describe a phenomenon of an individual, large scale community or institutions; where an emic representation of reality is given by its variables. A priori theoretical notions are not required until the researcher collects the data, in that moment the investigator would have a more clear vision of the context where the phenomenon is developed. (Gillham, 2000a)

When using a case study methodology, the research will have a high quality analysis of the variables; will be well documented, because the use of a triangulation (use of different methods) and these will contribute to have theoretical understanding that will answer the research questions, which are stated in chapter one of this research. (Gilgun, 2011)

This kind of methodology is the most appropriated method for this type of research because it embraces the full set of procedures, starting by planning, designing and preparing the research, collecting the study's data, analyzing the collected data and presenting and reporting the results.

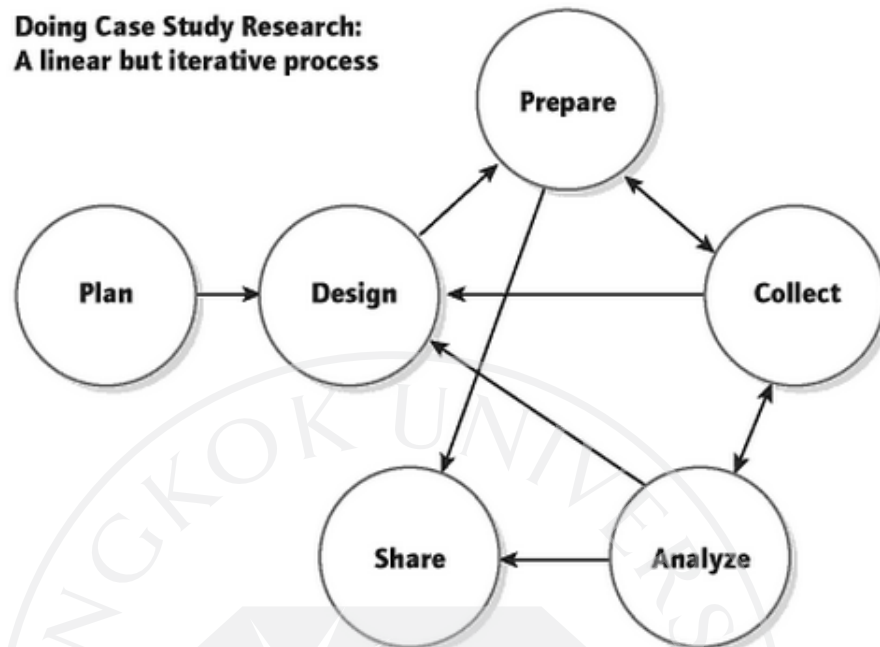


Figure 7: Doing Case Study Research: A linear but iterative process

Source: Yin, R. K. (2008). *Case study research: Design and methods* (4<sup>th</sup> ed.).

USA: Sage.

It is also appropriated because this research is looking to analyze and connect the case of sensory marketing application, at Au Bon Pain Company in Thailand, with a more real approach, trying to show a link between theory framework and strategies implemented in real competitive companies.

As stated by Robert K. Yin, (Yin, 2002) researchers prefer to use case study research method, when the forms of the research questions are “how” and “why”, when the investigator has little control over the events and the focus of the research is on a contemporary phenomenon within a real life context. Also, when more than one sub –methods are needed, in this specific study the researcher would use secondary data, direct observation and interviews.

“Case study research is very much like detective work. Nothing is disregarded: everything is weighed and sifted; and checked or corroborated.” (Gillham, 2000a, p. 32)

In a case study, the researcher and the research object interact often with each other, which would offer the ability to gain an insider’s point of view during the research process; which is considered the main benefit of this type of research methodology. Furthermore, it is a flexible methodology that has the capacity of using different types of sub-methods that would enable the finding of deeper outcomes. The weakness that presents is the challenge of developing concepts and theoretical framework on empirical findings. With this type of methodology the investigator is able to gain a deeper understanding of the phenomenon that would not be possible using a more distant research methodology. (Mills, 2010)

### 3.1 Description of the Research Methodology

This research will study the case of Au Bon Pain Company in Thailand; here the reader will find a brief description on how this company started in Thailand’s market; through information that was provided by the management team of Au Bon Pain.

#### Au Bon Pain Company:

The first store of Au Bon Pain Thailand was opened on 1997 at the Sindthorn building. It was the vision of Mr.Suradej Narula and his son Mr.Varin Narula, who while studying at Boston University, developed a special bond for the Au Bon Pain restaurants concept and suggested to his father to have the franchise of the company; this is how Au Bon Pain was brought to Thailand.

This company was chosen for this research, because it has implemented the application of sensory marketing in their marketing campaigns, and this study would like to establish a link between the theory and practice.

This research will use triangulation for collecting the data, that later will be analyzed and presented. Triangulation is a multi-method, which uses different methods of observation in order to improve accuracy and allow investigators to be more confident of their findings; this is one of the main strengths of the multi-method approach. (Jick, 1979)

The different triangulating methods used for this research under the case study methodology are: direct observation, interview and secondary data. The implementation of these triangulating methods will allow a better understanding of the phenomenon; establishing different set of tools, which will help to capture the complex of social behavior. (Gerring, 2006)

### 3.1.1 Direct Observation

Since this research is a qualitative study of the effects of sensory marketing on the implementation of marketing campaigns, and will analyzed the case of Au Bon Pain, IT will require usage of the sub-method of direct observation, in order to collect the appropriate data; for this the investigator will use a participant approach, where the researcher will watch what consumers and staff do, listening to what they say and asking them clarifying questions if required.

This procedure will take place at The shopping mall Siam Paragon, The shopping mall Emporium Tower and The shopping mall Siam Center; these places were chosen because of the recommendation of the management team of the company.



The following table: (Table 3), shows the observation schedule for the case study, this might require some changes.

Table 3: Observation Schedule for AU Bon Pain (ABP)

Company	Observation	Date	Time
ABP Siam Center	1	9/02/2013	11:00 -12:00pm
ABP Siam Center	2	10/02/2013	2:00- 3:00 pm
ABP Emporium	3	16/02/2013	11:00- 12:00 pm
ABP Emporium	4	17/02/2013	2:00-3:00 pm
ABP Siam Paragon	5	23/02/2013	11:00-12:00 pm
ABP Siam Paragon	6	24/02/2013	2:00-3:00pm

The data collected will help the researcher to draw conclusions about the behavior of customers and staff of Au Bon Pain stores, and their reaction to the sensory marketing strategies used and implemented for this company; as well as to answer the research questions proposed in chapter 1, page 12, which are the reason for conducting this study.

“The overpowering validity of observation is that it is the most directly way of obtaining data. It is not what people have written. It is not what they say they do. It is what they actually do.” (Gillham, 2000a, p. 46)

The overall goal for using direct observation as a sub-method in this study is to collect data about the behavior of costumers and staff of Au Bon Pain stores, and use this case study to create a link between the theory framework of sensory marketing and real life applications.

As stated above, the sub-method of direct observation will be used as part of a multi-method approach required for this study, where the investigator will congregate different kinds of evidence, collected in different ways but looking at the same point.

For analyzing, reporting and presenting the data collected by the direct observation, this study will require the use of Nivivo 9 software, which is a program that allows processing data in many forms, as per example audio, transcripts and video.

### 3.1.2 Interview

This study will perform interviews with the management team of Au Bon Pain, with the purpose of creating new knowledge about their implementation of sensory marketing in their marketing campaigns.

The interviews will be conducted at the Au Bon Pain headquarters at 209/1 K Tower (B), 25th flr. Sukhumvit road 21 (Asoke), Klongtoey Nua, Wattana in Bangkok, using a qualitative interview approach, where the interview will be a conversation between the interviewer and the respondent; in this case the staff of the marketing department of Au Bon Pain. These interviews will be conducted face-to-face, with a duration of approximately 1 hour and will be recorded to provide a better interpretation of the general inquiry. (Babbie, 2010)

The following table: (Table 4) shows the information for the interviews; this might require some changes.

Table 4: Information for the interviews

Interviewee	Position	Date
Khun Nutcharee Doungkaew	Marketing Director	15/02/2013
Mr. Nadim Xavier Salhani	Chief Executive Officer	15/02/2013

The reason for using interview as a sub-method in this research is "to obtain information and understanding of issues relevant to the general aims and specific questions of a research project." (Gillham, 2000b, p. 2)

### 3.1.3 Secondary Data

The secondary data that will be used for this study was provided for the management and marketing team of Au Bon Pain Company, with the purpose of analyzing how successful the implementation of sensory marketing campaigns in this company is.

The following table; (Table5) gives a summarized description of the secondary data for this study.

Table 5: Description of Secondary Data

File type	Name	Content	Date
Power Point Presentation (.ppt)	Sensory Marketing and Sales Trend.	Implementation of sensory marketing at Au Bon Pain	9/22/2011

### 3.2 Statement of the Methodology Used

The following figure (Table 6), presents a summary of the methodology chosen for this research, which is qualitative, that will use case study and triangulation method; with the help of the sub-methods interviews, direct observation and secondary data, it is expected to collect the data to answer the research question, proposed in chapter one, page 18, of this research.

Table 6: Methodology chosen for the research

<b>Methodology</b>	Case Study Research (CSR)
<b>Sub-Methodology:</b>	Triangulation
<b>Sub-Methods:</b>	Interviews/ Secondary Data Direct Observation

## CHAPTER 4

### DATA ANALYSIS

The last chapter of this research will examine the case study of Au Bon Pain restaurants in Thailand, before and after the implementation of sensory marketing strategies. This section is divided into two parts, as follows: Chapter Four, Part I states and shows how Au Bon Pain restaurants in Thailand were established, and how they did not use sensory marketing strategies in their marketing campaigns. The customer's perception of the restaurants will be discussed for the traditional marketing model that the company follows in other regions. On the other hand, Chapter Four, Part II, will discuss the current marketing model of Au Bon Pain, which is based on sensory marketing strategies.

This case study hopes to examine the effects of sensory marketing campaigns in the fast-food industry. Theoretical strategies will be linked to market applications in order to achieve a better understanding of sensory marketing in the field.

The structure for this chapter is as follows:

#### 4.1 Traditional Marketing of Au Bon Pain.

##### 4.1.1 Traditional Fast-Food Marketing Strategies.

##### 4.1.2 Au Bon Pain Before the Implementation of Sensory Marketing Strategies.

#### 4.2 Sensory Marketing of Au Bon Pain.

#### Part I

As indicated before, this chapter will discuss the previous marketing strategies use for Au Bon Pain restaurants in their marketing campaigns, showing how the

original model was focused on the customer's perception on just the quality of the food and did not have in mind the atmosphere and ambience of the restaurants or food outlets.

The first part will take into consideration the so called "American Experience" and the original marketing model for Au Bon Pain restaurants.

#### 4.1 Traditional Marketing of Au Bon Pain.

##### 4.1.1 Traditional Fast-Food Marketing Strategies.

Traditional marketing of fast food restaurants focuses on selling the final product, rather than the overall dining experience, limiting the eating choices to what the customer sees, rather than what he feels. How the customer feels will impact the eating out decision, so traditional marketing ignores a large part of the fast-food dining experience. (Kwansa, 2004)

A survey of US fast food customers indicates that some of the factors that most influence their choices are speed of service, quality and price (Kara, 1995). Seating capacity and ambience were notably not listed as high priorities for frequent US customers, indicating a cultural trend of "serious eaters" more interested in the final product than the atmosphere before and after the sale. (Salhani, 2013) Traditional marketing has been successful in this regard to the US market, as the minimalist view is in line with the customer's desires and expectations. However, other global markets have different priorities, based on their respective cultures and preferences, which demand additional consideration in order for marketing to be successful in capturing its target market. A cross-culture comparison study between the US and South Korea explored this concept, showing that to US fast food customers, low food prices and assurance were of primary importance. Americans were noted to not want to waste

time during the pre and post-purchase stages, on something which they do not wish to spend much money on in the first place. The concept of quick and convenient eating appeals to a population “on the go”, where “fast” food lives up to its name. However, Asian cultures tend to consider eating as a more social or entertaining experience, and this was noted in the study as South Korean customers valuing other service dimensions such as reliability and empathy over price. Individual attention and customer pampering were noted to be more significant than saving time in their restaurant experience. Marketing managers in a global environment must consider these cultural factors to target their desired customer base. (Lee, 1997)

#### 4.1.2 Au Bon Pain Before the Implementation of Sensory Marketing Strategies

This section will discuss the marketing strategies of Au Bon Pain before the implementation of sensory marketing in their marketing campaigns. This traditional model is the model primarily used in the Au Bon Pain stores in the US, and is the model previously used in Thailand before the implementation of sensory marketing.

Au Bon Pain was established in 1978 by businessman Louis Kane, who was inspired by a French bakery showcase in Boston, Massachusetts. Since then this company has grown to over 250 stores in the US, Kuwait, South Korea, Japan, Taiwan and Thailand (ABP Corporation, 2013). In the US, stores are found in Boston, Chicago, New York, Philadelphia, Pittsburg and Washington.

The layout and ambience of these stores in the US has been designed to reach their target consumers, American fast food diners. Marketing strategies have focused on qualities that the American customer holds dear, namely, quality, speed of service and price. Store layout has been catered towards individualistic so-called “serious eaters”, with closed-concept seating arrangements, designed to provide an

environment to eat a meal and continue with one's day as fast as possible. The social aspect of fast food here is minimal compared to other world markets, with the goal of nutrition superseding the desire to interact with friends and colleagues and to "see and be seen". As such, seating in US stores has been described as being similar to a canteen, designed for short stays and with minimal exposure to the outside world. Elaborate visual displays are also minimal compared to stores in other markets.

The marketing model originally used in Au Bon Pain stores in Thailand closely resembled that found in Au Bon Pain stores in the US, and as such, appealed to American consumers in Thailand. The original customer base reflected this, as according to the CEO of Au Bon Pain in Thailand, Nadim Salhani, there was a 50:50 ratio of Thai to foreign customers. However, a large portion of the local Thai market was not being targeted, so upon new management, this issue was addressed by undertaking an understanding of the local market and implementing sensory marketing into Au Bon Pain marketing campaigns. These changes are discussed in the following section

## Part II

As previously mentioned this chapter will discuss the findings of this study as well as the result of the implementation of sensory marketing on fast-food marketing campaigns. Au Bon Pain will be used as a case study in order to link the theory of sensory marketing to a successful example of industrial application.

As mentioned in chapter three, methodology chapter; the data was collected using triangulation, which was secondary data provided by the company, direct observation undertaken by the researcher in three stores and an in person interview with senior management.

Collectively, this data will provide support for the implementation of sensory marketing in fast food marketing campaigns.

#### 4.2 Sensory Marketing of Au Bon Pain.

In Asian culture, the decision to dine out is often based on the experience rather than just the final consumption. Eating out is important for its social or entertaining aspects, which is in contrast to American model of fast food, where the importance lies almost singularly with the meal, and speed of service (Copeland, 1985). Thai culture very much follows this trend of the importance of the dining experience. In addition to the food and beverage they order, they desire to “see and be seen”, and highly value the social aspects of eating out. They enjoy a comfortable dining environment, amenable to long stays with friends, and with an open concept restaurant layout that is perfect for people watching. Music and ambience are important for setting a comfortable mood for customers, facilitating the customer’s desire to stay longer, and in theory, order more products (Salhani, 2013).

Au Bon Pain in Thailand aims market directly to their Thai customer base, in addition to foreign customers. Their mission statement, provided by management, is as follows:

We are proud of what we have achieved in the Thai market in the last 15 years and will continue to serve delicious, nutritious, and meaningful food.

We are fanatic about freshness and high quality ingredients.

We will continue to open conveniently located stores that are well designed for relaxing and energizing while being served by excellent customer service that fulfills guest expectation.



Our customers are our priority. We will continue to focus on excellent training programs and develop well-trained service minded employees.

An integral part of their marketing strategy is based on the mentioned understanding of Thai culture and eating habits. As a multi-national company, they understand that they must consider cultural aspects of the countries in which their stores are based, and need to be aware and adaptive to local needs (Hofstede, 1980). Therefore, the desires of Thai customers were kept close in mind on the marketing of stores in Thailand.

Upon a change in management for Au Bon Pain stores in Thailand, these desires of the Thai customers were addressed in the implementation of sensory marketing. This implementation was examined by the researcher, in the form of secondary data provided by the company, interview with Au Bon Pain management and direct observations by the researcher.

#### Secondary Data:

The secondary data provided the basis of the company's theory of targeting and evoking the five human senses (Appendix I). The sense of sight was addressed with elaborate store decoration and providing a pleasant ambience through its color theme, soft seating and warm lighting. They strived to make it comfortable and inviting experience for the customer. The menu was presented with nice pictures, and accompanied abundant product displays. Elaborate packaging was also used in the form of holiday promotions, gift packs and seasonal products such as Christmas cookies.



Figure 8: Au Bon Pain in Store Holiday Advertising

Source: Dounkaew, N., (2013). *Marketing strategies presentation*. Thailand: ABP Corporation.



Figure 9: Au Bon Pain Holiday Displays

Source: Dounkaew, N., (2013). *Marketing strategies presentation*. Thailand: ABP Corporation.

The sense of sound was evoked by the implementation of jazz music in the stores, which appealed to the tastes of Thai customers, and conveyed a relaxing,

pleasant, “feel good” lifestyle that the customer relates to with their experiences with the Au Bon Pain stores.

The sense of smell was targeted with fresh baking in certain stores, such as Bumrungrad and SCB, as well making sandwiches fresh to order, with the pleasant smell of freshly toasted bread. Coffee is also brewed fresh for the customer, which further evokes the sense of smell.

The sense of touch was addressed with elaborate packing of products, that the customer can hold and examine before making their purchase. Gift sets and cookies in particular were designed to be appealing to the sense of touch in the customer.

The sense of taste was evoked through tasty and inventive product choices introduced by the stores. Fresh ingredients are used, and new menu items were

introduced to target the tastes of the Thai customers. Product innovation is an important part of the Au Bon Pain marketing strategy, introducing such products as BBQ chicken sandwiches, iced espressos, and cultural-inspired products such as Chu cream and salmon wasabi bagels.



Figure 10: Salmon & Wasabi Bagel introduced by Au Bon Pain

Source: Dounkaew, N., (2013). *Marketing strategies presentation*.

Thailand: ABP Corporation.

The secondary data provided an insight into the Au Bon Pain marketing strategy of the implementation on sensory marketing, and provided a resource to the researcher on the company's desired goal of better reaching their customers.

Interview with Au Bon Pain Management:

In order for a detailed analysis of the newly integrated sensory marketing campaign, an interview was undertaken with senior members of Au Bon Pain management, including the CEO of operations in Thailand, Nadim Salhani, and the marketing manager, Nutcharee Doungkaew (Appendix II, III, IV). This interview was in the style of a qualitative approach, and took place in the form of a conversation between the researcher and the two members of Au Bon Pain. The interview addressed the motivation behind the implementation of their current marketing campaign, the analysis of their Thai and foreign customer base, and detailed the elements of sensory marketing their campaign has included in their stores in Thailand.

During the interview, Mr. Salhani detailed the original marketing strategies of Au Bon Pain in Thailand, before the introduction of sensory marketing. This model was very similar to that which was used in the US at the time, focusing heavily on merchandising and the final product sale. This appealed largely to the foreign customer base, and this was indicated with a ratio of 70:30 foreign to Thai customers. He described the original US strategy as being like a "marketplace":

"You go to the US, it's like self-service, they call it the marketplace, and the marketplace, you have food all (around) you. It's like you're in a supermarket, it's like you have food and bakery all (around) you."

Mr. Salhani also described the typical patron of US fast food markets;

“The customers in the US are serious eaters, they go, they want to have their breakfast, their lunch, they don’t care, it’s like you see their stores are like a canteen over there. You go in and it’s like sitting in a canteen.”

He then described his influence over the changing direction of Au Bon Pain after he was brought into the management team:

“So, (with) the influence that I had from Starbucks, I brought into Au Bon Pain, eventually, the original setting of Au Bon Pain was following the US but slowly, slowly we changed it because we felt that the customer here in Thailand is different than the customer in the US. We felt that if we continue like that, the brand is going to be diluted, it’s not going to work out well because lifestyle is an important issue in Thailand”

He continued with a description of the typical Thai customer:

“The Thai customer is not a serious eater, they want the lifestyle, they want to be recognized, they want a nice ambience, and that’s what they want. They come in between meals, most of the Thais, they come in after lunch, and they have the blended beverages with the sweet stuff, the cakes and all that stuff, and they come with their friends, they sit, they meet and they have their little chit chat and they eat, that’s why they really come in. So we had to really change the architecture, the design of the stores, the colors, the pictures, the menu boards, and come up with variety, because Thais get bored if they see the same thing over and over again.”

Upon consultation with the Thai customer base, they were able to further understand the unique needs of the Thai customer:

“The customer told us, ‘Your food is fine, the service is fine, your beverages are fine, your store decoration and your seating sucks. We don’t like it’. There was this wall around it, we were trying to make this little bit of privacy, but then we found out that they wanted to show off, they didn’t want that wall.”

Mr. Salhani portrayed the importance of sensory marketing in the campaigns of his and other companies, drawing upon his own experiences from Starbucks:

“I personally believe that a marketing strategy should be pretty standard. If you implement the necessary elements in order to position your brand, to where you want it to be, and part of these elements are the sensory marketing and I think that this is something which is standard, that every company if they do it, will be successful.”

He then further described the theory of the implementation of sensory marketing:

“You have to do it to get the customer hooked on the brand, on the smell, on the taste, and we are very serious about whatever we do is related to the sensory marketing. Whatever we do in R&D, in operation, has to link to whatever marketing wants to do to tell the customer.”

Mr. Salhani described some specific changes that were made during the implementation of sensory marketing, including an increase in in-store advertising, a more appropriate choice of music in the stores, elaborate packaging and an open store concept with comfortable seating. Also, he described the intensive personalization training of staff in order to provide the customer with a better overall service experience. He also described the innovative process of introducing a new product every 45 days, through collaboration with the Culinary School of Thailand.

These changes were noted to be very successful, as sales began to rise and new stores were continually being opened:

“More customers are walking into our stores. We are opening stores in the right locations, and so by having the average growing, that’s great news for us. Not only the average customer count has grown, the average ticket as well, the spending. The average spending per customer per day has grown.”

In regard to the future marketing direction of the stores, he described the challenging aspect of maintaining the stores’ momentum:

“The most challenging part for Pom (the marketing manager) is to maintain the momentum, and that’s where you’ve got to create, add new smells all the time, new visual things, so the customer can see that there’s always something going on.”

Finally, when asked if sensory marketing had been a good investment for Au Bon Pain in Thailand, he responded that he feels it was greatly so:

“Absolutely. At the end of the day, we want the company to be successful, and we want the company to have a profit. And so you want to make sure you have customers walking in your stores more.”

Overall, with the consensus of Au Bon Pain senior management and their consultation with the public, sensory marketing has been very successful in increasing sales and increasing the Thai customer base, which has risen from 70:30 to 50:50 foreign to Thai customers. Along with this has been the consistent opening of stores, which averages 6-10 stores per year. Taken together, this strongly supports the use of sensory marketing in marketing strategies for Au Bon Pain.



### In-Store Observations by the Researcher:

In order for a first-hand representation of the sensory marketing used in Au Bon Pain stores, the researcher visited three stores in Bangkok area, which were recommended by Au Bon Pain management to be representative of their current marketing strategies (Appendix V). Stores were analyzed for sensory marketing qualities such as the food, seating, ambience, staff, customers and in-store advertising. The stores chosen were those at Siam Paragon shopping mall, Siam Center shopping mall and Emporium shopping mall, for a morning visit and an afternoon visit for each store.

Siam Paragon:



Figure 11 : Au Bon Pain in Siam Paragon storefront

Source: Hinestroza, N. B., (2014). *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. Thailand: Bangkok University.





Figure 12: Au Bon Pain in Siam Paragon seating area

Source: Hinestroza, N. B., (2014). *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. Thailand: Bangkok University.

The Au Bon Pain store in Siam Paragon has the highest number of sales of any Au Bon Pain store in Thailand, as was displayed with a certificate in the front of the store. The store was accordingly busy, with more customers than any other Au Bon Pain store visited, and the staff employed a call number system for the many orders. The store layout was designed to fit into the location, and was attached to a Dunkin' Donuts store, which is owned by the same parent company. Seating was abundant, and was arranged in a very open concept around the perimeter around the store, amenable to "people watching". Over 90% of seating was occupied by customers. Chairs were plush and comfortable, engaging the sense of touch, and were well suited to long stays by customers. Indeed, many customers stayed long after their beverages or meals were finished, to chat with their accompanying friends or colleagues. Being in the middle of a busy food court, however, the ambience was rather loud and there were only a couple of students found studying, in contrast to the more being found in other stores. Also, no music was played in this particular store. In-store advertising

was abundant, engaging the visible senses with bright colors and appetizing looking food. Cardboard ads for Lemon Tarts were found on every table, as well as posters being displayed throughout the store. Staff were professional and friendly, with most of them making eye contact and offering smiles to their customers. The food was arranged in a way that was appealing to the eyes, with elaborate displays of food such as bagels and breads. Once ordered, the food was prepared in front of the customer, ensuring freshness. Once served, the food was nicely presented, with close attention to detail engaging the visual senses. The food ordered (breakfast bagel on morning visit by researcher, club sandwich on afternoon visit) tasted fresh and delicious. The coffee ordered was freshly brewed, with the pleasant accompanying smell reaching and evoking the customer's senses. Overall, the Au Bon Pain at Siam Paragon offered a pleasant experience, with the marketing techniques of engaging the senses noted to being successful in providing a good experience before, during and after the sale.

Siam Centre:



Figure 13: Au Bon Pain in Siam Center Storefront

Source: Hinestroza, N. B., (2014). *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. Thailand: Bangkok University.



Figure 14: Au Bon Pain in Siam Center Seating Area

Source: Hinestroza, N. B., (2014). *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. Thailand: Bangkok University.

The experience offered by the Au Bon Pain store in Siam Centre was notably different than that at Siam Paragon. During both morning and afternoon visits there were much less customers ordering and remaining in store, perhaps due to the more secluded location of the store. The layout was also markedly different than that found in Siam Paragon, as instead of seats solely around the perimeter, they were divided into two sections, the open bar seating attached to the store, and a much larger secluded section more typical of standard restaurant seating. The secluded section in itself had a selection of seating, with typical tables in chairs in the center and more comfortable plush seating around the perimeter. This plush seating was preferable by customers, as all were seated in this area. However, less than 50% of seats were occupied by customers. Smooth jazz was also played in this section, along with artistic photographs displayed on the wall in frames. These visual and auditory aspects as well as the quiet atmosphere seemed to attract a different demographic of customer, as most were young Thai female students studying alone or in small groups.

Food and service were comparable to that found in Siam Paragon, as well as the abundance of in-store advertising and posters. Overall, the experience offered at Siam Centre was pleasant but different to that of Siam Paragon, with the marketing techniques used still engaging the senses but attracting those in a different demographic.

Emporium:



Figure 15 : Au Bon Pain in Emporium Storefront

Source: Hinestroza, N. B., (2014). *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. Thailand: Bangkok University.



Figure 16: Au Bon Pain in Emporium Seating Area

Source: Hinestroza, N. B., (2014). *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. Thailand: Bangkok University.

The experience at the Au Bon Pain store in Emporium was unique to that found in Siam Paragon and Siam Centre. The seating was the most striking difference, as it consisted of comfortable plush seating spread throughout a large open area, similar to an airport terminal lounge. Approximately 60% of seats were occupied by customers. Although rather secluded from the mall, it is situated adjacent to a busy footpath frequented by shoppers. This provided an ambience that was comfortable and was pleasant for long stays, but still not disconnected from the rest of the public. Due to its location, the store was visited largely by parents with young children who have finished Tae-kwon-door ballet lessons. Similar to Siam Paragon, it was quite busy during both visits by the researcher. No music was also played in this location. The food and service was pleasant, integrating the senses of vision and smell in its fresh-to-order preparation, as well as the sense of taste during its consumption due to fresh ingredients and innovative flavors and selections. In-store advertising was abundant, and provided large visuals of products such as the Chu cream and iced beverages, showing texture and evoking the visual senses. Taken together, the Au Bon Pain store

in Emporium integrates many of the successful elements to evoke the senses as the other stores in this study did, and it was clear from the high abundance of customers that this marketing strategy has met great success.

#### 4.3 Conclusion

As stated in chapter three, methodology chapter, the data was collected qualitatively using triangulation method, which included secondary data, interview with managements and direct observation by the researcher. These forms of collection complemented each other and allowed greater insight into the use of sensory marketing strategies in fast-food restaurants, in this case study of Au Bon Pain restaurants in Thailand.

The secondary data was useful in demonstrating what Au Bon Pain management desires in their implementation of sensory marketing in their marketing campaigns, allowing the researcher an insight into their corporate strategies.

These data showed how the management would evoke each of the five human senses, stating that the sense of sight was aroused using a specific store decoration integrated by characteristic colors all around the store, food displays, warm lighting and soft seating, creating a pleasant ambience, that invites the customer to experience and enjoy the purchase of the food or beverages. The sense of smell was provoked using different aromas such as fresh coffee and toasted bread, and the sense of touch was evoked through the plush seating and elaborate packaging design. In addition, the sense of taste was targeted with the use of fresh ingredients and innovative products; finally the sense of sound was addressed with appropriate music choices that were pleasing to the customer base.

In the interview with Au Bon Pain management, the researcher was exposed to the differences between before and after the implementation of sensory marketing strategies in their marketing campaigns. The American model was introduced and was shown to be identical to the model used in Thailand before sensory marketing. During this early time of the company in Thailand the ratio of foreign to Thai customers was 70:30 and upon the implementation of sensory marketing this changed to 50:50, showing that these strategies were more appealing to Thai customers and their preferences.

Finally, the direct observations showed first-hand the results of the implementation of sensory marketing in Au Bon Pain restaurants in Thailand. The strategies used to evoke the five human senses were apparent in the store layout, food preparation, staff interaction and store ambiance.



## CHAPTER 5

### DISCUSSION AND CONCLUSION

This chapter will demonstrate the final conclusions of this research, and summarize the findings by the researcher in the study of sensory marketing in fast-food marketing campaigns using the case study of Au Bon Pain restaurants in Thailand.

In many cases, traditional marketing strategies are failing on the global scale to reach the modern consumer. The consumer is exposed to many forms of visual advertising every day, most of which fails to connect emotionally to their target market, and if companies wish to develop brand awareness they must use new tools to reach their desired customers. Here is where sensory marketing provides a new method of building a successful brand image.

Sensory marketing desires to create positive experiences through the five human senses, making consumers develop an emotional attachment to a brand before, during and after the purchase decision. Evoking the human senses is useful because the more senses that are involved in the experience the more effective the experience will be and the more likely the customer will remain loyal to the brand, which will increase profit, and which at the end is the final goal of marketing.

A case study was used for this research in order to link the theory of sensory marketing into practical application in a successful corporation. For this purpose Au Bon Pain restaurants in Thailand were chosen to represent an example of a company that originally used traditional marketing and subsequently adopted the more



innovative strategy of sensory marketing. The result of this change was an increase in profits and the subsequent opening of new stores each year, which validates the choice of this company as a case study.

In order to study the effects of the implementation of sensory marketing in Au Bon Pain stores in Thailand, the researcher used the qualitative approach of triangulation, which involved secondary data provided by the company, an interview with management and direct observation of the stores by the researcher. These results complimented each other and affirmed the positive effect that sensory marketing has on Au Bon Pain restaurants in Thailand.

Secondary data of the implementation of sensory marketing in Au Bon Pain stores in Thailand was provided by company management upon request by the researcher. This demonstrated the company's desire to evoke all of the customer's senses in order to create an emotional bond with the company, evoking the visual through elaborated in-store advertising and product displays, the sense of smell through toasted bread and fresh coffee, the sense of sound through appropriately chosen music, the sense of touch through the plush seating and product packaging and finally the sense of taste through fresh ingredients and innovative product selections. All of these were intentionally addressed by the company in order to evoke the five human senses and create a positive experience where the customer will relate with the company and its products.

The interview with Au Bon Pain management further demonstrated their desire to target each of these senses through the implementation of strategies of sensory marketing. They first provided information on the previous marketing strategies used in the US and which were originally used in Thailand before a change

in management and company vision. They described how an the increase in understanding of Thai culture through communication and collaboration led to changes in their marketing strategies for stores in Thailand. They also described specific examples of changes they made in the stores such music, the store layout, in-store advertising and comfortable seating. These changes show the result of increased profits and the opening of 6-10 stores per year, demonstrating the effectiveness of sensory marketing.

The direct observation undertaken by the researcher showed first-hand the results of the implementation of sensory marketing strategies. The three stores that were chosen for study showed varying levels of the discussed sensory marketing techniques, but all demonstrated the cohesive image of the Au Bon Pain brand. This was shown by abundant customers in each of the three stores and proved the success of the current marketing strategies of sensory marketing.

These data taken together demonstrate the effectiveness of the implementation of sensory marketing in the fast-food industry. Case study was shown to be a successful tool in this study of sensory marketing strategies, as it has allowed a link between theory framework and an example of a successful integration in a large corporation. Through multiple sources using the triangulation method it was shown that sensory marketing increased customer purchases and increased profit, allowing the expansion of the Au Bon Pain in Thailand. This was achieved mainly as a result of a change in senior management and company vision, and through an awareness of the global stage and the ability to “think globally and act locally”, tailoring the marketing strategies of a large multi-national corporation into successful integration of local markets. This is a must in today’s market, as marketing managers must be more aware

of the distinct customer expectations and perceptions in each country that they enter.

Sensory marketing is a valuable tool in order for them to accomplish this, a tool which has been proven to be effective in the global stage.

The following model outlines the link between sensory marketing theory framework and its application by Au Bon Pain restaurants in Thailand. This case study demonstrates a successful example of the integration of these sensory marketing principles in a large corporation.

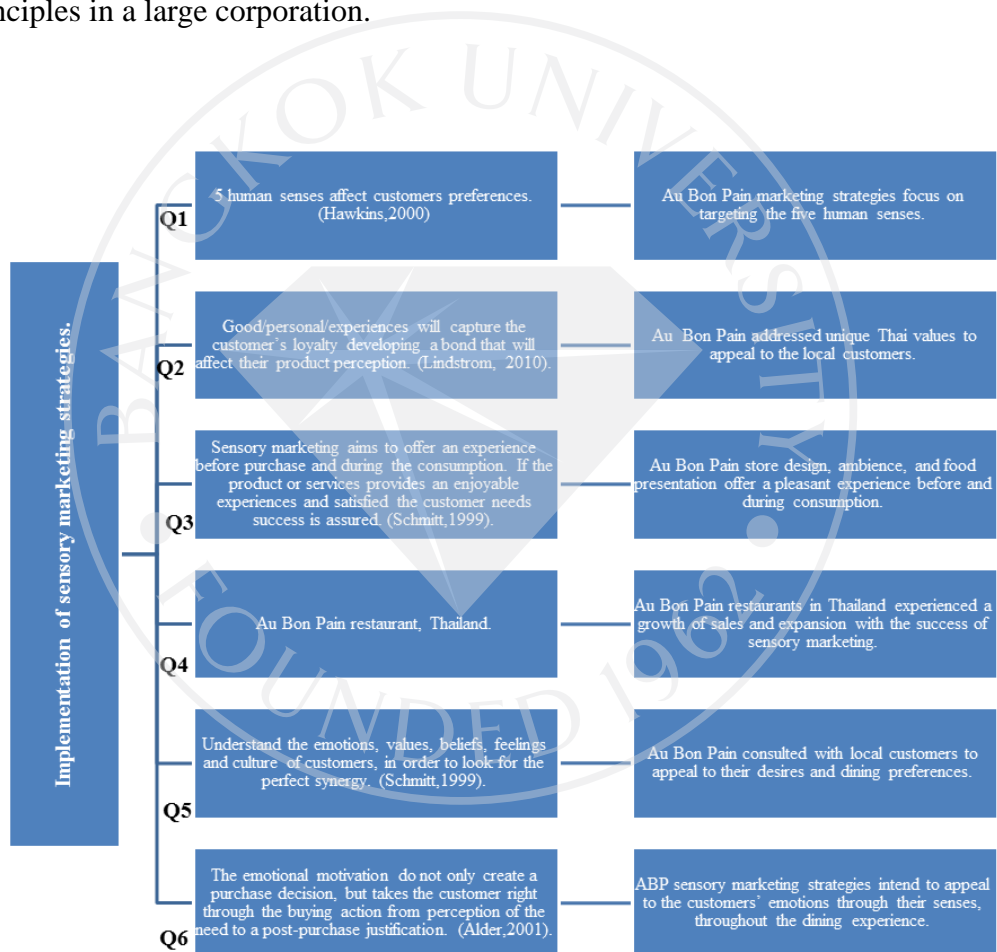


Figure 17: Conclusion Concept Map

Source: Hinestroza, N. B., (2014). *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. Thailand: Bangkok University.

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## APPENDIX I

## 1. Sight / vision

- Store decoration & ambience : color theme , soft seating , lighting
- Great service , friendly staff
- Warm , cozy , comfortable , inviting , premium
- Menu with nice pictures , abundant product display
- Appetizing appeal make decision easy to buy product
- Packaging : Holiday promotion, holiday cookie , gift pack
- Attractive , want to buy

## 2. Sound

- Jazz music as a background in the café
- Relax , feel a good life style at ABP

## 3. Smell/Aroma

- Bake fresh in the store such as Bumrungrad and SCB
- Make fresh sandwich (order by order)
- Customized coffee, one drink at a time
- Encourage trial , feel positive with our product “ fresh”

## 4. Touch

- Premium display , gift set display
- Feel : touch and consider , then buy easily

## 5. Taste

- Food sampling

- Create new menu to match thai customer's taste , product innovation such as BBQ chicken sandwich , Iced abp espresso , Chu cream , Salmon Wasabi.
- Feel : friendly

## APPENDIX II

Questions for interview with Au Bon Pain management.

1. How would you describe the current ABP marketing strategies?
2. Could you give specific examples of the new sensory marketing strategies?
3. How would you describe the previous marketing strategies before the implementation of sensory marketing?
4. How are the two marketing strategies different? And how are they similar?
5. What motivated ABP to implement sensory marketing strategies in your marketing campaigns?
6. Was an existing company used as a model for the current marketing strategies?
7. How have sensory marketing strategies affected the company's sales before and after the implementation?
8. How do you believe these strategies have been perceived by the public? How have they been perceived by the employees?
9. Has the structure of the marketing department changed for the implementation of sensory marketing strategies?
10. Do you believe implementing these sensory marketing strategies was a good investment? Why?

## APPENDIX III

Transcript of interview with Au Bon Pain management.

**Date:** 15/02/2013

**Place:** Au Bon Pain headquarters at 209/1 K Tower (B), 25th flr. Sukhumvit road 21 (Asoke), Klongtoey Nua, Wattana in Bangkok

**C:** CEO (Nadim Salhani)

**M:** Marketing Manager (Nutcharee Doungkaew)

**R:** Researcher (Natalia Buitrago)

**C:** We understand that the sensory marketing is all about what they feel, what they touch, what they smell, what they hear, and this is so important for a brand like ours. The original concept of the brand is all about merchandising, where they want abundant merchandising, and that's from the US, that's the original concept that they want. They want merchandising which is very important for them, and they smell, the baking, watching the baking in the store. You can introduce this concept anywhere else but eventually we understood, and especially me, because I came from Starbucks and the sensory marketing at Starbucks is a little different than Au Bon Pain. The original concept for Au Bon Pain doesn't really care about the ambience. They don't really care about chairs and tables and how comfortable you're going to be. They want you to come in and be impressed with what you see, smell it, order, eat and then go. They don't want you to stay too long. When I was with Starbucks, it was a completely different issue. They don't really care what you see, but they want you to smell it, and they want you to really experience the beauty of the shop, the service, the friendliness of the people, and then you can sit down and relax and stuff like that, so

it's like two different things. They sort of complement each other, but are soft of competing with each other. So, the influence that I had from Starbucks, I brought into Au Bon Pain, eventually, the original setting of Au Bon Pain was following the US but slowly, slowly we changed it because we felt that the customer here in Thailand is different than the customer in the US. The customers in the US are serious eaters, they go, they want to have their breakfast, their lunch, they don't care, it's like you see their stores are like a canteen over there. You go in and it's like sitting in a canteen. We felt that if we continue like that, the brand is going to be diluted, it's not going to work out well because lifestyle is an important issue in Thailand, and what Starbucks did in Thailand has started a trend, and everybody started copying Starbucks, everybody wanted to do nice locations with nice soft seatings and music and etc but of course there is the management side as well which you have to know how to manage a retail brand. These guys thought "Let's open a beautiful store and people are going to come", but it wasn't enough. So Au Bon Pain has followed this trend, and why? Because originally, most of our customers, and you know foreigners are like the US, they're serious eaters, they don't care about a place to meet. As we are growing the brand, as we are opening more stores, as we are going into secondary locations, we have to invite the Thai customer consumer to come into our stores, and the Thai customer is not a serious eater, they want the lifestyle, they want to be recognized, they want a nice ambience, and that's what they want. They come in between meals, most of the Thais, they come in after lunch, and they have the blended beverages with the sweet stuff, the cakes and all that stuff, and they come with their friends, they sit, they meet and they have their little chit chat and they eat, that's why

they really come in. So we had to really change the architecture, the design of the stores, the colours, the pictures, the menu boards, and come up with variety, because Thais get bored if they see the same thing over and over again. 1:50 And so today, the percentage mix between Thai and foreigners is the same, 50:50, when in the past it was like 70:30. When we first opened it was mostly foreigners then from 70:30 it went from 60:40 and now it's 50:50, and Thais are coming in more because in their mindset, they see us as a café/bakery like Starbucks. The Thais are not able to differentiate between us and Starbucks. They see we're a coffee place. And that's why our beverage sales are 40% of our total sales, which in the US is like, how come you sell so much beverages? Well, we're place to meet, people want to meet at Au Bon Pain, and it's a hot country, we sell a lot of these blended beverages as well. So that's the idea, how we brought in more of this Starbucks sensory marketing, which is focused in the store. We don't do advertisement, we do PR, Pom for the last 15 years has been doing PR, advertorial, in store promotions, so it's very much focused on the customer, what they seem what they touch, what they hear, all that stuff. We focus on the sensory marketing, not above the line marketing. So that's in a nutshell.

**M:** The first thing that happens when they step into our Au Bon Pain store, is they see the nice decorations that make them feel very warm and friendly in that atmosphere. They love to hang out and it's some kind of sense that they can touch in this experience of a café.

**C:** Very important also, they have to see the food. If you notice the difference between us and Starbucks, Starbucks the counters at the back, you see the seatings first, you see the set-up. Us, it's very important to see the food. So, we want to make

sure when we design our stores, that the customer is going to see our food, our display of food.

**M:** The variety of bread.

**C:** It's what they call the abundance. If you go to the US, it's like self-service, they call it the marketplace, and the marketplace, you have food all over you. It's like you're in a supermarket, it's like you have food and bakery all over you. And they're trying to encourage us to do this, and I haven't done this. We tried half-marketplace and it didn't really work, you know, Thais are spoiled, they want to be served, they don't like this self-service thing, in a place like Au Bon Pain, because they consider Au Bon Pain to be a little upscale, so they say that's a place where we should be served. And that's why we do in some places... have you seen our latest store in Siam Centre? Well, you should go and have a look, it's really nice, it's a unique concept we haven't done anywhere else. You'll see now that we emphasize more now on the design of the store, and we try to blend in the architecture and the design of the building itself, you know when the landlord invited us to come and open an Au Bon Pain in their own shop. Like Asiatique, we try to go back in time a little bit, we have the old tiles, we try to look a little bit old, and things like that. We blend in, because it's so important, we don't want to have this uniform, we don't want to have a uniform as far as the design or sensory marketing is concerned. We need to have variety in different locations, depending on where we are.

**M:** At the beginning we didn't have many Thai customers, so I think we found some problems that we have with the customers, that they don't know much about our products. That's why we created nice pictures, the sandwich, to make it easy for them

to order, because we have the high percentage of Thai customers, that's why we try to adapt, to serve their needs.

**C:** I think we should follow the questions here. You know, the good thing, what I like to do, but it's not very economical for us in Thailand, in the US, in every store they bake in front of you, so you see the bread coming out hot, and it smells so good. We only have a few stores that we do that here, because of financial reasons. To really have a fantastic concept is to bake in front of the customer. But it doesn't make economical sense, when you're buying a license, and you're paying a royalty, and paying high rent and etc, and the rent structure comparing Thailand to the US is so different, I think that rent is cheaper, and they're able to come up with long term, 15 year, rental agreements, where here in Thailand they only give us 3, plus 3. So you have to think about your return on your investment and eventually it doesn't make sense to buy all this equipment. I would have loved to have baking in front of the customers, but it doesn't make economical sense, and that's why we are successful today, we're the only international successful market, because of what we have done to manipulate the brand a little bit, as far as the cost structure is concerned, and giving with the locals want, as far as the sensory marketing is concerned.

**R:** But you have stores that bake in front of the customers, where?

**C:** Bumrungrad Hospital, FCB Park Plaza, because it's self sufficient, it makes sense because the volume is high. We have two locations at Bumrungrad, so it makes sense to bake over there, we don't need to bake from the centre, from what we call the commissary and then deliver it, we just bake there because they bake and then there's enough volume for us to buy an oven and put it there, and that's the reason why. So if

you have the volume, yes, I would love to do that. Also, in Pattaya, Phuket, we have to open a special commissary over there. But then we support Pattaya, we have three stores, and Phuket two stores. So one baking facility for two stores, and one baking facility for three stores. As we are opening more stores we get a economy of scale, and so you're able to make more money. Your question number four,

*“How are the two marketing strategies different, and how are they similar?”*

Which one is the other one?

**R:** Well, because we were comparing before sensory marketing, but maybe we can say like the US concept.

**C:** It's important to have this impulse, you need to do that, and I think more and more brands want that impulse, they want to do this sensory marketing. It only makes sense, in any type of business, and that's why you see a lot of brands that have sampling as well, because you want to try to let the customer sample it first, see it, sample it, smell it, talk to the staff before they go in, and eventually they get... because you have to understand, with a lot of the Thai people, they don't necessarily know and understand our food, bagels, 0 gram trans fat, a lot of people don't know what it means. A lot of people still think you lose weight, you can eat as much as you want and you don't get fat, but it's not, and that's why we have these brochures that we have to explain to them all that stuff.

*“What motivated ABP to implement sensory marketing in your campaigns?”*

It's not a motivation, it's a must. You have to do it to get the customer hooked on the brand, on the smell, on the taste, and we are very serious about whatever we do is related to the sensory marketing. Whatever we do in R&D, in operation, has to link to



whatever marketing wants to do to tell the customer. So it's all linked together, and that's why, operation, we have these intensive training, to make our people friendly, we want our people to be friendly, and to remember what the customer wants, and to understand, to differentiate between a new customer and a customer who knows the food, and then is able to communicate with him. So this is one part that will complement the sensory marketing. In another part, the R&D part, which it doesn't matter, we have a chocolate croissant which is one of the best selling items in Thailand, in the world actually, in Au Bon Pain everywhere in the world it's the best seller. And believe me, we continuously try to improve and taste the product, weekly, weekly we have meetings where we have product, we look at them and we want to make sure that it smells nice, that it tastes nice, that it doesn't change, so maintaining all your standards, your consistency with your product, this is something that our R&D team keeps doing, so you have operation with training, R&D with product, consistency with the shelf design, and again what I mentioned earlier, is blend in the concept design of whatever landlord has with the building. And this is my part with business development where I'm very serious about two issues, the marketing issue that I work with Pom, and the business development and the designs of the store. Because this is two of the most important factors that will make the brand successful or not.

*“Was an existing company used as a model for the current marketing strategy?”*

Not necessarily, again, I personally believe that a marketing strategy should be pretty standard. If you implement the six elements in order to position your brand, to where you want it to be, and part of these elements are the sensory marketing, and I think

that this is something which is standard, that every company if they do it, will be successful. So, it's not what we learned from another company, it's what we understand about our customer and what they want, their needs, what do they need, what do they want, why do they come to us and they don't go to the other people. Why would they trust us and not want the other people. So if you ask your self these questions and really follow it, every company is successful, there's no learning from somebody else to do it yourself, I don't think so.

*“How have sensory marketing strategies affected the company's sales before and after the implementation?”*

You always have a peak, when you start something there is what we call the honeymoon period, so you launch something new and customers come in and say, “Wow, there's something new! Let me taste it, oh wow, it's nice! I'll order one.” And then you've got for the first week, sales peak, then it settles second week, third week, and then it drops down. We found out that the cycle is about 45 days, on new products, and that's why it's important to come up with new products every 45 days.

**R:** So every 45 days you launch a new product?

**M:** Every 45 days we launch a new product, we have regular customers that come to us twice a day, three or four times a day, so we have to launch something new to make it more exciting.

**C:** So there is this cycle, the first week there's this peak that goes on, because there are new smells, there are new tastes and new something. At Dunkin', every time we have a new promotion, the staff have a new t-shirt, so we change it. For example, we have a very cute new promotion coming up, which is a lemon-glazed donut, and so

the box is like yellow lemon, it's a like a bee, and every staff is now wearing this t-shirt, like a bee, and so when the customer goes in the store, he's going to see everything is different. So that's the idea. Au Bon Pain does that, definitely the sales will peak from the first week.

**M:** The new shop decorations can affect to the sale, also. For example, if we change the soft seating.

**C:** I think I mentioned briefly in the class last time, Paragon, we had that egg location in the middle, sales were not really growing, and we had this problem with the landlord, who was telling us, "guys, if you're not able to bring your sales up, we have a problem", because their revenue is based on our revenue, their rent is based on our revenue, it's a percentage of sales. And so they were not satisfied with the volume of sales we were doing. So we went and asked our customer, we went to talk to our customer, and said, "What do you think, what do you want, can you tell us how we are doing, what else do you want to see?" The customer told us, "Your food is fine, the service is fine, your beverages are fine, your store decoration and your seating sucks. We don't like it". There was this wall around it, we were trying to make this little bit of privacy, but then we found out that they wanted to show off, they didn't want that wall. They said this wall is terrible, and when I wait for my friends, I want to see the customers, I want to see the people walking around. So we found out that they want to be seen, they want to see and want to be seen. They want to hear the noise, they want to see the people walking by, and then they meet their friends there, they dress up well, they look good. And they want more soft seatings, so we renovated the store, we added more seats, made them smaller but did soft seatings,

and our sales went up 20%. Just based on talking to the customer, asking what they want, and they told us they want to be seen and “I’m not able to show off, so I go somewhere else!” As the evolution of the brand is growing in the country.

*“How do you believe these strategies have been perceived by the public? How have they been perceived by the employees?”*

I think that as we do these things, the employees love it, because they’re a part of it. I don’t know if you read one of my interviews, I told the press that the customer is not king anymore, it’s the staff that is king now. And besides understanding the customer, if we understand our staff, and they feel comfortable and happy with the brand and there’s excitement, then things are going to go very smoothly. I do believe our strategies are working, because the strategy has to follow where you want to be, the positioning. If you want to position yourself as a mass market, you can’t do what we are doing. It’s like Dunkin’, they’re a different marketing strategy to what we’re doing. Baskin Robbin’s is closer to Au Bon Pain, because it’s more expensive ice cream and that’s where we want to position ourselves. So, the strategy really follows your positioning. And what we’ve been doing for the last six, seven years has been working very well for us. The brand has grown really well, has matured in the market, people know how to pronounce the name better than they did before, they didn’t know how to pronounce the name, people know what are bagels, and they know we are the bagels place. So these are the things we are proud of, because we were the first people to come in with the bagels, and we have now nine varieties of bagels, and we’ve been adding and taking. One of my favorites is the red brown rice bagel, it’s really nice, I’m hooked on it every morning. They know us as the bagel shop, they

know us as the 0 gram trans fat, because we maintain the consistency of telling the people we are 0 gram trans fat and we try to explain to them what it is about.

Foreigners, they love us because of that, Thais they've started understanding it but they don't really worry about health issues. So, we have some success stories at Au Bon Pain based on what we have learned from the market and the people. You know, Au Bon Pain in other international markets didn't make it, we're the only successful international market. India has just opened, and 70% of their food is localized, with Indian spices, because they understand what their customers want. Their stores look different than ours, they don't go for the lifestyle thing, they go more like SNP here, smaller stores, a lot of abundant product, let the people buy it for home. That's what they want, they don't want people to sit too long in their stores. It's a different culture. We took the market here, because we understood what they wanted. I think if we followed the concept of the US, we wouldn't have been that successful today. And the US has been flexible with us, they're learning from international markets about what's going on around the world and what the people want also.

*“Do you believe implementing these sensory marketing strategies was a good investment?”*

Absolutely. At the end of the day, we want to company to be successful, and we want the company to have a profit. And so you want to make sure you have customers walking in your stores more. Now, I can show you a chart, the average customer count per store per day, and for the past six years it's been moving up and up. So more customers are walking into our stores. We are opening stores in the right locations, and so by having the average growing, that's great news for us. Not only

the average customer count has grown, the average ticket as well, the spending. The average spending per customer per day has grown. We are trying to offer new things and make it sort of a combo, and mix it up together etc., and the customer trusts us. We are able now today, the customer trusts us, because what we have done in the past, the brand has been established 15 years ago, but it has gone through ups and downs, due to political reasons, or financial reasons, or economical reasons. But then, we've been very stable for the last six years and growing. Only last year, the growth of our total sales last year was 29%. Same store sales, 12%. Total growth, 29%. That shows you that the brand is strong, the brand is appreciated, and now because we have reached economy of scale, we need to open, open, open. That's why we cannot stop. So, marketing strategy, what we're doing is the right thing to do, we should not stop because it's making money, it's getting people in your store. Once the customer count stops dropping down, you're not doing the right marketing strategy, so we're definitely doing the right thing, Au Bon Pain is all about sensory marketing.

**R:** Can we say that, you implemented sensory marketing when you came into the company?

**C:** Well, there was a certain level of sensory marketing, but then when I came in the company and I brought in the experience that I had with the other brands, I wanted to do more of the sensory marketing, because I felt it was important, and then eventually we saw that it was indeed working, more customers came in because they liked that, they liked the strategies, so we started doing more and more and more, eventually it's all about sensory marketing, it's all about in store promotions, because we don't need to do more than that, we don't need to go and advertise, it won't work, we tried it.

**M:** Especially the product, we have to adjust to taste to match the needs. Before that the taste of sandwich was a bit more Western, so it's not easy for Thai people to get used to that.

**C:** Localization is important.

**M:** We tried to do it a little bit to adjust with the sensory marketing.

**C:** What else can we share?

**M:** For me it's all about in my store promotion...

**C:** We tried other marketing strategies, and we've been spending money for nothing. We've been spending money, and it didn't really increase the customer count, it didn't really help at all. You talk about building awareness, but it doesn't work this way. Sensory marketing will build the customer count, because they will talk about it with their friends. Spending a lot of money for awareness purposes is for Pepsi and Coca-Cola, it's not for a brand like ours.

**M:** Even some little things, little details in the store, before the music in the store was classical...

**C:** Which is terrible, like Mozart...

**M:** I think that the classical is too hard for the customer, some Thai people complained about it, "What kind of music, I don't..." They don't appreciate it that much, so we had to adjust it, to we make it more easy, with jazz music, I think it's more easy to get to the customers.

**C:** It's very important. Pom is the music manager here, everything here was her choice, and it's pretty cool stuff, it's jazzy, very easy listening, jazz music, which is very important because there are some people that's its important to them. I forgot

about that music part, you're the expert on that. But at one time we tried to sell CDs, but it didn't work, people didn't really... because it's not the same. It's like, when you go to a winery, you go there, and drink the wine, and it's so good, it tastes so good because of the whole surrounding, but when you buy it and take it home it doesn't taste the same anymore. And this is the same thing, it's sensory marketing, which has to do with the core, you are there in the middle of the vineyard, and you're drinking that wine and it tastes so good, because you have the whole thing around you. I don't buy anymore when I go to Pakchong, I don't buy anymore wine to take back because it tastes so bad when I bring it back home, but when I drink it over there...

**M:** Even in my part of my promotion, the packaging, for the holiday seasons, I can do some gift sets, to build the shop decorations, the holiday theme, to make the customer to feel happy. They want to buy more, to enjoy the holiday, the festive season.

**R:** The Christmas cookies were amazing, by the way.

**C:** You know, we haven't changed them for 15 years. Every year it's the same recipe, the same cookies, and they sell like hotcakes. We only bring them out on the Christmas period. We have a couple promotions that people go crazy about, it's like the cookies during Christmas, we have the strawberry season where we deal with a farm, where they send us fresh strawberries, and we put them in a jelly base with whipped cream for like 55 baht, and they sell like hotcakes, because the strawberry looks so nice. We don't cut them in half, we keep them whole so the customer looks like, "Wow, it's nice, I want to eat this." So all this is so important to maintain this excitement, and to continue the momentum. The most challenging part for Pom is to



maintain the momentum, and that's where you've got to create, add new smells all the time, new visual things, so the customer can see that there's always something going on. We're working on soups now, we're working on new dressings, all related to nutrition, and using all these fancy words, where people are going to say, "Wow, this is place I want to be, I want to die here." And so, there's a need to improve our soups as well, and Thais are eating more and more soups, we understand that they eat more and more, you see now in the supermarkets soup counter, so soups are selling more and more. We're going to be offering very soon, we're working on a hot sandwich program, where you can smell the cheese, we bake it, we bake the bread, and it becomes crispy and the cheese melts around it, because everyday we don't have that, we have cold sandwiches. We're working on a hot sandwich program which will add more smell in the store. So these are the things which we continuously have to improve, you can't stay the same forever. It's not only us, it's every brand, if they do more or less, if they follow these steps I think everybody would be successful, and I'm sure many, they do. You have to have that concept, if everybody follows that strategy but relates it to their position in their brand, it should work, you don't need to reinvent the wheel for that. People are more sophisticated, consumers are more sophisticated than 50 years ago, 50 years ago it was different. Today the consumer needs more, they have a lot of experience, they have a lot of choices, so don't fool them, you cannot fool them, they really are sophisticated, you've got to give them what they want. And we're still lucky, we don't have a direct competitor in Thailand, we don't. Nobody, and we have 53 stores, so we keep opening. Now you have brands like Coffee Bean and Tea Leaves start opening, Costa Coffee from England is

coming, so Starbucks is going to get more competitors, indirectly it's going to come to us, because all these competitors have to serve food, they're going to have cakes and food and muffins etc. Now, it's also good for us, competition is good because the customer can differentiate the quality of the product, but again you have to work harder to stay there on the top, to be better. We're not a coffee place, but our coffee is pretty good. We have a very good beverage manager who was able to maintain the consistency and continue training the staff and how to keep that coffee consistency, maintaining the machines right, the cleanliness, the water.

**M:** New beverage development also...

**C:** That's what they say, retail is detail. If you look at the details, you're going to be successful, marketing sensory is what the customer wants, the customer needs detail. Impress them, improvise, "Wow", that's what we want to hear. We say we want to hear this "Wow" strategy, they come in and say "Wow", I like that. I think that red brown bagels is perfect, how did you guys come up with this idea? It's not a US idea.

**M:** I told them we needed some more grains, more fiber, more nutrition in the bagels. I gave the idea to the R&D team so they came up with the idea, let's try the Thai rice. It smells good when you toast it.

**C:** It's a high quality bagel. That's my morning ritual, we stop by Au Bon Pain, get our breakfast, and take the kids to school. We also did this Thai style blended milk tea. It's a Thai beverage they sell on the street, but we made it more sophisticated by blending it, you cannot buy it blended on the street. We came up with a version where you blend it, nobody else blends it. So these are things you localize and then, the local customers really appreciate that. We're going to have a new bagel coming out soon,

that is like a Tom Yum chicken, inside a bagel. We work with the Thai Culinary of Thailand, we try to promote their young chefs, they come up with creations for us, and the one that we like, we'll take it and promote it. And we sponsor them on events, they go and they have these international competitions, and we sponsor these competitions. It's a CSR thing.

#### APPENDIX IV

Follow up question after interview with Au Bon Pain management.

1. How frequently are you opening new stores?

We set a specific budget for capital expenditure one year in advance, to support the required sales growth and also the required store development as per the franchise agreement. In our case the average is 6-10 stores per year.

2. Does ABP give samples of the new products in the stores?

Of course! This is a standard procedure every time we launch a new product and should be a daily ritual.

3. You mentioned that the ABP staff undergo training, what kind of training is it? What does the staff need to do?

Our training include Brand knowledge, operation theory and practice, promotion procedures, food handling, hygiene and sanitation practices, cash register learning and customer service and handling. Usually the full course is approximately 4 weeks

4. Regarding the increase on sales, after the implementation of sensory marketing strategies, I was wondering if you could share with me some of these sale values?

Minimum 10-15%



#### APPENDIX V

##### Observations of Au Bon Pain store

Date:	Feb 23, 2013
Time:	11:00 am
Place:	Au Bon Pain at Siam Paragon
Food:	<ul style="list-style-type: none"> <li>• Display: food is arranged in a way that is appealing to the eyes.</li> <li>• Preparation: food is prepared in front of the customer.</li> <li>• Presentation: food was nicely presented, with attention to detail. The bagel was prepared nicely.</li> <li>• Taste: fresh ingredients were used, food had a nice flavor. Coffee was freshly brewed and tasted good.</li> </ul>
Seating:	<ul style="list-style-type: none"> <li>• Plush and comfortable.</li> </ul>

	<ul style="list-style-type: none"> <li>• Clean.</li> <li>• Arranged around the perimeter of the store.</li> <li>• Directly attached to Dunkin' Donuts, owned by the same parent company.</li> </ul>
Ambience:	<ul style="list-style-type: none"> <li>• Seating was very open to passersby. Ideal for people watching.</li> <li>• No music was played.</li> <li>• Rather noisy as was in the middle of a busy food court</li> <li>• Store layout is designed to fit into the location, with open seating around the perimeter of store</li> </ul>
Staff:	<ul style="list-style-type: none"> <li>• Friendly staff, made eye contact and smiled to the customers.</li> <li>• Professional.</li> <li>• Longer waits than other store, very busy. Utilized a call number system.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• Mostly young Thai customers, including a couple students who were studying</li> </ul>
In-store advertising:	<ul style="list-style-type: none"> <li>• In store advertising for Lemon Tarts on every table, and abundant posters for other products</li> <li>• Award displayed for ABP store with highest sales</li> </ul>



Date:	Feb 24, 2013
Time:	2:00 pm
Place:	Au Bon Pain at Siam Paragon
Food:	<ul style="list-style-type: none"> <li>• Display: food is arranged in a way that is appealing to the eyes.</li> <li>• Preparation: food is prepared in front of the customer.</li> <li>• Presentation: food was nicely presented, with attention to detail. The club sandwich ordered was branded with the store logo on the toothpicks.</li> <li>• Taste: fresh ingredients were used, food had a nice flavor.</li> </ul>
Seating:	<ul style="list-style-type: none"> <li>• Abundant seating, in two different styles: bar seating, and seating closed off from mall</li> <li>• Clean.</li> <li>• Arranged around the perimeter of the store.</li> <li>• Directly attached to Dunkin' Donuts, owned by the same parent company.</li> </ul>

Ambience:	<ul style="list-style-type: none"> <li>• Seating was very open to passersby. Ideal for people watching.</li> <li>• No music was played.</li> <li>• Rather noisy as was in the middle of a busy food court</li> <li>• Store layout is designed to fit into the location, with open seating around the perimeter of store</li> </ul>
Staff:	<ul style="list-style-type: none"> <li>• Friendly staff, made eye contact and smiled to the customers.</li> <li>• Professional.</li> <li>• Longer waits than other store, very busy. Utilized a call number system.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• Mostly young Thai customers, but also a couple of tables of men in business suits.</li> </ul>
In-store advertising:	<ul style="list-style-type: none"> <li>• In store advertising for Lemon Tarts on every table, and abundant posters for other products</li> <li>• Award displayed for ABP store with highest sales</li> </ul>



Date:	Feb 9, 2013
Time:	11:00 am
Place:	Au Bon Pain at Siam Center
Food:	<ul style="list-style-type: none"> <li>• Display: food is arranged in a way that is appealing to the eyes.</li> <li>• Preparation: food is prepared in front of the customer.</li> <li>• Presentation: food was nicely presented, with attention to detail. The breakfast bagel was arranged nicely.</li> <li>• Taste: fresh ingredients were used, food had a nice flavor.</li> </ul>
Seating:	<ul style="list-style-type: none"> <li>• Abundant seating, in two different styles: bar seating, and seating closed off from mall.</li> <li>• In closed off section, mix between comfortable plush seating around the</li> </ul>

	perimeter, and standard chairs. Customers were seated entirely in the plush seats.
Ambience:	<ul style="list-style-type: none"> <li>• Bar seating was very open to passersby, ideal for people watching.</li> <li>• Smooth jazz was being played in the closed off section</li> <li>• Framed artistic photographs on walls.</li> </ul>
Staff:	<ul style="list-style-type: none"> <li>• Friendly staff.</li> <li>• Professional.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• Customers were entirely Thai or of Asian descent. Most were young women, some of them studying.</li> </ul>
In-store advertising:	<ul style="list-style-type: none"> <li>• In store advertising for various products, and abundant posters for other products.</li> </ul>



Date:	Feb 10, 2013
Time:	2:00 pm
Place:	Au Bon Pain at Siam Center
Food:	<ul style="list-style-type: none"> <li>• Display: food is arranged in a way that is appealing to the eyes.</li> <li>• Preparation: food is prepared in front of the customer.</li> <li>• Presentation: food was nicely presented, with attention to detail. The club sandwich ordered was branded with the store logo on the toothpicks.</li> <li>• Taste: fresh ingredients were used, food had a nice flavor.</li> </ul>
Seating:	<ul style="list-style-type: none"> <li>• Abundant seating, in two different styles: bar seating, and seating closed off from mall.</li> </ul>



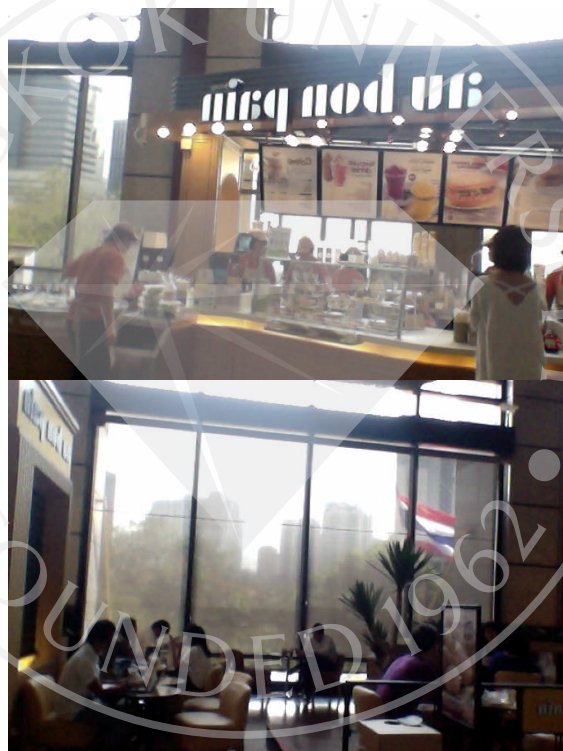
	<ul style="list-style-type: none"> <li>• In closed off section, mix between comfortable plush seating around the perimeter, and standard chairs. Customers were seated entirely in the plush seats.</li> </ul>
Ambience:	<ul style="list-style-type: none"> <li>• Bar seating was very open to passersby, ideal for people watching.</li> <li>• Smooth jazz was being played in the closed off section</li> <li>• Framed artistic photographs on walls.</li> </ul>
Staff:	<ul style="list-style-type: none"> <li>• Friendly staff.</li> <li>• Professional.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• Customers were mostly Thai or of Asian descent, with a couple Western men in business suits.</li> <li>•</li> </ul>
In-store advertising:	<ul style="list-style-type: none"> <li>• In store advertising for various products, and abundant posters for other products.</li> </ul>



Date:	Feb 16, 2013
Time:	11:00 am
Place:	Au Bon Pain at Emporium
Food:	<ul style="list-style-type: none"> <li>• Display: food is arranged in a way that is appealing to the eyes.</li> <li>• Preparation: food is prepared in front of the customer.</li> <li>• Presentation: food was nicely presented, with attention to detail. The club sandwich ordered was branded with the store logo on the toothpicks.</li> <li>• Taste: fresh ingredients were used, food had a nice flavor.</li> </ul>
Seating:	<ul style="list-style-type: none"> <li>• Plush seating, very comfortable.</li> </ul>

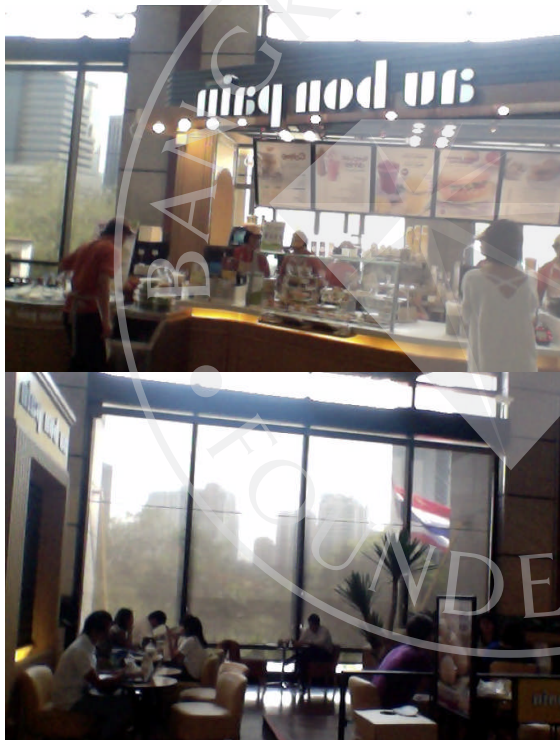


	<ul style="list-style-type: none"> <li>• Clean.</li> </ul>
Ambience:	<ul style="list-style-type: none"> <li>• Seating was very open to passersby. Ideal for people watching.</li> <li>• No music was played.</li> </ul>
Staff:	<ul style="list-style-type: none"> <li>• Friendly staff</li> <li>• Professional.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• Mostly young families picking up their children from Tae-kwon-do or ballet</li> </ul>
In-store advertising:	<ul style="list-style-type: none"> <li>• In store advertising for Chu cream, and abundant posters for other products.</li> </ul>



Date:	Feb 17, 2013
Time:	2:00 pm
Place:	Au Bon Pain at Emporium
Food:	<ul style="list-style-type: none"> <li>• Display: food is arranged in a way that is appealing to the eyes.</li> <li>• Preparation: food is prepared in front of the customer.</li> <li>• Presentation: food was nicely presented, with attention to detail. The bagel sandwich ordered was arranged to be appetizing.</li> <li>• Taste: fresh ingredients were used, food had a nice flavor.</li> </ul>

Seating:	<ul style="list-style-type: none"> <li>• Plush seating, very comfortable.</li> <li>• Clean.</li> </ul>
Ambience:	<ul style="list-style-type: none"> <li>• Seating was very open to passersby. Ideal for people watching.</li> <li>• No music was played.</li> </ul>
Staff:	<ul style="list-style-type: none"> <li>• Friendly staff</li> <li>• Professional.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• Mainly young Thai families, with a table of students studying.</li> </ul>
In-store advertising:	<ul style="list-style-type: none"> <li>• In store advertising for Chu cream, and abundant posters for other products.</li> </ul>



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Edulabs. Global Learning Solutions  
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January 5, July 5, 2009