

Brand Image and Customer Loyalty Through Sensory Marketing Strategies - A Study on International Fast Food Chain Restaurants

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ABSTRACT

The competition in fast food chain restaurant industry is high and restaurants are using different methods to strive for bigger market shares. Creating an environment that is pleasant where customers enjoy coming plays a vital role in determining customers' satisfaction, their visit duration and intention to revisit the restaurant. Sensory marketing has emerged as a tool to build a positive brand image and customer loyalty.

The purpose of the study is to find out the relationship between sensory elements and its effect on brand image and customer loyalty. For this quantitative study data was collected from from three international fast food chain restaurants i.e.; KFC, Dominos and Subway. Of 360 questionnaires distributed to customers 300 responses were taken for analysis, 100 questionnaires from each restaurant. The results fulfilled the research objective of the study and findings supported all five hypotheses to indicate that all five senses have strong correlation with brand image and customer loyalty. All sensory elements together are effective and effectiveness of olfactory, gustative and tactical elements are stronger in combination. Furthermore, the most effective sensory marketing element in a fast food chain restaurant happens to be olfactory elements followed by gustative, tactical, visual and auditory elements.

The research provides an immense contribution in the restaurant sector by providing an insight to sensory marketing strategies to enhance the brand image and customer loyalty. This study provides practical and theoretical implications in the restaurant sector which will help marketers in the fast food restaurant sector to excel.

Keywords: Experiential marketing, Sensory marketing, Brand loyalty, Brand image, Consumer behaviour.

INTRODUCTION:

The competition within the fast food chain restaurant industry is very high. In order to please customers, restaurants are using different methods to strive for bigger market shares. Creating an environment that is pleasant where customers enjoy coming to (Fiore, Yah, & Yoh, 2000).

plays a vital role in determining customers' satisfaction, their visit duration and intention to revisit the restaurant (Turley and Fugate, 1992). Sensory marketing has emerged as a tool to build a positive brand image and customer loyalty as five senses of customer; visual, auditory, olfactory, tactile and gustative are stimulated (Spies, Hesse, & Loesch, 1997).

Traditional marketing strategies are no more relevant in today's competitive era. Merely appealing visual sense and auditory sense may not be the only ways to attract customers. Traditional marketing strategies have to change and in find creative ways to target customers where more personal and individualized attention is given, long lasting experience relationship between the customer and brand is created (Barwise & Meehan, 2018). Fast food restaurant industry is very competitive, retaining customer and making them loyal to revisit is dependent

on the holistic consumer dining experience received at the time of consumption at the restaurant. The customers today want to enjoy their purchases through an experience that is engaging and memorable (Pine, 2000). It is further stated by Hultén (2009) that the human senses need to be understood as they are important elements in better understanding the consumption processes where individual behavior and decision making are important. Sensory marketing is rather a new terminology which is being used by marketers in the past decade. Sensory marketing is part of experiential marketing. This is a Revolutionary new trend in the field of marketing by which marketers try to evoke emotions through different marketing activities into the mind of the customers. By taking advantage of five senses, businesses exceed the expectation of customers. Feeling and emotions resulting from external stimulations travel in the memory and that gets registered as a beautiful experience resulting in consumer loyalty and building a positive brand image.

Therefore, as stated by Bernd Schmitt, (1999) Marketing will completely change. The customer won't pick the item or the service in view of the money saving advantage but for the experience that will be offered when they buy or experience during consumption. This research will analyse the case of fast food chain restaurants where all five senses are appealed during a dining experience. Customers of successful fast food chains i.e.; KFC, Dominos and Subway are chosen for this study. These restaurants are known in implementing strategies of sensory marketing across the globe. This study will examine the effectiveness of sensory marketing strategies on brand image and customer loyalty and also understand those sensory elements that are more effective in building brand image and customer loyalty of fast food chain restaurants. This study will create a link between the strategies proposed by sensory marketing theory experts and its real time application.

Research Questions:

Krishna (2011) explains that there is a need to understand and highlight the fact that products are of sensual nature, where the customers need to be affected through their senses – sight, taste, touch, sound and smell. These five senses create a memorable experience which then creates brand image and consumer loyalty. Hence this study will Endeavour in answering following questions.

- Do sensory elements have influence over brand image and customer loyalty?
- What are those sensory elements that are more effective in building brand image and customer loyalty of fast food chain restaurants?
- Whether these sensory strategies provide a fulfilled and holistic experience t the customer so that they can revisit?

OBJECTIVE OF THE STUDY:

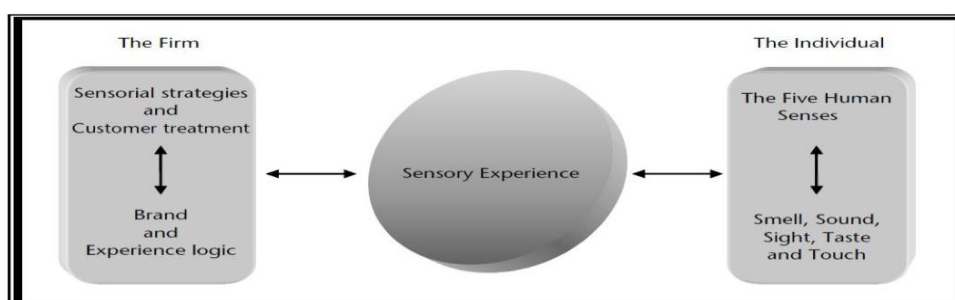
- To evaluate the effectiveness of sensory marketing strategies on brand image and customer loyalty of fast food chain restaurants.
- To understand those sensory elements that are more effective in building brand image and customer loyalty of fast food chain restaurants.

REVIEW OF LITERATURE:

Sensory Marketing:

With the advancement in the field of marketing, it has been stated by Hultén et al (2009) that marketing should have its point of departure in customers experience through the human senses, which is referred to as sensory marketing. Krishna (2011) explained in book that there is a need of understanding about the fact that services and products are sensual in nature, where a buyer need to be experiencing to all senses namely sight, taste, touch, sound and smell.

Fig 1: Sensory Marketing

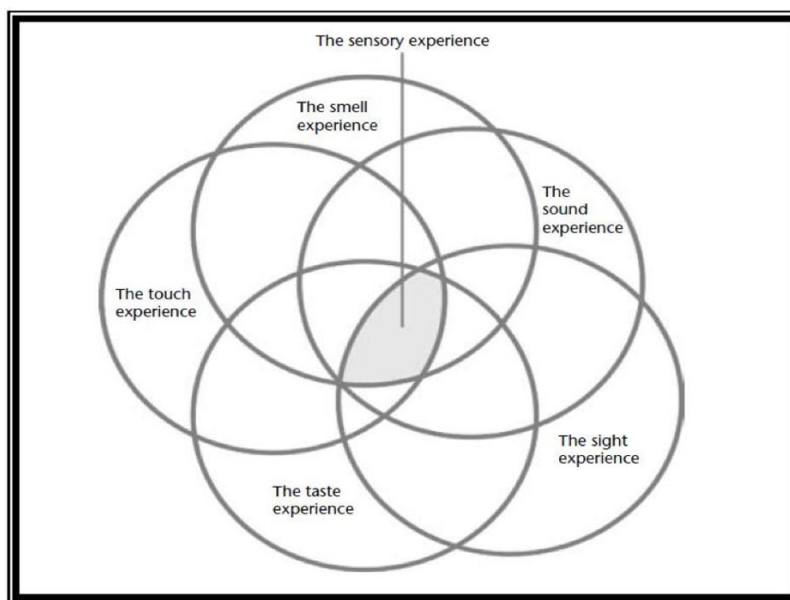


Source: B. Hultén, N. Broweus, and M. van Dijk, *Sinnesmarknadsföring* (Malmö: Liber AB, 2008).

The Sensory Experience:

Human senses have been ignored in the field of marketing for a long time, but in the recent years more attention to the meaning of customer's experience and consumer behaviour have been emphasized (Hultén, Broweus, Dijk, & Dijk, 2009). All these five senses that a human is gifted with or combination of a few senses create the foundation of it what it is called as sensory experience. It is further explained that customer's consumption process should be understood keeping human senses in mind because buyers behaviour and decision making process are important factors (Hultén, 2009).

Fig 2: The Sensory Experience



Source: B. Hultén, N. Broweus, and M. van Dijk, *Sinnesmarknadsföring* (Malmö: Liber AB, 2008).

Traditional marketing of fast food restaurants concentrates on selling the final product ignoring the overall dining experience (Lecomte, 2015). This results in limiting the eating choices as customer sees and then buys rather than buying through feelings in a restaurant. However restaurants should focus on giving importance to the feelings of customers and ignore those traditional marketing strategies and implement sensorial dining experience (Kwansa, 2002).

A survey done on the US fast food chain restaurant goes indicate that factors that influenced choices of food were the speed of service, quality and price (Kara, Kaynak, & Kucukemiroglu, 1995). Seating arrangements and ambience were not given importance in the list for frequent US customers. This indicates a cultural trend of serious eaters who are more interested in the final product rather than the atmosphere of the restaurant or before and after purchase experience. A South Korean study reveals that Asian cultures tend to consider eating as a more social or entertaining experience. Attention given to individuals and care given to customers are given more importance than savings time in the restaurant experience. Marketers should consider these cultural factors to target desired customers (Lee & Ulgado, 1997). In a study done on fast food chain restaurants it was revealed that all five senses were effective and olfactory, gustative & tactical factors are conjointly and exclusively effective. The most effective order of sensory elements found to be olfactory, gustative, tactical, visual and sonorous. (Randiwela, 2014).

It is an effective marketing application which gives to companies a real opportunity to maximize product profitability. In the food industry, sensory marketing has already been used partially. Indeed, many restaurants, fast-foods and bakeries try to galvanize our five senses by artificial systems. Sensory marketing, a new weapon for restaurant owners. Sensory marketing can benefit restaurants by arousing emotions and encouraging both customers and prospects to purchase. Roopchand (2015) in his research shows that the different senses have different impact on consumer buying behaviour especially for KFC consumers. Consumers find the senses such as music to be relaxing and smell as stimulating. There's only one sense that guarantees to lead directly to taste and that's smell. KFC is drawing on its most reliable strength its recognizable scent to get office workers excited. KFC first fed the mailroom staff and then sent them through the offices delivering the meals to all employees. Of all five senses, olfactory has highest impact on KFC consumers followed by visual and gustative

sense. Tactile and auditory impacts on the sensory aspects of KFC consumers are lesser. (Hussain, 2014). By the review of literature, it is found that traditional marketing strategies need to change from just using Visual advertising to using all senses to develop brand image. By integrating all five senses into the marketing strategy more customers will be attracted towards the brand (Lindstrom, 2005).

HYPOTHESES:

H1: There is a significant influence of visual elements on brand image and customer loyalty in fast food chain restaurants.

H2: There is a significant influence of auditory elements on brand image and customer loyalty in fast food chain restaurants.

H3: There is a significant influence of olfactory elements on brand image and customer loyalty in fast food chain restaurants.

H4: There is a significant influence of tactile elements on brand image and customer loyalty in fast food chain restaurants.

H5: There is a significant influence of gustative elements on brand image and customer loyalty in fast food chain restaurants.

RESEARCH DESIGN AND METHODOLOGY:

Sample Size, Design & Collection:

Primary data is collected from 300 samples through structured questionnaire containing all close ended questions. Convenient sampling technique was used for data collection. The data was collected from customers of McDonald, KFC, Dominos and Subway in Gachibowli area, Hyderabad. Total 360 questionnaires were distributed to customers of all three restaurants, and finally 300 responses were taken for analysis, 100 questionnaires from each restaurant.

Generation of Scale Items:

All constructs in the model were measured with multiple-item scales. Each of these variables was measured by a five-point Likert-type scale, ranging from 1 (strongly disagree) to 5 (strongly agree) and most of the items were derived from the literature.

Measurement Validation:

The questionnaire is said to be reliable if the Cronbach's Alpha score is above 60 % and the pilot study revealed the Cronbach's Alpha .929 i.e. 92.9 % which indicates a high level of internal consistency and implies that the questionnaires is reliable.

Statistical Tools Applied:

Descriptive statistics like Mean, Mode, Median, Variance, Standard Deviations Skewedness and Kurtosis were used to describe variables. Pearson's correlation coefficient to measure the strength of the association between the two variables and other statistic techniques like Multiple regression and ANOVA to address the study objectives.

FINDINGS DISCUSSION:

Descriptive statistics:

As per table 1, mean value, Standard Deviation and Skewness were used to understand attitude of data. Standard deviation and Skewness were used to predict distribution of variables and normality of data. The lowest mean was recorded in auditory elements which is 3.870 and Highest mean was 4.659 for Gustative elements (from the independent variables). It shows that respondents feel all the five sensory elements are effective in sensory marketing. All the sensory elements had a coefficient of Skewness value from -0.467 to -0.168 which indicates normal distribution of data because when value is between -1 and +1 data said to be normally distributed. As the absolute value of the skewness and kurtosis are less than three times of its standard error, it is evident that data is statistically normal (from the independent variables). Similarly, for dependant variable skewness is -0.161 and hence data are normally distributed. Standard error of Skewness is 0.111. As per the result, the dependant variable shows an absolute value -0.161 of the Skewness. This is less than three times of its standard error this confirms that the data is normal.

Variables	N	Max	Mean	SD	Skewness		Kurtosis	
					Stat	Std. Error	Stat	Std. Error
Visual elements	300	5.43	4.519	0.42285	-0.435	0.111	-0.442	0.285
Auditory elements	300	5.41	3.870	0.74518	-0.242	0.111	-0.449	0.285
Olfactory elements	300	5.18	4.150	0.66603	-0.351	0.111	-0.836	0.285
Tactile elements	300	6.56	4.406	0.81643	-0.168	0.111	-0.844	0.285
Gustative elements	300	6.50	4.659	0.86111	-0.467	0.111	-0.419	0.285
Brand image and Loyalty	300	6.50	4.251	0.81101	-0.161	0.111	-0.535	0.285

Impact of sensory elements on brand image and loyalty through the correlation matrix between dependent variable and independent variables:

To serve the primary objective of this study, Parametric test, Karl Pearson correlation analysis, will measure the relationship between Independent variables and dependent variables, using this test in this study we will decide the level of significance or insignificance of the impact of sensory elements on brand image and customer loyalty.

Independent Variables	Dependent Variables	
Visual Elements	Pearson Correlation	.512**
	Sig. (2-tailed)	0
	N	300
Auditory Elements	Pearson Correlation	.263**
	Sig. (2-tailed)	0
	N	300
Olfactory Elements	Pearson Correlation	.433**
	Sig. (2-tailed)	0
	N	300
Tactile Elements	Pearson Correlation	.515**
	Sig. (2-tailed)	0
	N	300
Gustative Elements	Pearson Correlation	.443**
	Sig. (2-tailed)	0
	N	300

** . Correlation is significant at the 0.01 level (2-tailed).

According to above Table 2 probability of the relationship between all the five Sensory elements and impact on brand image and customer loyalty is 0.000. This is highly significant. As the p-value is less than 0.01 this indicates there is a significant relationship between all the five Sensory elements and its impact on brand image and customer loyalty. Coefficient of correlation of Visual, Auditory, Olfactory, Tactile & Gustative have recorded 0.512, .263, .433, .515 & .443 respectively. There is a positive association between each of the sensory elements and its influence on brand image and loyalty of customers. Therefore, all the below hypotheses are supported.

According to above results higher level of sensory activities shows higher level of association brand image and loyalty. There is a significant positive relationship between sensory elements and brand image and loyalty. The strongest correlation is with tactile elements followed by visual elements. We can say that correlation between brand image and loyalty and tactile elements and visual elements are the strongest ones.

As per table 2 all sensory elements have significance level of 0.0000 towards brand image and customer loyalty. This clearly indicates that hypothesis established in this study can be accepted. It also indicates that all independent variables have positive coefficient of correlation with dependent variables. Hence objective of this study whether the sensory marketing elements are effective for customer loyalty improved brand image is fulfilled.

Effect of sensory marketing elements through multiple regression:

To address the first objective multiple regression model is used. Impact of variable from this model is measured as the first objective has 5 variables multiple regression has been used. According to table 3 correlation is .657 which indicates that sensory marketing elements have positive Association with brand image and customer loyalty. Coefficient of determination is 0.423 which is 42.3% improved brand image and customer loyalty covered by multiple regression model. As the R value increases as the sample size increases.

	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.657 ^a	0.432	0.423	0.55559

ANOVA Analysis of Sensory marketing elements:

To address the first two objectives of the study, according to ANOVA results in table 4, P-value of F-statistics is 0.000. Hence this value is statistically significant. Regression Model indicates that Sensory marketing elements together influence on brand image and customer loyalty.

Sources	SS	df	MS	F	Sig
Regression	112.853	5	22.571	53.891	.000a
	123.134	294	0.419		
Total	243.987	299	22.989		

As per the coefficient table 5, Olfactory, Gustative and Tactile Beta (β) values are of 0.336, 0.296 and 0.193 respectively. This indicates that Olfactory, Gustative and Tactile elements together have strong influence over on brand image and customer loyalty. Olfactory and Gustative elements have recorded 0.000 level of significance and Tactile elements show 0.029. This means that these three variables are more influence more and are significant exclusively at any level of confidence. We can conclude that Olfactory, Gustative and Tactile elements together have strong effect on brand image and customer loyalty.

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.093	0.401		0.215	0.797
Visual Elements	0.119	0.143	0.066	0.797	0.398
Sonorous Elements	-0.024	0.052	-0.022	-0.477	0.526
Olfactory Elements	0.336	0.069	0.292	3.533	0
Tactile Elements	0.193	0.088	0.14	2.177	0.029
Gustative Elements	0.296	0.048	0.312	4.474	0

a. Dependent Variable: Brand image and customer Loyalty

LIMITATIONS OF THE STUDY:

Although this study expands our knowledge of the sensory marketing techniques used in fast food chain restaurants and its impact on brand image and customer loyalty viable prospects for further research are still there. All the precautionary measures were taken to ensure the objectivity, reliability, and validity of the study, still a few limitations were found. The data was collected from 3 international fast food chain restaurants in Gachibowli area, Hyderabad, so the results can not be generalized. Proper list of customers was not provided by the franchise owners; therefore, convenience sampling technique was applied.

FUTURE RESEARCH:

For future research following points could be considered. Same study can be conducted in other geographical areas as taste and preferences change as the people change. Other sensory elements can be incorporated and examined in order to build strong relationship sensory marketing strategies and consumer behaviour. Future research can be conducted in other hospitality areas like theme restaurants, food courts, shopping malls, hotels, casinos, motels etc. Comparative study between different fast food restaurants i.e. KFC and McDonald can be undertaken.

CONCLUSION AND SUGGESTIONS:

Visual elements:

Findings of this study revealed that brand image and customer loyalty have strong relationship with visual sense. Visual elements include, logo, brochure, signage, menu, color, dress code of the restaurant’s staff,

upholstery and cleanliness. It is suggested that fast food restaurant use visuals that are appealing to customer resulting in improved brand image a customer revisits to the restaurant.

Auditory elements:

It was found that sounds created in the restaurant had a negative correlation. Noisy restaurants sometime are not liked by people who want a calm atmosphere to sit and talk. Music plays an important role, fast western music played was preferred by youngsters while elderly people liked slow music and less noise distraction. Sound was found to be a relatively less appealing in building brand image a customer loyalty.

Olfactory elements:

Study revealed a positive association between Olfactory factors and impact on improved brand image and customer loyalty. Obviously, smell of food was scored highest in mean. Therefore, it needs to be made sure that smell of food at the time of cooking let out where customers are expected to be standing or sitting. At the same time bad smell of washroom are must be normalized or avoided which creates an inverse effect for brand image. It is recommended to use artificial or natural fragrances like spices to sway the smell away.

Tactile elements:

As per the results strongest correlation between dependent variable exists between tactile factor. This is an astonishing finding as feeling sensation is usually known to be highly effective in hospitality industry, but not known very effective in fast food chain restaurants. All nine questions asked in this regard were rated with a higher mean. The tactile elements refer to ambience and environment felt by the customer. It is recommended that Tactile elements like tableware, silverware, cutlery, tables, seating arrangements and convenience in movement within the food serving area are well managed and defined.

Gustative elements:

Coefficient of correlation has a positive association between Gustative factors and its impact on brand image a customer loyalty. For sure, Taste is the most important element in restaurants. All seven questions asked about this factor recorded a higher mean which indicates the obvious importance of Taste factor is in fast food restaurants. Taste could be the defining factor and directly related to competitive advantage.

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