

Global Fragrances in Consumer Products — Merits & Demerits

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Many of my associates in multinational fragrance houses and international FMCG companies believe that all consumer products will have global fragrances in the near future. Global fragrance is the use of a single fragrance in a product that is marketed worldwide by an FMCG corporation.

The product name or brand may differ, base formulation and dosage levels may vary at different markets, but the overall fragrance impression obtained and perceived by consumers will be the same, world over.

The basic assumption of our friends is that global fragrances would give fragrance suppliers good marketing advantage to eliminate local competition, offer convenience and cost advantage to FMCG manufacturers, which could finally be passed on, to benefit the end consumer.

WORLD MARKET SCENARIO

In recent times, we have seen economic crisis, conflicts and confrontation among nations. As the outcome of all these upheavals, independent nations have become interdependent. Energy conservation, environmental concerns, communications and the will to survive has made commercial coexistence on one another crucial.

Today, commercial economic power is valued more than brute military strength. Economic construction is being witnessed in India, China, and coun-

tries of the erstwhile Soviet Union. The large population in these nations are fast emerging into major marketing opportunities for all marketers.

While the above developments give an impression that the world is coming closer to one another, individual consumers continue to maintain their unique characteristic and distinct identity.

MARKET POSITIONING AND SEGMENTATION

If we look closely at the products available in the market, we will find that each brand has more than one brand variation catering to specific market segment needs. There is a niche product positioned at every market segment. Many marketers initially introduce a couple of brands and then increase shelf space in the outlets by adding line extensions, capitalising on newer trends that appeal to their consumers.

We know that fragrance liking by consumers depends on country, cultural preference and socio-economic status. Our common sense suggests that we cannot produce or market products that will be suited to every individual purpose and purse. Buying motives vary with every individual. Features and benefits consumers want to derive from the product are also different.

Social factors, reference groups, family and status, influence consumer behaviour — either directly or indirectly. Shopping behaviour also varies, depend-

ing on class and promotional response, due to media choice and usage patterns. People buy different goods and services, depending on their lifestyles and household requirements. A person's educational background, occupation, and income levels are interrelated.

The inter-relationship among these variables often gets combined to a composite index of social class. The more educated a person is, the greater the likelihood of a better position in society and so increased earnings. In addition, occupation of a person also influences consumption pattern and product choice.

Culture plays a very significant role in influencing consumer perception, preference and purchase. Understanding culture can help us interpret consumer reactions on fragrance profiles. Product choices and usage differs among social class. Specific items are bought by the upper classes and the lower social class purchases certain others.

The upper class prefers sophisticated subtle fragrances, whereas all others prefer fragrances that have a good strength. For example, generally in India, consumers in the southern part of the country prefer a woody, sandal or herbal fragrance that is not very well appreciated in the north, where floral lime is popular. The West prefers fruity floral modern fragrances, while the East likes floral bouquets. Although floral fragrances are popular and appreciated all over the country, no specific floral or floral blend is uniformly liked.

Today, a homogeneous society with uniform likes and dislikes hardly exists. The society is composed of members of diverse ethnic, racial, religious and social groups — each maintaining and participating in the developments of their traditional culture and special interest, but within the confines of a common civilisation.

These differences are reflected in their preferences for diet, leisure activities, hobbies, fashions, personal hygiene and also in the choice of fragrances and fragranced products. Fragrance liking is so diverse that a successful strategy used in marketing a product in one part of the world may not be successful in another location.

Olfactory research has demonstrated that there exists a correlation between taste and odour perception. Is there is correlation between diet and fragrance preference? Spicy fragrances are very popular in the Middle East. Is it because of their strong liking to spicy foods and regular use of spices in all food preparation? May be it is also due to the effect of the food we consume, the digestion of which releases specific elements into our body systems affecting body odour, thereby influencing odour appreciation and fragrance performance on skin!

THINK GLOBALLY, ACT LOCALLY

In any market, it is difficult to introduce a product with a new unique fragrance. It is very difficult if a stiff competition candidate exists and has an established product loyalty among consumers.

Consumers with positive performance attributes and strong associations are often reluctant to change their brands or use a product with a different fragrance profile. Successful entry in

such markets is only achieved by marketing a product with a fragrance that is familiar to the consumers.

We all know of instances where a product successful in one market has fared poorly in another and vice versa. Only a product with a market reflective fragrance profile that also enhances product attributes can become a commercial success and realise its full potential.

Now let us consider a situation where a product introduced with a new fragrance has been able to erode the market share of the established brand leader. The only alternative left for it to regain its market share is to re-launch the brand with an improved fragrance.

If the existing brand is well entrenched and successful in many markets then it is a risky proposition to make a blanket change of the existing fragrance in the product. In this situation it is only wise to think globally, but act locally. Don't we know of brands who have responded likewise, in order to beat competition and stay in business?

CONSUMER MINDSET AND LIFESTYLES

Consumer mindsets are based on socioeconomic cultural differences and play a very important role in fragrance preferences. Today, a consumer's age is not important. Young and old now think young, have an active lifestyle, eat healthy, exercise and maintain a healthy body. Being contemporary in thought, speech and action, also influences fragrance likes and dislikes.

Today a fresh, clean fragrance preferred by consumers may not be appreciated tomorrow, as it could be perceived to be too fruity, sweet and young.

In today's scenario it is difficult to find consumers appreciating the same fragrance over a single region, leave alone the entire globe. In order to capitalise on the fragrance potential in a brand, it must be adapted and maximised to be consistent with the brand image. Only by adapting the fragrance to meet consumer requirements, a brand can be made successful.

It is true that that some products with the same fragrances have been very successful in different countries and regions. However exceptions cannot be a rule. It is essential that we keep an open mind on fragrance selection, so that the fragrance selected helps in contributing and building the brand to make it successful.

CONCLUSION

Globalisation of fragrances may offer a philosophically sound proposition with short time benefits for improving bottom-line results, both for fragrance houses and FMCG corporations.

However, in my view, global fragrance, despite having some advantages will compromise on creativity and inhibit marketability.

The limitation it presents far outweighs the benefits. The ability to quickly respond to market realities, to be regionally specific and up-to date in a competitive market place is always the need of the hour.

If, however, global fragrances do become a reality in MNC products, what does it portend to local regional players in the industry? According to me, very bright, if they are smart enough to quickly cater to regional aspirations, requirements and demand.

Dark clouds have silver linings! Correct?