

The Effects of Sensory marketing on Non-economic Business Performance; An Empirical Research on the Food and Beverage industry in Ghana

Name: **Isaac Nanekum**

INTRODUCTION

This study focused on the 5 human senses - sight, smell, sound, taste, and touch & how it can be manipulated to appeal to consumers in the food & beverage industry in Ghana. The sensory strategy would promote business fortune of companies in a saturated & competitive market & strengthen the innovative practices of the F&B industry.

PROBLEM STATEMENT

- Competition has placed great stress on many industries, including F& B sector. Today, business focus has changed from the product-centred notion towards the experientialist consumer-centred notion.
- Though, customers use every sense before making a decision about a brand but these vital senses have been largely neglected (Hultén et al. 2009; Hultén 2011). In Ghana, there exists scanty empirical research that advance the various frameworks to lay bare the impact of all 5 sensory factors to create brand awareness.
- Today, a drastic shift has occurred in mktg where products features & benefits alone does not guarantee business success. Consumers are searching for meaning, happiness, new forms of fulfillment & consumption experience that stimulate sensations & emotions.
- Fragmented media advertising does no longer have the power of enhancing aspirations on the senses of consumers. Customers have the power of closing their eyes & ears on adverts (Köse & Akyol, 2019).

RATIONALE OF THE STUDY

- To review current literature for a better understanding of sensory marketing & to give more theoretical support to the concept.
- To investigate how sensory marketing impact on business performance to propose a model to illustrate how it can be used to foster a firm's ability to create competitive edge.
- To explore the correlations between the 5 human senses & non-economic business performance to inform decision-making.
- To direct the efforts of companies towards the conception as to how firms wish to be perceived by consumers.
- To create a positive engram towards future sales opportunities for clients to be emotionally attached to the brand.
- To help in understanding how the 5 sensory lay bare the impact on theory, managerial, & policies implications.

STUDY OBJECTIVES

- To study the use of sensory marketing involving each of the senses so as to enhance business performance.
- To ascertain the extent to which sensory marketing is linked to non-economic business performance to create sustainable business.
- To assess the challenges of sensory marketing practices in the food and beverage industry of Ghana.

LITERATURE REVIEW

Schmitt (1999) Sensory Marketing Module

Consists of 5 vital senses (sight, smell, sound, touch & taste) & how they are combined to offer emotional experiences that touch customers' mind & heart with the aim of creating exciting, joyful & unforgettable memories (Zahy, 2017; Ali, et al., 2014).

But the model is grounded in North American thinking, signifying an advance country setting, making it culturally biased. There is conceptual confusion in terminology of the model with regards to “what exactly constitutes an experience (Carù & Cova, 2003).

LITERATURE Cont. 1

Wernerfelt (1984) RBV theory:

Stipulates that, for a firm to achieve a state of sustainable competitive edge, it must acquire & control valuable & non-substitutable resources & capabilities. These valuable resources makes it costly or difficult for others to imitate so that the firm can control & attain sustainable competitive edge.

However, the (RBV) model implies countless lapses since its applicability is too limited. The internal sources of a firm to sustain competitive edge is difficult to implement & not achievable (Runyan et al., 2006).

LITERATURE Cont. 2

Empirical literature reviewed:

- **Sliburytė & Le Ny (2017)**, Investigated on the Influence of sensory marketing: a study of atmospheric factors & consumer response in Lithuania (Europe).
- **Jang & Lee (2019)**, Researched on applying effective sensory marketing to sustainable coffee Shop business management in Korea.
- **Pawaskara & Goel (2014)**, Studied on a conceptual model: multisensory marketing & destination branding in India.
- **Natalia & Paul (2018)**, Studied on the effects of sensory marketing on the implementation of fast-food marketing campaigns in Thailand.

RESEARCH METHODOLOGY

- The research data was collected through primary & secondary data sources
- Analysis of a case study was used for the empirical inquiry. Secondary data included literature sources (journal articles) & websites.
- Primary data sources used include personal interviews, secondary & personal observation. In-depth interview (qualitative data) was done to obtain detailed information for the study.
- The analysis of the transcribed data was done in a logical, systematic & prescribed manner. These were coded and categorized, using the most consistently mentioned responses.
- Narrative presentation of results was chosen over other methods because the former is widely held & has been used in previous qualitative sensory marketing researches (Lee, et al., 2010; Kim, & Chao, 2019).

ANALYSIS OF RESULTS

- Demographically, most of the participants were female, which constitute (61%) of patrons, while males were (39%). 45% were relatively high income earners with monthly household income exceeding GHS 2,000.
- The choice of restaurants was based on the environment, comfort & relaxation, restaurant size, pleasure, quality, prices, entertainment, experiential event etc.
- All of the 10 food joints in the interviews have emphasized that, all the 5 vital senses should be right to ensure repeat purchase & positive WOM. Firms use these sensory factors as a secret weapon to improve business fortune.

MAJOR OUTCOMES

- The study replicates & extends previous research on sensory marketing. Is in line with previous studies, which reveals how consumers evaluated the atmosphere of F&B firms through the cognitive & emotional reactions.
- It was confirmed that, there are significant relationships among sensory marketing and non-economic performance indicators.
- It is discovered that F&B joints are visited by individuals for different purposes including dine-in, take-away, studying, socialization, pleasure & relaxation, and business meetings.
- It came out that, sight is regarded as the most important & persuasive sense with smell being the second most important, followed by hearing, taste & touch.
- Also, it is noted that sensory marketing, in its dev., faces many challenges related to the measurement of its success. It is important to highlight that the concept is still new & far from its maturity, since it lacks precise terminologies & structured or standardised approaches.



IRIC 2020

International Research Initiatives Conference

Website: www.irc.us

CONCLUSION

- All the 5 vital senses (vision, sound, smell, taste & touch) we found to have direct relationship with non-economic performance (customer satisfaction, customer retention, employee commitment, word-of-mouth & repeat purchase). This paper proposes the use of sensory marketing to enhance consumer experience in a positive manner to achieve business growth & sustainability.
- Sensory marketing must be implemented with proper planning. Problems come when it is not executed properly. Issues may be related to time, targeting the right customer group, high cost involvement, new product dev., corporate branding, brand extension & organizational policy. e.g. Cost involved may be too high for a firm to recover in a short time. No fixed period is decided for which sensory marketing can be carried out.

POLICY IMPLICATIONS

- Experience in a positive manner improve business growth and sustainability.
- It will serve as a guide to policy makers to adopt the best policies & practices that will support a more competitive & efficient way for businesses to flourish in a more perfect market environment.
- It can be used to refine & modify tactical programs to allow firms to identify where to focus mktg resources to improve performance.
- It will contribute in policy direction needed to attract high levels of investment to help increase the overall market success of Ghana's F&B sector.
- It will provide valuable information to help key players in the mgt. of the sector to develop responsive approaches by way of policy-measures to address the concerns of customers.
- The outcome will contribute to regulatory & national dev. programs. It will bring collaborations between Govt. & service providers to develop policies that will ensure successful mgt. of F&B sector infrastructure & administration.