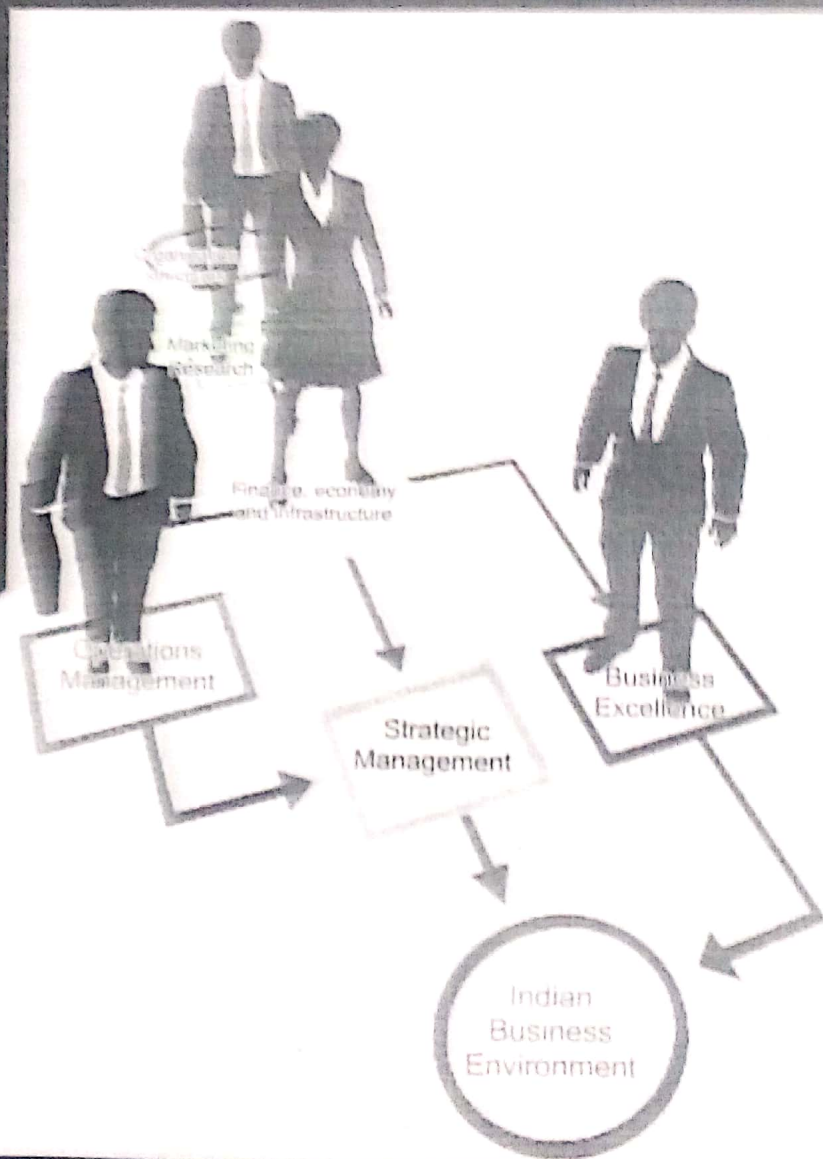


ISBN: 9788191011845



# Emerging Trends & Practices in Indian Business Environment 2013-14



In Association with



University of Pune



Sinhgad Technical Education Society's

**SINHGAD INSTITUTE OF MANAGEMENT**

S. No. 44/1, Vadgaon (Bk.), Off Sinhgad Road, Pune - 411 041

[www.sinhgad.edu](http://www.sinhgad.edu)

## **Study of Experiential marketing as a practical guide to interactive brand experiences: a conceptual study**

**Geeta Narang, Dr. Joe Lopez Cajetan**

*geetadhongade14@gmail.com, joe.lopez@rediffmail.com.*

### **Introduction:**

Consumers are constantly inundated with repetitive traditional advertising message, bombarding their lives, interpreting their TV shows and generally getting in a way. It is true that if you see an ad enough times, it is likely that at some point when you are ready to purchase, it will come to mind. That is not to say that consumers are buying because they have a real emotional connection with the brand; usually it is simply because the brand that shouted the loudest got their attention. This outdated approach to marketing communications is dying and fast.

The new marketing era, the experiential marketing era, focuses on giving target audiences a fabulous brand - relevant customer experience that adds value to their lives, and ultimately makes the consumer remember the brands marketing – not because it shouted the loudest but because it gave them an unforgettable experience. People talk about experiences every day because life is ultimately an amalgamation of daily experiences. Experiences are real. Experiential marketing is a methodology that is fast revolutionizing the face of marketing as we know it.

Marketing communication channels traditionally include advertising, direct mail, packaging and sales promotion, along with the relatively more recent prominence of

sponsorship, public relations, digital and live brand experiences. The selected channels need to be integrated to maximise the impact of a campaign and more effectively achieve marketing communication objectives.

The experiential approach is focused on a two way interaction in real time, a live brand experience and thereby a significantly deeper consumer bonding process. Live brand experiences usually manifest in the form of live events that allow the consumer to live, breathe and feel the brand through interactive sensory connections and activities.

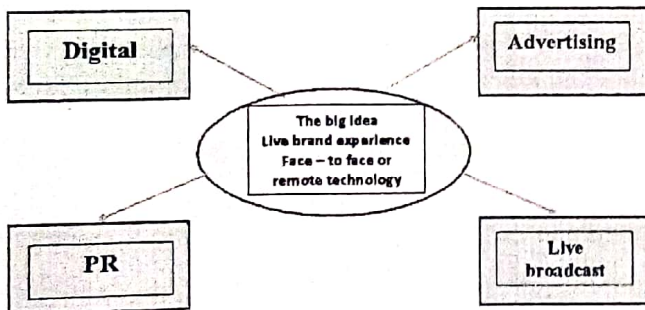
Experiential marketers are converting their consumers from shoppers into brand evangelists who preach the brand, its personality and core message or features to their friends, families, colleagues and communities.

Live brand experiences are simply live, two way branded experiences, and can be equally successful across many interactive technologies and platforms that facilitate communication between consumers and brands in real time. It can be activated online in a virtual world such as second life. Experiential marketers are converting their consumers from shoppers (who can be disloyal at times and promiscuous with their choice of brands) into brand evangelists who reach the brand, its personality and core message or features to their friends, families, colleagues and communities.

## What is Experiential Marketing?

Experiential marketing is the process of identifying and satisfying customer needs and aspirations profitably, snagging them through two way communication that bring brand personalities to life and add value to the target audience:

- Experiential marketing is an integrated methodology, always engaging target audiences at their will through brand relevant communications that add value.
- The Experiential marketing campaign is built around one big idea that should involve two way communication between the brand and the target audience in real time, therefore featuring a live brand experience at its core.
- The other marketing communications channels that are selected and integrated are the amplification channels, which amplify the impact of the bid idea.



Experiential marketing is the process of identifying and satisfying customer needs and aspirations, profitably, engaging them through two way communications that bring brand personalities to life and adding value to the target audience. Two way communications and interactive engagement is the key to creating memorable experiences that drive word of mouth, and transform consumers into brand advocates and brand evangelists.

## Amplification Channels.

AIDA is an acronym used in marketing. It describes a process that marketers aim to take the consumer through when marketing a product.

**Awareness:** the attention or awareness of the customer (advertising would be a favourite for this stage).

**Interest:** we traditionally raise consumer interest by creating public conversation or demonstrating features and benefits (PR is a favourite this).

**Desire:** convince customers that they want the product of service and that will satisfy their needs.

**Action:** the all-important stage leading customers towards a purchase (face – to – face sales or sales promotions are mostly used here).

There have been another additions to the AIDA model, such as S – Satisfaction. Satisfy the customer so he or she becomes repeat customer and recommends the product.

## Experiential marketing: A differentiator.

The next level of thinking on the subject of maintaining customer loyalty is CEM (Customer Experience Management), defined as ‘the process of strategically managing a customer’s entire experience with a product or a company’. CEM is at the frontier of successful loyalty – driven programmes, taking companies into an era where the primary and most valuable way they can differentiate themselves is through a brand immersive experience at every customer touch point. Successful CEM programmes build the consumers experience with an organisation, ensuring that every step of his or her journey

(from the retail environment to the customer services phone attendants) is brand relevance, differentiated and positive.

Experiential marketing allows brands to engage with the target audiences through initiatives and engagements that aim to achieve marketing communication objectives, and add value to consumer's lives. When CEM is partnered with experiential marketing; astonishing business results can be achieved. Experience is the new currency of the modern marketing landscape, because experiences are life, and people talk about experiences every day. Companies have implemented experiential marketing strategies for years and confidently differentiated themselves from the competition, forming long-lasting relationships with their target audience and maintaining customer loyalty. They have tantalised the five senses through live brand experiences events, and amplified that through their other marketing communication channels. This process adds value to the customer and gives something back, paving the way for innovating, market leading brands.

#### **Criticisms: fact and fiction.**

Some people confuse experiential marketing with field marketing. There is also the mistaken belief that experiential marketing is interchangeable with event marketing. Events are face – to – face meetings that can be, but are not exclusively experiential in nature, while experiential marketing is a methodology that utilizes a live brand experience (involving either face –to – face or remote two way communication) at its core, and then amplifies that 'big idea' with a selection of communications that are integrated to promote the two – way communication concept.

People have negative perceptions about experiential marketing. Live brand experiences can be expensive when compared to advertising campaigns, using the same metrics that are used to compare the success of an ad campaign between one media channel and another. To understand the value of experiential marketing; it is important to look at exactly what it can achieve in terms of experiential objectives, such as word of mouth generated because of brand advocacy and brand evangelism, or the strengthening of deeper relationships with the target audience resulting in brand loyalty. Experiential marketing is a key when your brand aims to have its target audience on the same side as a brand, working with you to increase your sales and spread your key messages. It's a cost effective approach. If you compare the cost of a fore mentioned objectives through a traditional approach, to the cost of achieving those objectives through an experiential strategy, then you will find that the long term return on investment is likely to be greater when live brand experiences are at the core of the campaign.

#### **Outsourcing vs in house experts for experiential campaigns:**

It's important to use experts in this field who have set up infrastructures and systems geared towards handling the complex environments that many live brand experiences tend to have. Live brand experiences require not only great attention to detail in the planning stages, but also great knowledge of footfall and demographics in a plethora of locations, as well as the need for your agency to have good relationships with specialist suppliers and experienced promotional staff. All this requires a very specially trained and experienced team to manage effectively the smooth running

of campaigns, which have so many external factors that can potentially cause things to go wrong.

When considering each different agency type for experiential marketing, we should be aware of what those are. It is of ultimate importance to make the right choice in terms of which agency to appoint to run your live brand experience campaigns. If live brand experience becomes the core of your experiential marketing strategy as a brand, you will need to consider whether you will invest in the resources required to bring experiential marketing in-house. But this discipline is complex for internal management, and an internal team of sufficient experiential marketing capability in terms of creative strategy, activation of live brand experiences and evaluation, may prove too expensive in resources compared to using outside expertise.

Successful live brand experience planning and execution requires a complex mix of individual's skill sets and existing relationships. It needs to be in the hands of the right people to bring results, rather than potentially becoming a logistical nightmare. The main reason of bringing the experiential marketing team in-house is that they will know the key players within your organisation.

**The BETTER brainstorming process:**

To make the process of brainstorming top-line experiential marketing ideas easier and more systematic, a brainstorming model called BETTER is developed.

Brand personality	Three brand values that sum up the brands human like characteristics.
Emotional connection	Multi-sensory and/or authentic, positively connected and personally meaningful

Target audience	What they like, their lifestyle, their aspirations, the time they have available
Two way interaction	A live brand experience [face-to-face/remote] that combines the above B, E and T
Exponential element	A trigger mechanism that encourages participants to pass on their experience
Reach	Two-way interaction, word-of-mouth and amplification channels

BETTER enables you to bring the brand personality to life, and create ideas that are experiential in nature and dazzle your target audience. This is best achieved when the big idea is centred in the live brand experience, which is usually sensory and always interactive. BETTER ideas focus in engagement that drives word-of-mouth, gaining maximum Reach for the campaign.

When BETTER brainstorming model is used to come up with top-line concepts for experiential marketing, you first complete the B, E and T stages, and then combine the results as components for the second T: the Two-way interaction. Then you build E, an exponential element, and then the R, trying to achieve the best possible Reach (a combination of the initial Reach of the live brand experiences, the word-of-mouth reach, and the reach of the amplification channels).

**The IDEA format:**

There are several factors to be taken into consideration when choosing an idea. The IDEA format is an effective way to present several top-line ideas, and it will allow you to create presentations that display top-line ideas without having to go into a detailed

planning process for each one. The purpose of the IDEA format is to create presentations that allow shortlisting of top – line ideas for experiential marketing campaigns.

Inspiration and illustration Summary of BET stages in BETTER and a visual of the idea

Details	Description of the activity
Evaluation	How you would evaluate the campaign
Approximate budget	A top – line, ballpark budget

Different factors should be taken into consideration when choosing the top – line idea, such as the components of the BETTER model: brand personality, Emotional connection, Target audience, Two – way interaction, the exponential element, and the Reach of the campaign, as well as making sure that the concept is right for the objectives. It is also important to take into consideration the budget, how realistic the idea is and the timescale you are able to roll out on. It is therefore importance to prepare three ideas that vary, from a simple to a more complex one, always keeping your focus on both the brand personality and the target audience.

**SET MESSAGE Model:**

When a decision is made about which a top line idea is to be developed in further detail, since a more detailed idea, strategy and plan are required prior to implementation. This is where the SET MESSAGE model comes in play. SET MESSAGE is more detailed planning system, which ensures that both your Experiential objectives and Experiential strategy are supported by built – in systems foe systematic planning and evaluation,

enabling you to keep your campaigns on track. These systems will allow the people responsible to assess the plans in depth prior to implementation and to gauge effectiveness during the campaign, as well as effectively evaluate it afterwards.

It is important to carry out a systematic planning process, so that once you’ve completed it you have a straight forward framework to follow. The campaign plan becomes a blue print for implementation success, in which delegating tasks and managing different segments of your campaign becomes simple. It is been said that ‘If you fail to plan, you plan to fail’. This is definitely true for experiential marketing.

The SET MESSAGE model stands for:

- Situation and background;
- Experiential objectives;
- Target audience;
- Message – key communication;
- Experiential strategy;
- Selected locations and Brand ambassadors;
- Systems and mechanisms for measurement;
- Action;
- Gauging effectiveness;
- Evaluation.

**Situation and background:**

Situation and background is the first category of experiential marketing campaign plan. Its purpose is to give an overview of what the company and brand have been doing up until now and the relevance of this background to the current experiential marketing plan. This should also have the detailed information about the competitor’s

previous experiential programmes. The best is to begin by including data on history of the brand. In addition to the history one should also mention things such as size of the market share currently held by the brand.

In short the Situation and background part of your SET MESSAGE plan should be provided an overview of the brand's history, its current situation or brief, what has happened before, why it was or wasn't successful, as well as any interesting and successful experiential marketing campaigns that other brands with similar Brand personalities or target audiences executed.

### **Experiential objectives:**

The second step in SET MESSAGE planning methodology focuses on which experiential objectives to choose at this stage of the plan. It also gives an idea about the type of objectives to be achieved, as one decides that as a part of the broader marketing communications strategy. It's important to include all the relevant information when presenting your experiential objectives. At this stage it is required to adapt the top – line concept to ensure that it is appropriate and fits in with the experiential objectives.

Experiential marketing can achieve many objectives, but do not overload your plan; stick to three main aims at most, and make sure that all your objectives are measurable.

Experiential marketing is especially good at achieving the following objectives:

1. Bringing the brand personality to life.
2. Positioning or repositioning the brand.
3. Creating a memorable experience.
4. Communicating complex brand messages.

5. Gaining high long – term ROI.
6. Increasing customer loyalty.
7. Gaining credibility with specific Target audiences.
8. Driving word – of – mouth.
9. Creating brand advocacy.
10. Increasing sales.
11. Raising brand awareness.
12. Driving website traffic or driving traffic in – store.

### **Target audiences:**

It is important to know whom we are selling to so that we can create the right experience for the right people. Experiential marketing is adept at reaching large volumes of people through word – of – mouth. It is not simply that the live brand experience can reach a huge number of people directly, but that the impact of the communication is exponential.

### **Message – key communication:**

The purpose of the Message – key communication section is to provide you with a systematic approach for ensuring that participants interpret your live brand experiences as intended. Then, when the other marketing communication channels are integrated to form the complete experiential marketing campaign, the Message and key communication of those channels will be led by the live brand experience. When members of your target audience see or hear of your live brand experience, even if they themselves are not participants, they will still identify that brands are reaching out to them, trying to benefit their lives.

**Experiential strategy:**

STRATEGIES is an acronym that allows you to pick your experiential elements and combine them to formulate your experiential strategy:

Service

Theatre

Research

Adverts

Televised or broadcast

Entertainment

Game (or competition)

Interactive technology

Education

Set

It is important that the selected elements are integrated to form your Experiential strategy, which will be a combination of two or more of these elements. The Experiential strategy provides a structure for your idea, as well as a clear a clear direction for your plan. When you pick your elements to create the Experiential strategy, keep in mind your original idea and the steps that you have taken this far to come up and refine it.

**Selected locations and Brand Ambassadors:**

There are five factors to consider when evaluating possible locations for live brand experience:

1. Demographic (of the locations visitors).
2. The state of mind (of the locations visitors).
  - Are they seeking to purchase / socialise/ be entertainment/ learn?

- How much dwell time do they have available; are they in a rush or in leisure mode?

- And if they are with others, who are they with?

3. Football (numbers of visitors).

4. Practical and logistical considerations.

5. Cost (which should be related to the spaces, football, ambience, attributes and positioning).

**Systems and mechanisms for measurement:**

There are varying degrees of resources that can be applied to the systems and mechanisms, and depending on how high evaluation is on your list of priorities, one should spend a relative amount. The good thing about the nature of live brand experiences is that successful and valuable systems and mechanisms can be implemented without any significant or additional investment to your existing budget. Many of the systems and mechanisms detailed are built into the SET MESSAGE plan without any financial implications.

**Action:**

Contents of the Action plan:

The action plan of your SET MESSAGE plan should include the following sections:

1. Recipe (how the experience will actually happen from a consumer perspective).
2. Budgets.
3. Project plans (WBS, Gantt chart, critical path analysis, schedules, risk analysis, checklists and external analysis).
4. Communication and collaboration.



5. Suppliers and third parties.
6. Approvals schedule.

#### **Gauging effectiveness:**

For a system or mechanism for measurement to be any value, there must be a way to accurately define and measure it. After the evaluation scorecard is prepared which will be covered in the evaluation stage of the plan, quantifiable estimates will be associated with each of the mechanisms for measurement that you have built in to your plan already (each corresponding with an experiential objective). The quantifiable estimates will act as targets and will allow continuous Gauging effectiveness of the live brand experience during its process.

#### **Evaluation:**

The evaluation stage, which begins during the SET MESSAGE planning process and is completed after the experiential marketing campaign is implemented, is arguably one of the most important stages of the campaign cycle (which are: planning, activation and evaluation), because even if your strategy was fabulous and your activation was flawless, if you don't effectively evaluate the campaign results there is nothing tangible indicating that the campaign was successful.

The next part of the evaluation stage is the Change analysis. This is a careful examination of what differed between the original plan and the delivered plan. This should encompass changes in timing, cost and outputs. The data that should form the basis of this will have already been collected during the Gauging effectiveness stage using the change control log. The purpose of the change analysis at this stage is to determine the reasons behind any changes and to gather any insights, useful in

planning. The change number should correlate with the change control log that was used during the gauging effectiveness stage.

#### **Conclusion:**

In today's competitive world majority of the time and money spent by companies is on acquiring and retaining new customers. Positioning companies, services and products is a technique which helps in easy brand retail due to its approach of occupying special place in customer's mind. Products are also becoming congested with too many features making it difficult for the customer to distinguish one product from another. The environment forces brand managers to find new ways to create and maintain a relationship between their products or services and the customer in a way that makes their brand more than just a fancy name plate in front of a product. Hence, an experiential approach to launch a brand may be more effective and relevant than anything that television / print advertisements will offer.

#### **References:**

- Schmitt, B H (2003) *Customer Experience Management: A revolutionary approach to connecting with your customers*, p 17, Wiley, Chichester
- MICE survey, as cited on <http://www.prnewswire.co.uk/cgi/news/release?id=178594>
- Bradley, M M, Greenwald, M K, Petry, m C and Lang, P J (1992) remembering pictures: Pleasure and arousal in memory, *Journal of experiential psychology: learning, memory and cognition*, 18 pp 379-90
- Schacter, D L (1996) *Searching for Memory*, Basic Books, New York
- Hamann, S B (2001) Cognitive and neural mechanisms of emotional memory, *trends in Cognitive Sciences*, 5, pp 394-400

LeDoux, J (1999) *The Emotional Brain: The mysterious underpinnings of emotional life*, Phoenix, London

Jack Morton Worldwide. An executive summary of this survey is available online at [www.JackMorton.com](http://www.JackMorton.com)

Weimann, G (2003) *The Influentials: People who influence people*, University of New York; and Keller, E and Berry, J (2003) *The Influentials: One American in ten tells the other nine how to vote, where to eat, and what to buy*, Simon and Schuster, New York

Middleton, D and Brown, S D (2005) *The special Psychology of Experience: studies in remembering and forgetting*, Sage, London

Gruneberg, M and Morris, P (1992) *Aspects of Memory: The practical aspects*, vol 1, p 154, Routledge, London

Project Management Institute (2004) *A guide to the Project Management Body of Knowledge, PMBOK guides*, project management Institute, Newtown, PA

A 2004 UK survey by CIA : Media Edge of 10,000 consumers found that 76 percent cite word – of – mouth as the main influence on purchasing decisions, compared to traditional advertising which comes in at 15 percent (source: The DMA 2003 Response Rate Study)

[www.wikipedia.com](http://www.wikipedia.com).

ShazSmilansky, (2009), *Experiential Marketing: a practical guide to interactive brand experiences*, Kogan page London and Philadelphia.

<http://www.rcmindia.com/index.html>

<http://experientialforum.com/articles/09awbwmwxm.pdf>.