

REVIEW ARTICLE

Experiential Marketing: Emerging Issues and Suggestions

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Abstract

Due to the rising of personal incomes and living standards, consumers are more focused on their personal style and taste. Consumption patterns are also changed from the past “agricultural economy” to “industrial economy,” then to “service economy,” and now to “experiential economy.” Therefore, the concept of experiential marketing is getting more important. In an uncertain economic climate, budget conscious marketers may be tempted to neglect the long-term health of their brand. As a consequence, only the most robust and resilient brands will survive. Key to their success will be willingness to embrace the reciprocal nature of the relationships they build and develop with consumers. These are the brands with the confidence to establish a conversation. They focus on shared interests to build an empathetic understanding, and they appreciate the importance of a genuine two-way dialogue. Most importantly, these brands see the value of experiential activities as the means to connect with audiences in a more direct and empowering way. This paper studies the various benefits and issues in experiential marketing. Also, suggestions are drawn therefrom.

Keywords: *Experiential marketing, events, Issues, Suggestions*

Introduction

There is a crest of revolution taking place in marketing. Each interaction is being asserted to be more meaningful, personal and engaging. This movement, known as “experiential marketing,” is being adopted everywhere.

Experiential marketing, sometimes called “engagement marketing,” “event marketing,” “participation marketing,” or “live marketing” is a marketing strategy that engages consumers directly and invites and encourages them to participate in the development of a brand. Instead of looking at customers as inactive message receivers, experiential marketers believe that customers should be actively engaged in the production and co-formulation of marketing plans and cultivating a relation with the brand. To empower this marketing revolution, there is a revived focus on technologies and events that help in delivering brand experiences which are highly interactive.

Irrespective of a company selling 100 or 1,000 merchandise, employing sales personnel of 10 or 1,00,000—all producers and their means need to apparently communicate crucial differentiators briefly and persistently, throughout the process of sales. As technologies become more cosmopolitan,

so do consumer insists for interactive or bilateral experiences. Not long ago, consumers were fascinated by any interaction-like a website showing a color changing product. However, now days, customers anticipate to collaborate with products in such a way as to reveal their features, advantages and behavior. In constructing an emotional bridge between a product and a customer, interactivity is a key ingredient.

Non-interactive marketing alternatives restrict consumers to a “listening” mode; even if the display has some glamour, the opportunity for a customized and personal experience is lost. Without any emotional connection, one gadget looks as good as the other. Thus, it is rightly said that, those producers and channels that exploit on everything offered by interactivity, build experiences creating brand loyalty. They wholeheartedly employ the experiential marketing.

The three dominant themes of experiential marketing are sensory experience, relationship, and interaction. Companies looking for employing fruitful experiential marketing must supply information in a manner that does not flood; build an absolutely interactive experience; deliver constant product information across all the channels of sales; and tap into those sensitive

attributes that drive the consumers' decision-making.

Throughout the consumer experience, these features must be present. In an environment of retail, this could include background music, lighting, paint color, window displays, and much more. However, something extra is needed to set the product or brand aside-the individual consumer experience.

When people participate in the process of sales, they become more engaged, and their rate of retention of essential product information dramatically increases. This in turn, increases the probability of a consumer being adapted to make a learned purchase decision dramatically. The advanced technologies of present era provide such an interaction level that surpasses what many anticipate. Customers can "virtually" examine products in a 3-D environment, with the ability to measure, zoom, rotate, and most notably interact with the features and options of the product. By allowing consumers to choose and review the products and their features based on the own preferences and interests of the consumers, the experience becomes interactive and consumer focused.

Objectives of the Study

The objectives of this study are as follows:

- To highlight benefits of experiential marketing.
- To examine the issues in the execution of experiential marketing.
- To suggest recommendations and suggestions drawn there from.

Data and Methodology

This study is an observatory study based on secondary data. The data has been collected from various published sources, books and websites.

Review of Literature

Yang [2009] explored in experiential marketing the various constructs of "sense marketing", and discovered using regression model, the correlations between the variables of "repurchase intention" and "customer satisfaction". It was concluded that the sense of experiential marketing is a crucial factor and significant correlation between repurchase intention and consumer satisfaction was also shown by each construct of sense marketing.

Srinivasan and Srivastava [1] examined and analyzed the various facets of experiential marketing, from the view point of both the consumer's as well as the marketer's. It was proposed that the retailers are required to work on the ecological aspects to increase the level of satisfaction and promote the return of customers. Mall developers and retailers should provide customers with more benign offers and a conclusive buying experience which is based on 'visual' merchandising, that is, sound, sight, taste, touch and smell. Ming [2] tested the effects of experiential marketing on consumers' satisfaction by using relationship quality as the disturbance variable. He found that the experiential marketing do improve customers' loyalty. In order to implement experiential marketing strategies, it is necessary to think about whether the method can effectively improve customers' experiential value at the same time. Lee, Hsaio and Yang [3] explored the relationship among customer satisfaction, customer loyalty, service quality, and experiential marketing for a number of shopping malls situated in Taiwan. It was found that service quality and experiential marketing has a significantly positive impact on customer satisfaction. Also, customer satisfaction, service quality and experiential marketing have a significantly positive impact on customer loyalty.

Luo, Chen, Ching and Liu [4] tested the relationship between five elements (sense, pleasure, flow, interaction and community relationship) of virtual experiential marketing (VEM) and consumer browse and buying intentions and consumer loyalty. They also examined the moderating effects between the customer intentions and VEM elements.

To test the suggested model, a survey of those consumers who repeatedly visited two online stores of games was conducted. Because VEM is limited in its sensory engagement, four VEM elements (interaction, pleasure, flow and community relationship) were identified that increase browse and purchase intentions and support the success of experiential marketing, customer loyalty, on the Internet. It was also found that the web design plays an important role in empowering the four VEM elements.

Anggie and Haryanto [5] studied the influence of the experiential marketing, approach behavior and olfactory towards purchase intention. It was found that, in order to create a purchase intention, the retailers should develop approach behavior and experiential marketing through

olfactory first. The application of an appropriate retail environment (i.e. olfactory) will create an experiential marketing. This experience will lead to approach or positive behavior and finally push customer purchase intention.

Cannenterre, Mou, Moul, Bernadac and Ghor [6] examined how do experiential marketing helps companies in innovating and attracting consumers? They found that that companies have to build a whole strategy to implement Experiential Marketing such as: well define their target market, which tools to use and what the impacts they will have on their business. This marketing strategy has an influence on how customers react and buy things. More importantly, consumers are looking for experience. It will lead to an added- value for the customers. Tsai and Yeh [7] attempted to explore the effects of both the “qualia” and experiential marketing on the brand image, customer satisfaction, and customer loyalty and concluded that both the “qualia” and experiential marketing have significantly positive effects on the brand image, customer satisfaction, and customer loyalty.

Role of Experiential Marketing in Competitive Marketing Strategy

The principle of competitive plan is to achieve a sustainable competitive advantage and thereby improve business performance. One of the main goals of marketing strategy is to improve the firm’s long-term financial performance. Therefore, the competitive marketing strategy helps in improving the firm’s financial performance by the way of Sustainable Competitive Advantages (SCA).

For a resource to become a source of SCA, there are four essential requirements. It must be valuable, imperfectly imitable, exceptional among competitors and for this resource skill there must not be any parallel substitutes. These sources result in positional competitive gain i.e., differentiation of the product and its low cost, which in turn leads to greater long-term market and financial performance. Creating competitive marketing strategies also involves, understanding relationships between the marketing mix elements as well as finding out the impact of competitive and market surroundings on marketing mix formulation. In relation to this, a model has stated the relationship between prices, promotion expenditures and product quality levels and to review how industry structure impacts the formulation of marketing mix.

Here comes the role of experiential marketing. Experiential marketing serves as intermediary for the sustenance of positional gains and influences the stimulus of market and competitive conditions on the formation of the marketing mix. A crucial element of firm’s marketing strategy is firm’s relationships with customers, competitors and with channel members.

Events and Activities Promoting Experiential Marketing

Experiential marketing employs a large number of events and activities. However, Tie-ins with sports events are among the most popular and effective types of experiential marketing. The following are some examples:

- In conjunction with the AST Dew Tour, sponsors developed the House of Dew as an anchor for a sponsor village that includes everything from the world’s largest plasma TV screen to fortune tellers and tattoo parlors, all brand-backed. Sponsoring marketers include PlayStation, Slim Jim, Toyota, Vans, and Verizon Wireless, among others.
- Miller Lite has installed party decks at Chicago land Raceway, Homestead-Miami Speedway, M&T Bank Stadium in Baltimore, and several other sports venues. The party decks give Miller Lite a permanent branded entertainment area.

Local social events are another form of experiential marketing. The following are some examples:

- Borders book stores has offered a wide range of free events, including fitness and recreation clinics, seminars on diet options, singles nights, wellness fairs, and yoga classes.
- Cabela’s offers classes on “trout tactics” and gun cleaning at its destination stores, all of which feature stuffed game, artificial trout streams, and restaurants.
- Twice a week 30 or more people gather at the Nike store in Portland, Ore., and go for an evening run. Afterward the members of the Niketown Running Club socialize in the store over refreshments. Nike’s staff keeps track of performances, hailing members who have logged more than 100 miles.
- REI offers training in kayaking and mountain biking through its stores as well as travel tours.

- At the Whole Foods supermarket in Seattle, shoppers take part in a singles night the first Friday of every month. The store's marketing staff organizes a wine tasting with snacks. Participants can opt to wear a red or blue ribbon to indicate whether they are looking for a male or a female partner.
- Parties are another popular experiential marketing tool. The following are some examples:
 - To support its new Hershey's Bliss chocolate line, The Hershey Company hosted themed house parties. Produced by marketing services House Party, Hershey staged 10,200 House of Bliss parties over the April 25, 2008, weekend. At each event, hosts invited friends and family to share personal stories of bliss while sampling Hershey's Bliss products. More than 129,000 people attended the parties, about which there were more than 15,000 blog entries
 - Sparks which is a caffeinated malt liquor drink produced by Miller Brewing Company, sponsored for about 300 guests a pool party at a midtown Manhattan hotel.

Experiential Marketing by Brands in India

Following are some of the examples of events organized by some brands to enhance experiential marketing in India:

- **Homeshop18:** Homeshop 18, which is actually a home-shopping television channel, has started first mobile aided, virtual shopping experience in India. At Terminal 3 of IGI Airport, New Delhi, the virtual wall displays a variety of products that can be bought by the passengers by way of scanning the QR codes of products on their cell phones. They are channeled to the website from where they can get the delivery of product directly at their doorstep and also pay the price on delivery.
- **Mahindra Monastery Escape:** To give the credible Himalayan experience to adventure admirers, SUVs of Mahindra are off on the current Mahindra Monastery Escape campaign. This journey from Delhi to Leh, is an annual event and is pointed as the 'drive of a lifetime', becoming increasingly popular year by year.
- **Coca-Cola:** Coca-Cola applied 'Small World Machines' placed in malls in Lahore and New Delhi to bring together the folk of India and Pakistan. By 3D touch-screens, customers in both nations were motivated for interaction with

their counterparts. They were enabled to join hands, draw peace signs, wave and even dance together. The machine disbursed a can of Coca-Cola to both of them at the end of it. The 'Open Happiness' concept was taken to a completely new level by this activity.

- **Puma Social Club:** The Puma Social Club located in Bengaluru is a latest and attractive spot for the 'after-hours athlete' to hang out in. It offers beverages, food, a Super Mario console, quirky gizmos, and even a breathalyzer machine to test if the athlete can drive home himself. Puma Social is augmenting the fact that Puma isn't just a sports brand; it's a sports lifestyle brand.

Benefits of Experiential Marketing

Experiential marketing engages consumers and encourages them to engage in the development of a brand. Consumer engagement is the definitive point in which a consumer and a brand link up in order to offer a real experience which is related to the core values of the brand. It is a long term network that needs to be improved over time.

Firstly, experiential marketing is a tremendous stance for bringing a brand personality to life. When a consumer is engaged with the brand he has an impressive understanding of intricate brand values and will affiliate the product with that personality, also he would connect with the lifestyle and aspiration aims of the consumer resulting in strengthening the relationship and genuine connection between the consumer and the brand.

Secondly, it helps in creating brand advocacy as experiential marketing focuses on increasing customer loyalty and strengthen brand relationships through personal recommendations that are the result of consumers sentiments and emotions that the brand experience supplemented value and associated with them through pertinent interaction.

Thirdly, there are few products in the market that have to compete in the drowned sector, where differentiating between such product features is sometimes a difficult task. In such a situation by creating a brand experience, it helps to form an emotional bond with its target consumers, and these consumers are more expected to develop brand loyalty to that product, allowing the business to have a stable market share and avoid relying on sales promotions.

Strategic and Organizational Issues: Experiential Marketing

Although experiential marketing provides a large number of benefits, yet it is not easy to adopt it. It involves some strategic and organizational issues, which are as follows:

Strategic Issues

Brand Architecture

One of the major issues covered under experiential marketing is brand architecture as it is projected to the suppliers and consumers. Characteristically a company that has very towering corporate visibility like Sony or Ford should not only build for itself an experiential identity but for its brands and products also it must build experiential identities, and these should not collide with the corporate identity. A corporation that has formed a strong stand-alone brand individuality (General Motors) may give up experiential branding because it has lower visibility as a corporation, but still there is a need to manage the experiential distinctiveness of its products and brands.

Innovative Products, Brand Expansion and Partnership Strategies

Using the traditional approach, the main objective of new product development is adding new features and benefits to the product and improving the old technologies to form an innovative product. New product and brand extension decisions using the approach of experiential marketing are driven by the extent to which these new products and brand extension categories improves the experiential representation of the organization, the extent to which these new products and brand extensions accumulate new experiences which may be leveraged in supplementary new products and also the extent to which they help in the formation of holistic experiences.

These considerations will also influence the choice of other firms for strategic partnership. For example, the decision of Daimler-Benz and Swatch to create a joint venture and to manufacture a the Smart Car was influenced by the experiential considerations.

This Smart Car was a new automotive contribution that was experiential from outset to end being the combination of the best of its parents' world. The Smart is perceived as a completely new product-an innovative way out to the tribulations of city driving.

Organizational Issues

Experiential Marketing focuses on the vital strategic issues, but it also requires organizational changes, i.e., creating a new spirit that pervades the complete organizational culture which is termed as "the Dionysian organization" where the managers concentrates on what experience they want to create in the long term for their customer by inventing interesting ideas. Also they motivate their employees to freely express themselves and challenge them to create new techniques and methodologies through innovation thoughts and prevailing management practices. Creativity and Innovation are the main ingredients of forming a Dionysian organization. Also, the experience-oriented firm treats innovativeness and creativity presented by its employees as its most significant intellectual capital. The organizations who want to make outstanding experiential programs may rely on expertise which manages these programs in an integrated fashion.

Suggestions for Creating a Winning Experiential Marketing Strategy in today's World

A predominantly popular and efficient way for firms to associate with their target audiences is by the way of experiential marketing which is simply a matter of forming a series of events that allow the marketer's product to get into the hands of the consumer and lets them directly touch, taste or learn about it. Brand consciousness can be increased through experiential marketing campaigns for a large range of products and services, ranging from packaged goods to even financial services. Before taking over a larger segment of market share a marketer should focus on the following points:

Knowing the Brand: It is vital to have a clear idea about the brand i.e., to know what the brand stands for and what message it wants to convey to the customers. This is very essential, especially when associating with the audience by way of an experiential marketing event.

Consistency Is Key: One should make sure of the creative team which is hired, should be provided with the materials from all of the conventional above-the-line drives including billboards, print ads, TV commercials and radio spots. It is crucial to keep the same message across all channels. When it comes to the product, irrespective of what they're reading about, seeing, listening to or experiencing, the takeaway should always be consistent.

Number of events in a Campaign: A single event cannot make the campaign effective. The marketer should undertake certain amount of events so that the campaign will be really effective and yield expected outcome and results.

Integrate social media from the initial stage: The interaction and growth of social media, mobile and content marketing provide a right environment for experiential marketing. It is important to reach to the millions which can only be done through the social media, and which will ensure the deliverance of the message to a much

wider audience.

Pay Attention To The Response: The most important aspect of experiential marketing is that customer reaction is immediately known to the marketer. If the message is not clear, it can be changed for the second event. Therefore, the marketer is required to pay attention to the customer feedback and adjusting the event accordingly as soon as possible [8-35].

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