

# Experiential Marketing: Changing Paradigm for Marketers

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## Abstract

With changing economics of customer relationships there is needed to implement new solutions and strategies that address these changes. Experiential marketing helps in the extraction of hidden predictive information from large databases organizations can identify valuable customers, predict future behaviors, and enable firms to make proactive, knowledge-driven decisions. It helps smooth the process when various representatives of seller and buyer companies communicate and collaborate.

**Keywords:** *Market Strategies, CRM, Paradigm for Marketers.*

## INTRODUCTION

Markets have undergone a profound transformation after decades of top-down corporate messaging. Experiential marketing deals with customer experiences which is different from traditional forms of marketing, where main focus is on functional features and benefits of products. The key to experiential marketing is planning in detail the experiences that will benefit both company and their stakeholders. It can be applied creatively to deliver greater impact while reducing costs and to weave in market research or customer insights research in ways that could not be done before. It is a private event that happens to people in response to some kind of internal or external stimulus. The aim of experiential marketing is to make the customer delighted in exultant jubilation. Experiential marketing is the next marketing methodology that can bridge the disconnect between consumers increasing demand to engage marketers and brands on their own terms. It uses customer data to match their experiences and incorporating them in future sales processes. This change is being demanded by the enlightened and ever changing expectations of empowered consumer. Experiential marketing is the most effective communication tool to engage consumers, employees, suppliers, sales teams and business partners in authentic experiential

activities that impact their hearts and minds. It is a fusion of non-traditional modern marketing practices integrated to enhance a consumer's personal and emotional association with a brand. Experiential marketing is the newest iteration of event marketing blended with product sampling it melds the art of customer reaction with the science of fact-based management. It delivers on the brand promise in more meaningful and relevant ways as other customer based paradigms like customer satisfaction, and customer relationship management (CRM), have also failed to provide genuine focus on the customer. The experiential marketing framework appears to be the approach most suitable in present day context that makes a company and its brands relevant to the customer's life. It goes beyond simply delivering consumption experiences to consumers as a way to give them the information they need to make a purchase decision. It can also be applied creatively to deliver greater impact while reducing costs and to weave in market research or customer insights research in ways that could not be done before. It is a private event that happens to people in response to some kind of internal or external stimulus. It involves both the rational and emotions of marketers and their stakeholders. Experiential marketing is a creative process that influences the delivery of communications and messages during events, by providing the audience with the ideal opportunity to see if the brand improves or reinforces their lifestyle at work, while shopping or during leisure or social activities. It is a promotions tactic designed to create direct sales by enhancing market awareness and education, in a unique manner and selling environment. It focuses on one-to-one selling environment. It brings products to life and enables potential buyers to "experience" the product in conducive environment. Marketers spent more than \$150 billion on experiential marketing in 2005. According to a study by HPI Research Group, 68% of surveyed marketing executives

spent more on experiential marketing in 2008 than in 2007 and half of those executives expect to increase spending by year 2011. It manages sophisticated customer interaction by integrating data into event planning and execution. It delivers on the brand promise in more meaningful and relevant ways.

### Objective

- 1 To study conceptual framework and modes of experiential marketing.
- 2 To study the marketer's advantages of using experiential marketing
- 3 To draw out effective strategies for experiential marketing.

### Deployment of Experiential Marketing

Experiential Marketing It is based on the basic ideology approach by emphasizing the more experiential, subjective and emotional benefits consumers want and perceive they will get from using their products. It can be deployed in

- Permanent or large event stands or pavilions
- Mobile exhibitions/road shows
- Retail environments
- Consumer promotions
- Shows and performances at public events
- Product launches
- Press events
- Sales meetings and conferences.
- Channel performance campaigns and improvement programs
- Training and best practice exchange programs

### Advantages for Marketers

The benefits of experience marketing are far reaching. These come in handy for companies that think of turning around a declining brand or when sales just don't happen. It fits the bill in case of promoting innovations in the product and above all in gaining loyalty from the customers.

### It helps in Segmenting, Targeting and Positioning

Segmentation of marketing is done on demographic basis (age, gender, income,

education, marital status, occupation etc.) geographic basis (area type, area density, neighborhood and region) usage pattern basis (heavy users, non users, brand loyal users and switchers) psychographic and life style basis (activities, interest and opinion of the customer).

### Targeting

The target market to which marketer want to serve. The organization has to access its ability to meet the needs of the segment, the size and future growth potential of the segment, kind of investment required and kind of profit could be earned. Positioning: It is how your product is perceived in the marketplace, relative to that of its competitor

### Conceptual Framework of experiential marketing

Schmitt provide describe that marketer should consider experiential marketing framework in five dimensions mentioned below It serves as a differentiation tool that separates the company or the product from competition. It focuses o imparting experience to customers through strategic experiential modules viz. sense, feel, think, and act and relate.

#### Sense

The sensory area of experiential marketing is made up of styles and visual and verbal symbols that create an overall impression. It helps the marketers to create a strong sense of impact or create something appealing, whether in form of advertisement, packaging or a website. The marketer should consider right combination of the colors according to the context. The selection of the colors should be in line with the image of your company; they have to be attractive; they have to gain the customer's attention. For example, colors like yellow or red are often better than blue and gray. Even though blue and gray are very common in the corporate arena because they're "safe" colors, they're not very good at attracting attention.

#### Feel

Feelings are quite different from sensory impressions, because they suggest the whole realm of moods and emotions. It's not just a matter of beauty and appeal but a matter of getting people, in the extreme, to feel joyful, to feel happy or maybe even to cry. Take a company like Hallmark, which understands how to do that. They have these "Feel" advertisements that they show during the Hallmark Hall of Fame at Christmas time.

### Think

With "Think" we are getting into something that stimulates people's intellect or their creativity. The "Think Different" campaign by Apple tried to do that. They wanted people to think differently about Apple. Apple had been in big trouble a few years back, and then Steve Jobs came in as CEO and said, "Well, we want people to think differently about the company again." So they've done a very unusual advertising campaign for a computer company.

### Act

"Act" is about behaviors and lifestyles. It's about getting people to do something and express a lifestyle. There's an "Act" aspect to the Volkswagen Beetle. Market research showed that a lot of people buy the Volkswagen Beetle as a second car. I think that is because people want to live in a certain lifestyle, they want to drive a car that is more fun to drive than their normal, professional Lexus or BMW. So the notion of "Act" is always about actual behaviors or broader lifestyles.

There are different ways of communicating "Act." On the Web you can do it through Flash animations, for example. On television, you can do it through some very fast-paced advertisement. In an environment, you can do it by having a lot of different sensory stimuli coming together--very bright, fast, changing images. The point is that you need to choose a medium carefully so that it produces the right sort of experience. The print medium would not be good for "Act."

### Relate

"Relate" is about relating to cultures, relating to other people and relating to your reference groups. It's about creating a sense of social identity. Or, I should say, the marketer helps you to create a

sense of social identity. We're talking about products that you can relate to a generation, a nationality or an ethnicity. In "Relate," you use the right sort of cultural symbolism in your advertising campaigns and Web designs and in everything you're doing, which then helps the consumer to identify with that particular group.

## Core Values of Experiential Marketing:

### 1. Communicate touch and feel.

Put the product in the hands of your prospect, and/or in the home (or appropriate environment) where she will use and enjoy it. Help your customer visualize, in terms of copy and imagery, how the product will benefit her life. Seek to collapse barriers between retail and direct channels by communicating "touch and feel" on the page.

### 2. Demonstrate use and benefit.

Employing photography and other illustration techniques, show application, use and product benefits in an "aspirational" manner appropriate for your customer profile.

### 3. Infuse emotional selling messages.

Consumers base buying decisions more on emotion than logic. Studies show that even for high ticket considered purchases, such as cars, consumers are driven more by desires and the emotional quotient than rational arguments concerning product features.

## Modes of Transfer

Companies that send instant messages with games or music promoting their brands are doing experiential marketing. Experiential marketing is made up solely of events, mobile tours, and sports or entertainment marketing programs. Experiential marketing can include advertising copy that is written to connect with the senses. Experiential marketing consists of product sampling, bar and nightclub promotions, street teams, and diversity marketing (not sure why they threw *that* in there!).

## Examples

Event marketing invites customers to experience a product or immerses them in a brand. For example, Corvette generated huge awareness and

even qualified leads during its 50th anniversary tour in 2003–2004, which was a series of road rallies and vintage car expos that drew more than 26,000 registrants. Product sampling is simply the process of getting free products in the hands of people who might like them enough to buy them, and maybe even tell friends to buy them.. In Australia, Vodka launched a brand called Cut through a strictly experiential marketing point of view. Using public relations, point-of-sale, online and event marketing, Vodka was able to eschew traditional advertising altogether, something unheard of when launching a spirits brand. In a rather astounding bow to experiential marketing over mass marketing, Absolute also leased two bars in Sydney and Melbourne, and put on DJ sets, band concerts and photo exhibitions in these spaces. Visitors to the Absolute Cut bars got a free bottle of Cut, and consumers were given a chance to contribute their photos to the exhibits, generating what Absolute hope would be a viral element to the campaign. The campaign flew in the face of traditional ways to launch a brand. Instead of using mass marketing to blanket the millions in order to reach the few, Absolute chose to target the few to eventually reach the masses.

## Strategy

Vista also incorporates Windows Defender, an anti-virus program that actively scans computers for "spyware, adware, and other potentially unwanted software." The agreement does not define any of these terms, leaving it to Microsoft to determine what constitutes unwanted software. Once operational, the agreement warns that Windows Defender will, by default, automatically remove software rated "high" or "severe," even though that may result in other. Some of the most prominent brands such as Levi's, Nokia, Harley-Davidson and Volkswagen have implemented successful experiential programs to reach their target.

## Strategy to Implement Experiential Marketing

Experiential marketing takes product introduction to a higher level. Here's a five-step strategy:

### 1. Gather initial customer data

Bellwether would first mine its database to determine who the best potential customers are for

this new handset. By determining how often people buy new handheld combinations (let's assume that through its data Bellwether estimates 18 months) it can easily determine the customers who are poised for a new purchase. Then Bellwether could analyze its current top 10 markets through Internet and retail purchase reports. The company can now plan to invite qualified potential buyers in those markets to "experience" the new handset.

### 2. Plan an event

Bellwether now needs to determine how potential customers can have an emotional and deep experience with the new product. The company may choose to host a launch event in each selected market during which potential customers could not only try the new handset, but they could also learn about new advances in wireless technology. The company might schedule private demos for business customers who could profit from learning about the handset's increased data capacity and flexibility. It might also invite those business customers to a luncheon with a wireless industry expert who could discuss with them firsthand industry trends that might affect their businesses. The key here is to give customers an experience that not only showcases the product and brand, but also gives them other relevant information.

### 3. Optimize the audience

Next Bellwether would determine how to take that customer list and add prospects to its experiential project. Maybe the current customer invitees can bring a friend or business associate. Maybe a partner company, such as a cell phone service provider, has a list of potential customers it could invite as well. The issues here are keeping the event intimate enough so customers truly experience all that the event and product offer, but also inviting enough customers to generate qualified leads.

### 4. Optimize the event

Bellwether needs to collect as much data as it can on site from attendees, including how they rate the event and how likely they are to purchase a new handset. That information should be aggregated into the database.

### 5. Follow up

After they've been qualified at the event, Bellwether should have a new, cleaner set of data that provides a valuable customer prospect list. Now the sales team takes over. Before this point, there should be no aggressive selling. Everything Bellwether has done up to this point should have been about setting up a strong relationship between customers and the experience.

As you can see, data is the difference. So far, one of the better examples of experiential marketing in action has been the user conferences that most tech companies organize (at huge expense) at least once a year. Apple, Oracle, Siebel, and SAP have all put on these huge events. They don't qualify attendees right down to their propensity to purchase new products; they focus on letting those clients experience the brand, products, and related technologies. And they follow up after the event.

### What are Customers they buying?

Experiential marketing takes the customer seriously and asks, "How are people feeling? How are they responding to the world? What are they thinking when they look at communication campaigns or at products?" That's the essence of experiential marketing--to really understand the customer experience. Experiential marketing is not a formula but, rather, an approach, a way of expanding the traditional box shot/copy blurb catalog formula. Start with your latest catalog, consider it objectively, and ask: What am I really Selling? What experiences, emotions, and feelings will these products give or inspire? Put the question to a group of co-workers and brainstorm freely. Are you selling a barbecue grill...or the conviviality and relaxation of a sunny day spent with good friends outside? Are you selling a pine rocking chair...or the opportunity for a quiet, close moment reading to a child? It's tempting to get a little sappy or exploitive here, so be careful and be objective about your products. Don't go overboard: Show the product clearly and attractively, describe it fully— use the strategies that you know work for your business—and, then, try to push beyond the benefit to the experience. Layouts may become graphically cleaner, more photographic and more three dimensional, with strong full-bleed photographs showing product in use. Or, layouts may become more involving, including more elements, more people, more insets, and more captions. It might mean loosening up the product density on a spread in order to convey some experiential elements—a little experience can go a long way. It might mean more

location photography, or the use of more “real people” situations. Maybe it's a relaxing of the photographer's visual style or a more artless, spontaneous approach to styling. Apply some of these experiential marketing techniques to your own catalog, and a funny thing might happen. A definite personality or voice may emerge. We call it the “soul” of a catalog that intangible quality that the best catalogs have – the quality that makes your catalog stand out in a crowd. This new voice will know its customers and their inner needs and fantasies, and speak to them. Instead of a presentation of products on a page, followed by dry listings of product features, your catalog will have found its true voice and its audience. In a rapidly changing marketplace, the smart cataloger will realize these days he's selling not only products, but also the promise of rich life experiences from using the products. Marketing the experience of using or having the product is critical—and becoming more so in making the sale. The more human, empathetic and emotionally connected those experiences and your catalog's voice, the more customers you'll attract, and the more successful your catalog will be.

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