

Something stinks in Germany

Membership has benefits!

We are a proactive voice for the industry, promoting the benefits of scent-based marketing strategies and when necessary, defending the industry against misinformation. The Scent Marketing Institute is working to establish industry guidelines and a clearly defined code of ethics developed by and for its constituents.

There is no other place where professionals, executives and entrepreneurs can find a comprehensive resource of market and business intelligence. Our global membership includes an impressive group of professionals from diverse industries and business functions.

Visit us at www.scentmarketing.org and find out about the many benefits a Scent Marketing Institute membership will offer.

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We constantly scout the media to bring you the latest and greatest news from around the world. Currently, over 100 news reports from 15 categories are available in our knowledge base. Updated on a daily basis.

Next to come: Our recommendations for relevant books, a comprehensive list of White Papers and research material as well as company news from our friends and members.

From the "Is there no Shame?" Department.

"Our analytical lab uses twin GC/MS equipment to analyze and duplicate fragrances. Any scent that you've smelled before can be recreated in our labs. When duplicating a fragrance, we can either analyze your existing fragrance or extract fragrance from a target product to exactly match the scent that you would like to include in your own product."

www.chemiacorp.com

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It's official. The German Federal Institute for Risk Assessment (BfR - Tagline: "Recognizing risks - protecting health") has decided that the public needs to be informed when "artificial scent" is released into the ambient air. The headline of their press release from August 5th of 2008 is "Breathing in scent causes Allergies?"

Notice the question mark? Further down the release says that "the experts that discussed the matter were not aware of any environmental scents that may have caused allergic reactions when inhaled via the respiratory tract." There *may* be a risk - the Institute assumes - for individuals already suffering from contact allergies to react in a similar way to scents in the ambient air.

Germany officials had this issue on their radar screens for quite some time. A press release in 2006 stated: "As with any otherwise pleasant substance or experience, consumers must be able to protect themselves when fragrances become a menace. Unfortunately, very little is known about the substances that are used or their effects on the environment or health. What to do? It would certainly make no sense to ban fragrances in general since this would not be desirable for either consumer or manufacturer. For the sake of precaution UBA (Umweltbundesamt - The German Federal Authority for the Protection of the Environment) recommends that fragrances not be used in public buildings in which the individual has no power to make a choice (e.g. offices, department stores, cinemas), so as not to impact the health of sensitive people." (For the full text in English go to <http://www.umweltbundesamt.de/uba-info-presse-e/2006/pe06-035.htm>)

That's a bit different from the recent statement, nevertheless it leaves a bad taste and the impression that "scent marketers" (the release uses the term in quotes) deliberately would ignore potential harm to the public for the sake of bigger profits.

- That the consumer must be given a choice is nothing new, neither the fact that we should stay away from scenting public places.
- Any reputable scent marketer would use RIFM and IFRA approved fragrance materials anyway.
- Do we need Government Agencies to alert the public of potential health risks that not even their own experts have sufficiently explored?
- Is there no trust in common sense?

We would do our industry and our businesses no good if we would not make sure that our products are safe. Could it be that it's August (the Germans call it "Sommerloch") and there's not much else to report?



Did you ever wonder why so many magazine readers wrinkle their nose at the ScentStrips(R) and other fragrance sampling devices?

Crain's New York wrote on 8/11/08: "According to a report from circulation consulting firm McPheters & Co., 45% of all magazine reading occurs in waiting areas and other public places, and more than two-thirds of those readers look for their favorite titles in those locations. Advertisers have sometimes questioned the value of public place copies as part of the total circulation picture. But the report says that public place readers are as good as any. "Public place readers are very engaged with the publications," said Rebecca McPheters, chief executive of her eponymous company."

The current report from the Audit Bureau of Circulations brought the bad news that magazine newsstand sales fell sharply for the first half of 2008. Total single copy sales of the 532 magazine titles reporting their numbers fell 6.3% to 44.1 million in the six month period ending June 30, according to ABC.

Become a Scent Marketing Institute Member!

Membership Benefit #2: Access to a global network of scent marketing professionals. and to the executive hotline to have your scent marketing questions answered.

Go to www.scentmarketing.org and click on the "Membership" button.

10 steps to successful Scent Marketing

STEP 1: Understand the tremendous potential of scent

The sense of smell is the strongest of all human senses. It protects us from drinking old milk and alerts us of the presence of natural gas. It reminds us of experiences – good and bad – we may have had decades ago. Scent travels straight to the limbic system in our brain – which is responsible for memory and emotion.

For marketing purposes, scents have proven to work well in two areas:

The Cognitive, in which they make us recognize a product and trigger a desire or memory that may end up in a decision or a purchase. The ideal application is to stop a passer-by by projecting a whiff of that product's scent into her path.

Consumer research shows that once a scent is dispersed, related products are perceived of higher quality and value. A scented toilet paper was perceived softer than the identical, unscented version.

The Emotional, in which scents make us feel comfortable, "at home", influencing our perception of the passing of time (slower in a scented environment as proven in Las Vegas casinos) and space (a scented room is perceived larger than an unscented room). Scent can generate an environment where we like to stay longer and consume more.

The key potential of scent marketing for a brand is the lasting association of a scent with a certain event or environment. If this involves a positive experience with your brand you can truly say "mission accomplished".

To be continued in the next issue of scenttrends.

Scent Marketing Institute joins Fashion Group International

The name is deceiving. In fact FGI is one of the leading organizations to which most of the fragrance and beauty industry professionals belong. There is plenty of opportunity to network throughout the year as well as some truly high-end events. Tip o' the Hat to our friend Margaret Hayes! Check them out at www.fgi.org.

One indication of the rapid growth of the Scent Marketing industry is the dramatic increase in entries in our Scent Marketing Compendium. Updated on the fly as a pdf document and distributed via e-mail it virtually flies off our servers. For your own copy go to our website and order from there.

26 scent marketing consultants

61 scent delivery system manufacturers & distributors

micro-encapsulation **6**

scent developers **15**

How to break into the Branding & Ad Agencies?



The question mark may already have given away the real problem. If you think this is a "How To" article on successful strategies how to reach the account managers and creative geniuses at these opinion leaders and

creative powerhouses -- we have to disappoint you. **This is actually a Cry for Help and comments and suggestions are encouraged!**

Who should know more about Scent Marketing? The client or his agency? From experience it seems to be easier to get in front of a marketing manager at any big brand than in front of his (or any, for that matter) agency. Since when are all agency housed in ivory towers? Go to any agency web site - most of them are well done - and if you get any further than "info@..." or "bigcity@bigagency.com" you're one lucky person. Is there no need for our line of work or are we simply doing a poor job in making our existence known? What happened in 2007 -- the year that AdvertisingAge coined "the year of Scent Marketing"? Nothing about it has been written in their pages in all of 2007. Our conference (hello, it's 2008 already!) barely made it on their radar screen. What kind of stunt does one have to pull? Chocolate-scented attractive ladies handing out pamphlets outside the "Upfront" parties? Been there done that!

Is it just a huge waste of time and money to court the advertising agencies. We hope it is not. But who has the Silver Bullet -- and wants to share it? Scent Marketing does not deserve to be a desperate effort when all other options are exhausted and the client insists on "something different". We will certainly keep reaching out to the creative community and the account executives at branding and advertising agencies worldwide. But if there's a better, more effective way -- please let us know!

Is bad news good news for Scent Marketing?

According to Euromonitor International, as the U.S. economy faces increasingly gloomy prospects "The cosmetics and toiletries market shows strong signs of contraction, with virtually no growth in real terms in 2007 and a disappointing outlook. **Fragrances will be the sector hardest hit by the economic downturn**, as cash-strapped consumers turn away from items they consider superfluous. With premium fragrances seemingly available everywhere, perfumes' mystique has disappeared for Americans. Premium cosmetics as a whole will shed \$410 million in the next five years, as consumers switch from expensive prestige brands to less expensive analogues."

Here's our opportunity to once more present ourselves as "non-traditional" customers to the fragrance manufacturers and to help them pick up business they otherwise may have ignored.

Company News: IFF reports second quarter '08 results: Sales up 11% (4% in local currency), Flavors Sales Up 15% (8% in Local Currency), Fragrances Sales Up 8% (1% in Local Currency) +++ **Prolitec** has moved. Send your housewarming gifts to 1235 Canal Street, Milwaukee, WI 53233, USA +++ **Drom Reorganizes U.S. Division:** Andy O'Shea, Vice President of Sales; Robert Stapf, Director of Marketing; Ferdinand Storp, General Manager; and Patricia Gambardella, Vice President of Administration. Congratulations! +++ **ad*aroma - marketing zapachowy:** Our friends in Poland have announced the English version of their web site. Dziekuje (that's Polish for "Thank You")!

We would like to hear from you!

Please send your company news, submit your ideas, comments and suggestions to info@scentmarketing.org