EXPERIENTIAL MARKETING: A CONTEMPORARY MARKETING MIX

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ABSTRACT

Since last one and half decades the marketing trends have been significantly transforming at lightening pace and the marketer has had to cope up with the drivers of the change. Every facet of the marketing scenario observed by the marketers is significant and needed to be given a separate focus on the contemporary marketing mix. The consumer’s perception and attractiveness changes gradually with the availability of ample substitute goods and services in the market. Consumers become more susceptible to their sensory stimuli apropos goods and services and their convincing attitude is more dependable on sensory stimuli they have.

Though the traditional marketers are more focused on the product development and consumer needs the consumers during the course of market development, develop a different kind of attitude regarding the selection of goods and services. They come up with the development of experience attitude. Many proactive companies which are engaged in ATL (Above The Line – Activities, that the agency receive a income from the media company. E.g.: Advertisements on Newspaper, Magazines, TV & Radio) and BTL (Below The line - Activities in the promotional mix like: Sales promotions, Personal selling, Direct marketing & PR) activities develop a new trend of TTL (Through The Line - Advertising for reaching the consumers at all touch points”). All the activities are concerned with the functional features and benefits of the goods and services but TTL itself explains about the actual or real experience of the goods and services. This development in marketing leads to the generation of a new distinct and contemporary marketing process i.e. Experiential Marketing. Experiential marketing is a focus on customer experiences and on consumption as a holistic experience, the use of drivers/eclectic methods and tools and the beliefs that customers are rational and emotional. This new marketing mix is trying to bring brands (goods and services) to life through experience.

In this paper, we have attempted to discuss the relevant processes and strategies related with Experiential Marketing. I have observed two concepts of experiential marketing viz Experience Providers (ExPros) and Strategic Experiential Modules (SEMs). An attempt has been taken to elaborate these concepts and some live cases have also been added at the end to justify relevance of the experiential marketing.

Keywords: Experiential Marketing, Marketing Mix, Direct Marketing, Traditional Promotion
1. EXPERIENTIAL MARKETING – AN OVERVIEW

Experiential marketing is a media mix promotional discipline used to encourage sensual interaction and physical fascination of consumer into brands (goods and services). In comparison to traditional promotion mix process experiential marketing tend to propagate personal and emotional touch which results in maximum conversion rate of consumer at very low cost. Therefore, Experiential marketing helps to maximize the ROI pertaining to promotion of brand (goods and services). It can be useful in any market segment.

As marketers look for new ways to engage, experiential marketing steps into the mix with unique and fresh ways to reach mysterious consumers. The experiential marketing provides the real experiences to customer with brand (goods and services) that drive sales and increase the brand image and brand awareness among the consumers. It is actually the difference between telling people about features of goods and services and letting them experience the benefits. When accomplished in right direction it is the most powerful instrument out there to catch brand loyalty.

The principle behind experiential marketing is the marketers using the metamorphose principle and begin to understand the intended audiences, what makes them tick, and persistently seek the perfect moment where to best regulate the external consumer by managing their emotional equilibrium by providing meaningful and relevant brand experiences, where and when the consumer will be most receptive to it. Marketers try to do this by involving their own interpersonal consumer drive.

After examining the secondary data on the issue I have found that lot of marketers are doing experiential marketing e.g. Vacuum Cleaner (Eureka Forbes Ltd), Indica Vista (Tata Motors Ltd), Santro Xing (Hyundai), Pepsodent (HUL), Jawa Cafes (NIIT), Pepsi (Pepsico), Dish TV (Dishnet) etc. Experiential marketing is also about choosing real target customers, selling customer’s dreams (Experience).

2. SHIFTING TRADITIONAL MARKETING TOWARDS CONTEMPORARY MARKETING (EXPERIENTIAL MARKETING)

Experiential marketing focuses on consumer’s physical as well as emotional experiences. Traditional marketing is may not be able to determine sensory, emotional, cognitive endurance, behavioral, relationship needs of consumers. But in the case of Experiential Marketing it has philosophy, neurobiology, psychology
and sociological theory of the consumer. Bernd Schmitt has differentiated the characteristics of Traditional marketing and Experiential marketing categorically. The characteristics of Traditional marketing are;

- **Features & Benefits:** “Kotler (1994) – Features are basic function of a product” – Consumers prefer those products which are rich in feature and widely available in the market. Based upon these features, consumers usually differentiate the brand (goods and services) to create competition. “Porter (1985) – Generic Strategy – Focuses on the Product Differentiation Strategy” - Consumers tend to compare and buy feature-rich brands (goods and services) available in the market. E.g. low segment Cell Phones like Micromax, Zen, Lava etc. are trying to capture market share with the help of features but are unable to beat the premium segment market share.

- **Product Category and Competition:** The competition within narrow product categories is the example of traditional marketing. E.g. the 100cc bikes are now unable to eye on the bikers who have passion to ride powerful (>200cc) bikes. Bajaj Star CT competing with CD Dawn of Hero Honda not with the Karizma.

- **Customer’s Rational Decision:** It is a cognitive process where each step follows in a logical order. I mean it is based on thinking through and weighing up the alternatives to come up with the best result. Though the decision making is a actually problem solving. Therefore Engel, Blackwell and Miniard (1994) suggest that it refers to logical action to reach need satisfaction.

- **Analytical, Quantitative and Verbal Methodology:** The traditional marketing research methodologies are Analytical, Quantitative and Verbal. Generally used tools were Regression Analysis, Conjoint Analysis, Correspondence Analysis, Logit Models etc. These tools only give a forecast/prediction, functional features. But when we need to find out the strategic insight, competitive advantage, price increase or decrease etc. these methodologies fail to do so.

Traditional marketing theories and practices are rapidly changing and becoming less relevant,” writes Erik Hauser, Director of the International Experiential Marketing Association (IXMA). “Experiential marketing is leading the way into the new marketing paradigm.”

The above mentioned characteristics of Traditional marketing are now shifted to following characteristics of experiential marketing:

- **Customer Experience:** In Experiential Marketing the marketers are mainly focused on customer experiences. Experiences take place on real consumption of goods or services by customer. The real
experience only can provide the sensory, emotional, cognitive endurance, behavioural and relational, involvement values of goods and services. e.g. the advertisement of Tata Indica Vista – “The person is feeling the same experience after two days of test drive.”

- Consumption as a Holistic Experience: The ultimate experience after consumption of a particular goods or services reveals, what goods or services have been used is not matter of concern but what matters is the ultimate experience. The marketers research which goods and services will fit into the situation of experiencing the ultimate experience.

- Customers are Rational and Emotional: In experiential marketing customers are generally rational and emotional while selecting a particular brand (goods or services). According to Holbrook and Hirschman (1982) this happens because consumption experiences are often directed toward the pursuit of fantasies, feelings and fun. These are the natural characteristics of human being.

- Eclectic/Divers Methodology: The marketing research methodology used in Experiential marketing is divers in comparison to traditional one. As the researches are mainly based upon the felt experience the methods are micro in nature rather than macro. I mean to say, while taking taste drive of a car like Tata Indica Vista the each and every feelings and experience & emotions of the respondents should come under research objective.

3. CONCEPTS OF EXPERIENTIAL MARKETING

Experiential marketing is the contemporary marketing discipline and it is in practice by many companies (MNCs or Domestic) since last one and half decade. The concept lies in the live experience of consumer with respect to a brand (goods or services). This gives a real picture of awareness about the available products or products under development phase based upon the consumer’s sensory, emotional, cognitive endurance, behavioral and relationship needs. This type of interaction between consumer and goods and services creates structural format of understanding called Strategic Experiential Modules (SEMs). This SEM creates synchronization between consumers and their responses to different attributes or the contemporary marketing mix i.e. SENSE, FEEL, THINK, ACT and RELATE. These attributes act as Experience Providers (ExPros). All these attributes gives required out come when managed consistently, coherently and attentively.
4. STRATEGY INVOLVED IN EXPERIENCE MARKETING AND EXPERIENCE PROVIDERS (EXPERIENTIAL GRID)

A strategy may define the ability to do things in a competitive way. The strategies involved in experiential marketing are Strategic Experiential Modules (SEMs) and Experience Providers (ExPros).

Strategic Experiential Modules (SEMs):- It explains how the marketers create customer experience with the help of these Modules for their prospective customers. The different Experiential Module attributes or contemporary marketing mix is based upon the different activities of consumers.

1. Sensory Experiences (Sense Marketing) – Sense marketing provides real sense of goods and services with the help of sensory experiences i.e. Visual, Acoustic, Tactile, Gustation and Odor (Goutam Buddha - Abhidhama Pitak). The main driver behind Sense marketing is cognitive endurance and this helps to add value to the goods and services aesthetically. e.g. The enduring promotion of Ibibo.com.

2. Affective Experiences (Feel Marketing) – It instigates customer’s internal feelings and emotions and aims to create an affective experience. The experience may be week and strong depending upon the brand (goods and services) positioning scenario. FMCG products, industrial products etc. corresponds to week feeling while Consumer durables, Technology products etc. corresponds to strong feeling products.

3. Innovative Cognitive Experiences (Think Marketing) – Think marketing involves in innovative cognitive experience of customers. e.g. in a new ad campaign for Boroplus, Everest Brand Solutions makes use of the creative expression, 'Safed Teeka' to convey that the cream protects its users from dryness and other skin problems.

4. Physical Experiences and Entire Lifestyle (Act Marketing) – It appeals customer’s real life acquired physical experience through consumption of goods and services. Even the life style also susceptible to changes with motivation, emotion, cognitive influence, role models of small and big screen movies. e.g. Johnson & Johnson’s “The Family Company” is an Act marketing.

5. Social Identity Experiences (Relate Marketing) – Social Identity Experience is the essence of Sense, Feel, Think and Act Marketing with the creation of a desire i.e. individual/consumer empowerment. With this new initiative, Yatra.com aims to engage its target group through social networking websites such as Facebook, Twitter, Orkut and YouTube. It aims to optimally use the social media platform to listen to, engage, encourage and support customers through new innovative initiatives. Maruti with the help of Social Media Optimization (SMO) and Online Reputation Management.
ORM) for A-star and Estilo, as well as the social media activities, which include community development and engagement activities across Facebook, Twitter, YouTube and other upcoming social media platforms.

The above mentioned five SEMs are communicated to customers through different experience providers (ExPros) i.e. the 7Cs of marketing which may be summarized as below:

- **C1 (Convenience):** Product presence including design, packaging, and display co-branding, involving event marketing, sponsorships, alliances & partnerships, licensing, product placement in movies, innovation etc.
- **C2 (Customer value and benefit):** Perceived value, customer satisfaction, customer benefits etc.
- **C3 (Cost to the customer):** Pricing, Competitive price, value for customer etc.
- **C4 (Computing and category management):** Segmentation, target customer selection, market reach etc.
- **C5 (Customer franchise):** Distinct distribution channels, Multi level channels etc.
- **C6 (Customer care and service):** People, including salespeople, company representatives, customer service providers, call centre operators, etc.
- **C7 (Communication and customer relationships):** Advertising, external and internal company communications, public relations campaigns, visual & verbal identity and signage - including names, logos, colours, etc.

Experiential Grid: It is a comprehensive framework for considering all the ways in which experiences can be induced on the part of an actual or potential customer.
Experience Providers (ExPros)

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<thead>
<tr>
<th>SENSE</th>
<th>C1</th>
<th>C2</th>
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<th>C4</th>
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</tbody>
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Figure 1. The EXPERIENTIAL Grid

With the help of above grid, we can understand that there is a correlation between different SMEs with satisfying experience which would represent a high – value offering with profit potential experience providers e. g. New Fiat Linea:

- Sense: The distinctive shape,
- Feel: The car gives the eternal feeling of warmth, affection & nostalgia,
- Think: The outlook and design makes customer think of retro and revolutionary,
- Act: When customer buying the car are making a positive slogan which shows that customer are too much involved,
- Relate: The target segment is already defined and customer would buy such care which gives a shared experience of user friendly.

5. OBJECTIVES OF EXPERIENTIAL MARKETING

The ongoing research has revealed the below mentioned top eight objectives of experiential marketing. These objectives need to be given a distinct importance for the sake of real, unbiased and concrete information collection while doing experiential marketing research.

1. Build Relationships
2. Produce Interaction
3. Verify Target Audiences
4. Increase Awareness
5. Increase Relevance
6. Increase Loyalty
7. Increase Trial
8. Create Memories

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6. CONTEMPORARY APPLICATION OF EXPERIENTIAL MARKETING

Since last one and half decades many big brands are involved with experiential marketing and some of the best 'big-brand' marketing campaigns are conducted by specialist Experiential Marketing Companies like IMRB, McKinsey, Jack Morton etc. Some of the most well known brands and marketing campaigns include:

Coca Cola: In 2006, Coca-Cola introduced My Coke Rewards, a customer loyalty campaign where consumers earn points by entering codes from specially marked packages of Coca-Cola products into a website. These points can be redeemed for various prizes or sweepstakes entries.

Volkswagen: Innovation, Responsibility and Value become the three main assets of the brand marketing campaign of Volkswagen and advertisement has been aired in November 2010 on Indian TV channels.

Nescafe: "Nescafe has launched its biggest-ever marketing campaign in September 2009 - ‘Coffee at its Brightest’ – which shows how, through 71 years of experience, Nescafe provide the best-tasting cup of coffee,” Martin Lines, marketing director, at Nestlé Professional says that “It emphasizes the quality of the Nescafe range of soluble coffees and will reinforce the brand’s leadership in the coffee sector. Blockbuster-style TV ads celebrate the origins of coffee and remind people that Nescafe coffee is 100% pure – nothing is added from plant to jar”.

BT Vision: Retail marketing director Mr. Matthew Dearden says that it will boost the portfolio of channels already offered on BT Vision and will help it increase awareness of its TV offering. “Customers are already enjoying the best of on-demand TV as well as having a wide offering of channels on BT Vision. Sport has proven to be a popular part of our offering in the past and it would be great to see that grow,” he says.

eBay: With the tagline, “Come to Think of It, eBay,” the ads started in November 2009, according to a report in The Wall Street Journal, to “boost its standing as a holiday shopping destination.”

Dell: The marketing campaign’s tagline “You Can Tell It’s Dell” is intended to show how Dell computers are distinct from those sold by Hewlett-Packard Co. and other rivals.

7. CONCLUSION

In a survey conducted by Sponsorship Research International (SRI) during may 2006 for Jack Morton (a global experiential marketing research agency), it has been found that 80% of world consumer rely experience of product before adaptation. Since last one and half decades the number of products available to the world doubled. When products and services look alike and cost the same, communication becomes more
challenging. To come from such situation an innovative communication requires getting the brand loyalty. It has now been established that the “Experiential Marketing” will explore how marketers build a brand by connecting with consumers on multiple levels through personal and relevant experiences. It will also provide an understanding of experiential development, insights and best practices on brand experience maximization, measurement of ROI and experiential designed.

8. REFERENCES


