



Press release

2<sup>nd</sup> SAM Sensory Marketing Seminar:

## Industry top-management confirms that Sensory Marketing insures long-term brand success and sales potential

Zürich, June 27, 2006. More and more businesses are discovering the wide range of opportunities that Sensory Marketing tools offer. They range from the strategic identification of market potential and target groups to the targeted adaptation of the product to the customers' needs on through to the securing of long-term customer loyalty to "their" brand. Noted as an organisation that specialises in quantitative sensory consumer and market research, innovation, and market consultation, SAM Sensory and Marketing International recently hosted a seminar in Zurich. Top managers from different areas of the consumer goods industry explained how marketing research tools can be useful in raising the sales potential in markets marked by competition.

In today's complex and highly competitive markets deluged with the low-price strategies of the discount firms, only well-established brands have a chance to win the battle for customers. For the consumer, brand names represent high quality and trustworthiness; they must fulfil the customers' high expectations on every level. Alain Olivieri, R&D director of the global Convenience Food Group UNIQ states that, „In order to satisfy these conditions, we must have a detailed understanding of the customers' needs and wishes and of the factors - the so-called "preference drivers" - that decisively influence their preferences. We will then be able to tailor a product that is targeted at the customers' requirement. Therefor a sensory foundation is indispensable.”

Product development – quick, targeted, and economical

Over the past several years UNIQ has vigorously pursued a Sensory Marketing strategy for newly developed products as well as for the optimisation of existing products. In close co-operation with SAM Sensory and Marketing, the enterprise follows a systematic product development strategy, that directly focuses on the consumers' wishes. Olivieri calls this strategy „Consumer Value Optimisation“. In this way, the producer achieves long-term customer satisfaction as well as optimal positioning in the

given product category, while justifying a premium position vis-à-vis product pricing. The profit margin remains acceptable thanks to the close co-operation between marketing and product development experts who keep a close eye on production costs.

### Recognising and localising market potential

One of many useful sensory marketing tools that is popular within the industry is sensory mapping. With the help of trained consumer panels, descriptive sensory product profiles are constructed. Thus, it is possible to produce “maps” of product regions so that the manufacturer can see in a glance a product's sensory position from the consumer's point of view. The graphics indicate how strong, and in which direction the product differs from competitors' products. The graphics also indicate where there is room for new development within the marketplace.

In addition to sensory mapping, preference data is gathered from consumer statements concerning how much they value a particular product. By combining the data, it is possible to predict the chance of market success of hypothetical product concepts and directly compare these concepts with goods that are already in the marketplace. In this way the characteristics of products that are aimed at particular target groups already in the preliminary phase of the market presentation can be systematically varied until the ideal constellation is achieved.

### Which screw to turn?

Obviously, sensory marketing doesn't just consider the intrinsic sensory product characteristics; they also take into account extrinsic features of the marketing-mix, such as packaging design, and labelling with special claims or different prices, since there can be considerable interaction between these elements. These effects can be demonstrated by using methods that simulate real-life situations, such as choice-based-conjoint analysis. As professor Dr. Ulrich Enneking from the Technical University in Osnabrück explains, some surprising results can emerge that would remain undiscovered when using conventional methods. This was shown, for example, in an acceptance test of orange sodas, in which the acceptance of sugar substitutes in various brands varied to a great degree; in most cases the products were rejected. Whereas a regional product with sugar substitute which was promoted as “low calorie” was

guaranteed success. In this way concepts with little chance of success can be recognised and rejected early on. The danger of expensive flops is greatly reduced, and niches with good prospects can be localised and occupied with a high rate of success.

The sensory market researcher as trustworthy adviser

Anne Goldman of the Canadian sensory consumer research company, ACCE finds that, "Many companies are still not taking advantage of the expertise of sensory market researchers as much as they might." Instead of playing the role of "executive technician", Goldman sees the ideal function of the sensory market researcher as a competent and trustworthy adviser on the cutting edge between product development and marketing. „He/she is an expert, that thinks like an entrepreneur, and has an understanding of the products and their production and marketing, as well as of consumer needs.“ These roles can be established within an enterprise as well as being served from without. „It may well be easier for a neutral, trustworthy third party to speak openly about uncomfortable problems and carry out corrections,“ says Goldman.

Source: SAM Sensory Marketing Seminar „Effective marketing applications to capitalise on brands in competitive markets.“ Küsnacht, CH, June 19-20, 2006

SAM Sensory and Marketing International specialises in quantitative consumer research and Sensory Marketing. The group has operative establishments in Switzerland, Germany, France, Italy, and Spain. In Germany SAM Sensory and Marketing is represented by SAM ASAP Sensory and Marketing Germany GmbH with locations in Munich, Hamburg, and Mannheim.

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