



## Taiwanese Consumers of Perfume: The Importance of Brand Familiarity & Communication Channels

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During the 2013 summer, SémioConsult® supports Wan-Yuan Chang's proposal – as part of her Masters' Thesis - to investigate the importance of brand familiarity and communication channels in Taiwanese consumers' decision-making process, concerning perfume consumption. She has conducted a benchmark analysis of successful perfume brands and a survey among Taiwanese female consumers. The present document summarizes the main results of her study. Do not hesitate to get back to us, should you need a deeper analysis of the topic or should you have any queries regarding this project.

### *Which Factors Does a Perfume Brand Need to Get a Chance of Success in Taiwan?*

Observing the Perfume players in Taiwan, especially successes, leads to the identification of specific criteria to meet in order to sound legitimate as a new brand:

- ✓ Have a well-crafted brand strategy, respecting some **“functional” principles**: Taiwanese consumers usually pick-up well-known luxury perfume brands for their reputation of **trust and security**.
- ✓ Careful choice of advertising images and product descriptions. Some large-scale companies promote their perfumes using **celebrity endorsement**; others adopt a more radical approach and rely upon the Internet and **social media** (mainly social networks).
- ✓ Rely upon **personal communication tools** (advocates, experts, friends, etc.), as other studies show that more than 50% of Taiwanese consumers are influenced by word-of-mouth in their willingness to try a new perfume brand.
- ✓ Sound 'close' to your consumers: Taiwanese consumers look for **friendly scents to wear**. This is not only a marketing issue (communication choices) but also a R&D one.

## *A specific focus on the importance of brand familiarity & communication channels*

Some academic studies have shown that familiar brands can boost consumers' experiences with a perfume. Besides, recent evidence suggests that interactive communication could affect brand perception. Thus, we decided to observe the influence of these two factors in Taiwanese consumers' perfume consumption journey.

### *The Empirical Study*

132 Taiwanese women answered an online questionnaire between July 20<sup>th</sup> and August 12<sup>th</sup> 2013.

- ✓ The majority of the respondents are from age 26-45, office workers, bachelor degree, and using perfume every day, with annual income among US \$20,000- US \$30,000.
- ✓ The respondents would **consult salesperson, expert, friends, family or colleagues when making purchase decision related to perfume**. Particularly, the opinions from social channel are more influential than expert and advocate channel. Nevertheless, they agree peoples' opinions are more influential than advertising.
- ✓ The respondents prefer buying a perfume based on media exposure or according to the strength of public relationship of the brand. The impact of a discounted price is less important than their experience with a certain brand in the past.
- ✓ On average, the respondents could utter four brand names. Mostly they uttered **Chanel, Dior and Chloé**. Conversely, some brands were quoted only once: Acca Kappa, Diptyque, Cartier, Montblanc, Annick Goutal, and Serge Lutens. The top five uttered brands are all **fashion brands**, which are all distributed by the brands' local branches or the leading distributor of renowned global fragrance and cosmetic brands in Asia, Luxasia Group.

Focus on answers to the question "Via consumer decision journey to discuss how consumers consider and evaluate products, especially in perfume market".

<b>Buy Stage</b>	<b>Average <math>\bar{X}</math> (out of 5)</b>
Consumers often buy the familiar brands at the end.	3.04 (Moderate)
Consumers purchase a perfume because they have a good discount.	2.42 (Disagree)
Consumers purchase a product from their familiar brands no matter the scent is pleasant or not.	2.73 (Moderate)

The most factor affecting buying decision at the purchasing moments ?

1 Scent 2 Packaging 3 Others' opinions 4 Advertisement 5 Service 6 Promotion

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### *Main Takeaways*

#### ① **Brand Familiarity is Key Out-of-Store (before & after purchase)**

- ✓ It affects Taiwanese consumers' decision-making before (when they **consider the purchase**) and after (**evaluation**) the purchase moment per se.
- ✓ It provides **trust and helps** consumers easily scope their choices, ultimately leading to a final choice of purchase or not.
- ✓ It is less important while Taiwanese consumers experience perfume purchase: the **scent** becomes the most important factor of the **purchase experience in-store**.

#### ② **Focus the Communication Strategy on Interpersonal Communication**

- ✓ To build a strong brand familiarity and to convey an **image of a friendly brand**.
- ✓ Taiwanese consumers seek **exclusivity**. They also expect **premium service** in perfume retail areas.
- ✓ **Word-of-Mouth** communication **involving clients and beauty advisors** has great potential.
- ✓ Examples: VIP events, one-to-one new product experience moments...

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