

Experiential Marketing VS. Traditional Advertising

Angela-Mihaela MASTACAN
George Bacovia University, Bacau, ROMANIA

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Abstract: Experiential marketing is a methodology, a concept that moves beyond the traditional “features-and-benefits” marketing. Experiential Marketing connects consumers with brands in personally relevant and memorable ways.

The idea of experiential marketing reflects a right brain bias because it is about fulfilling consumers’ aspirations to experience certain feelings – comfort and pleasure on one hand, and avoidance of discomfort and displeasure on the other. Experiential marketing occurs in person. It is a direct one-on-one interaction between a brand and an individual consumer. This experience creates a stronger relationship with the consumer.

In contrast, traditional product-centric marketing reflects a left-brain bias because it generally seeks to persuade consumers by invoking rational factors that position the advertised brand as better than competing brands. Product-centric marketing presumes a degree of rationality in consumers’ decision-making that contemporary brain science refutes. Consumers’ decisions are much more influenced by emotionally generated feelings than by their rationally derived thought.

What is experiential marketing? When you watch a television commercial you see it, you hear it, but do you really experience it? You don't. A television commercial is traditional advertising. It talks to you but there is no interaction. Experiential marketing is just that - an experience; it is designed to be interactive with the consumer, to engage all of the consumer's senses so as to elicit emotional responses in a way that traditional advertising, like television commercials cannot.

How can marketing be interactive? A company that takes its marketing message directly to the consumer is interactive. For example, a beer company that provides its brand for free on a special promotion night at a popular nightclub is interactive. That's experiential marketing. People encounter the product precisely where they will be exposed to it in the future. Proponents of experiential marketing believe that, like the nightclub example, consumers will be more apt to internalize the marketing message this way than they would, say, in seeing a beer ad on TV.

Experiential marketing attempts to connect consumers with brands in personally relevant and memorable ways. The alternative term ***customer-experience marketing***

emphasises the idea of communicating the essence of a brand through a personalised experience.

As a marketing methodology, experiential marketing aims to move beyond the traditional "features-and-benefits" marketing, cast to a wide audience that includes not only those who may benefit from a brand or product, but also those who would not benefit at all. **Experiential marketing** presents an experience that people choose to attend to and participate in after identifying the relevance of a brand or product to their needs. Personal experiences help people connect to a brand and make intelligent and informed purchasing decisions. The term "Experiential marketing" refers to actual customer experiences with the brand/product/service that drive sales and increase brand image and awareness. It's the difference between telling people about features of a product or service and letting them experience the benefits for themselves. When done right, it's the most powerful tool out there to win brand loyalty.

As a unique approach to the task of marketing goods and services, experiential marketing is a concept that integrates elements of emotions, logic, and general thought processes to connect with the consumer. The goal of experiential marketing is to establish the connection in such a way that the consumer responds to a product offering based on both emotional and rational response levels.

Appealing to a variety of senses, experiential marketing seeks to tap into that special place within consumers that has to do with inspiring thoughts about comfort and pleasure, as well as inspiring a sense of practicality. This means that the marketer needs to have a firm grasp on the mindset of the target audience he or she wishes to attract. By understanding what the consumer is likely to think and feel, it is possible to get an idea of how to steer the customer in a direction that will relate with the product, and entice individuals to act on that impulse to purchase.

In order to engage in experiential marketing, it is necessary to engage as many of the senses as possible. Striking displays with powerful visual elements, such as websites, and visual media such as print ads should not only be visually appealing, but also conjure up daydreams of locales and reminders of sensations that are enjoyable to the individual. When used to create customer experiences of this nature, a sense of rapport between the product and the consumer is established that helps to make the good or service more desirable with each encounter.

Because experiential marketing connects with the consumer on multiple levels, the strategy is ideally suited for contemporary sales and marketing campaigns. Shortened attention spans demand that any ad campaign make a quick impression, or the opportunity to engage the consumer will quickly pass. While thirty second ads on radio and television once had a great impact, many people now use modern technology to avoid this sort of marketing approach.

This means that ads on the Internet, in print media, and on modern billboards must immediately catch the attention of prospective clients and hold that attention long enough to make an impact. Experiential marketing holds the key to making this happen. By appealing to all the senses, and making the connection quickly and seamlessly, this approach to the marketing task ensures that businesses can still attract and satisfy the needs and desires of consumers.

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degree of rationality in consumers' decision-making that contemporary brain science refutes. Consumers' decisions are much more influenced by emotionally generated feelings than by their rationally derived thought.

Experiential Marketing, sometimes called "XM", is a trendy term used in the business press to describe a category of marketing activities that requires a direct encounter with a customer. This direct encounter is different from the majority of marketing activities which are mostly passive in nature.

For example, advertising is a very passive medium that bombards the customer with messages that need to be listened to or read. Print advertising requests the reader to stop and read the message; in most cases, we skim over the ad or just ignore it. In fact, most ads never get noticed.

Markets have undergone a profound transformation after decades of top-down corporate messaging. This change is being demanded by the enlightened and empowered consumer – the so-called prosumer – who no longer responds to a media-propelled "brand essence." Most current advertising still relies on obsessive proliferation of the brand through mass media that seek economies of scale – the more eyeballs, the better. But consumers want more than mass messages sent to eyeballs. They want respect, recognition and relevant communication, and they've indicated that the best way to give it to them is through experiences that are personally relevant, memorable, sensory, emotional and meaningful. Consumers have changed dramatically, and the brand world must change to meet their needs and desires, or lose them to those that recognize the unique influences shaping the evolving marketplace.

It is those companies that can deliver the right experience to customers that will succeed in the global marketplace today. Businesses will live or die not by the attributes they promise, but by the experience they offer customers at every touch point – in the store, at the website, with the product, and through events and advertising.

The question isn't which industries will be transformed by the focus on customer experience, but only which will be first. Companies who do not recognize this change will perish. Those who see the necessity for change and embrace XM will be embraced in turn by the most empowered consumer base in the history of the world.

In the past, the term "experiential marketing" has often been misused to describe advertisements which depict consumer experiences. In contrast we will use the term "experiential marketing" to refer to actual consumer experiences or interactions with products for the purpose of driving the sale of that product -- i.e. marketing -- not merely the consumer seeing an idealized experience in a TV, print, or radio ad. We will also show that creative experiential marketing, when applied correctly, will lead to greater impact for the consumer, increased effectiveness for the advertiser, and even cost savings relative to traditional advertising or marketing techniques.

For further clarification, in this article the word "advertising" is contrasted to the word "marketing." "Advertising" is taken to mean any activity done to convey product attributes or brand characteristics to a broad base of consumers without explicitly requiring the consumer to take any action, for example, most TV, print, and radio ads. "Marketing" on the other hand is taken to mean any activity done with the goal of eliciting a specific action or response from the target consumer, for example, going to the store and purchasing the product.

Current Trends in Advertising In the face of tighter budgets and the general demand for greater effectiveness in advertising, many advertisers are starting to employ more creative and innovative ways to reach out to their target customers. Many have started advertising cooperatively in order to share costs among two or more advertisers who are trying to reach the same audience. For example, Pepsi soft drinks are prominently featured in TV spots by the brand fast food restaurants like Pizza Hut, Taco Bell, and KFC. All of the above are nice examples of on-brand advertising which convey positive product

attributes while sharing the costs among participating advertisers, thus reducing the costs incurred by each individual advertiser. Product placements in TV or movies are also becoming more mainstream and do well in showcasing specific products as they are being used by celebrities or movie stars.

Other examples of what we consider to be mis-applications of the term "experiential marketing" are the following. Car ads which show good looking people driving around to pop music depict the experience one can expect to have when driving that car. But the consumer seeing the ad on TV does not have that experience themselves; they are merely watching someone else have it on TV. Some of the music is admittedly catchy; some of the special effects are indeed "cool;" and some ads might even make a consumer remember a particular attribute of the car; but, then again, when was the last time there was a car ad which did NOT feature happy people driving the car around to cool music? In other words, the impact of such ads on consumers and the likelihood of it motivating a consumer to take some action is low. Victoria's Secret's famous TV ads which feature beautiful models lounging around in their lingerie depict the experience one would have if one wore their lingerie. But these ads are hardly what we would call "experiential marketing" since the viewer of the ad is merely a voyeur who has not experienced the product themselves.

Other ads which are sometimes cited as examples of "experiential marketing" include 1) the "Tide Mountain Fresh" TV ads because the images of snow-capped mountains and meadows of wildflowers "have direct sensory appeal and evoke the outdoor experience," 2) Burger King's latest TV ads which feature cowboys talking up the "cowboy life style" to refer to the flame-broiled attribute of their burgers. So, while many advertisers and advertisements now use consumers' "consumption experiences" to pitch product attributes or brand characteristics, they still don't give the consumer an actual consumption experience. So, we argue, these ads should NOT be cited as "experiential marketing," Instead they remain nice examples of the tried-and-true "feature-and-benefit" advertisements. They should not be considered marketing either, in the present usage, because while the product feature or brand characteristic might be well communicated, a direct connection to action on the part of the consumer is still lacking.

Finally, IKEA stores are entirely based on "sets" which showcase a variety of products arranged as they would normally be used if in a bedroom, living room, kitchen, etc. Customers get ideas about what to buy with what when they see the products being used in their natural environments.

In many ways the above examples provide the context in which consumers can view and purchase products; but they are all still examples of retail. The question remains, what motivates the consumer to go to the retail store in the first place? We argue, experiential marketing.

The Beginnings of True Experiential Marketing. Experiential marketing reaches out to the consumer prior to the actual purchase event in a retail store and gives them enough information about the product to motivate them to go to the retail store to make the purchase. This is contrasted to the experience based retail examples above, where the customer is already in the store and ready to make a purchase given some final interactions with the product. There is a series of conscious steps that consumers take to "filter" down the set of possible choices and then make the decision based on the comfort level afforded by their own "contexts." And the factor that has the greatest weight in a consumer's purchase decision is their own experience with the specific product. Of course, if they did not have such a personal experience to draw from, they would rely on outside inputs such as friends' recommendations. On the far opposite end of the "trust" spectrum lie advertisements which pitch features and benefits. There is little reason for consumers to trust yet another over-exaggerated sales pitch, let alone base their purchase decision on it.

The use of the words "experiential marketing" goes a bit deeper than merely giving consumers their very own consumption experience as a way to do marketing. True experiential marketing should also provide significant economic advantages to all the participating advertisers -- i.e. "bottom-line" cost savings in reaching out to their target consumers to communicate product and brand attributes and to motivate specific actions on the part of the consumer. True experiential marketing should be significantly more effective than advertisements or even traditional forms of direct marketing, not to mention being highly trackable so that concrete measures of effectiveness can be calculated and analyzed. Finally true experiential marketing should provide significant opportunities to accumulate information and insights about customers prior to, during, and after their interactions with a particular product and even after purchase of said product. It is clear that experiential marketing cannot be blindly applied to any product. For example, we're not talking about taste testing the new vanilla Coke or giving free samples of the new gum from Wrigley's, even though consumers do "experience" the said products. Experiential marketing is most useful for marketing products where in-depth interactions with the products are key to helping the consumers make the purchase decision. These are usually products which are more complex or involve larger feature sets where simply reading about such features in a brochure are not sufficient. Experiential marketing is also most useful for products whose price points are high and thus prohibitive for consumers to do their own experimenting -- i.e. buy it and try it. .

Given the definition of "true experiential marketing" and the other "requirements" of lower cost, more effectiveness, and better customer insights, we present a few "out-of-the-box" concepts.

IKEA hotels. Given the commoditized status and lack of differentiation of many hotel chains like Hampton Inn, Fairfield Inn, Red Roof Inn, etc., imagine if a particular chain partnered with IKEA to decorate their rooms with simple, clean and comfortable bedroom furniture. This fact alone would give that hotel chain a significant point of differentiation. The hotel chain also gets the economic benefit of furniture at prices that are even better than wholesale prices on generic furniture. IKEA gets significant "consumption-experience level" exposure to target customers at a fraction of the expense of TV ads. Consumers get to experience IKEA furniture "in action" which undoubtedly would give them enough first-hand experience information to make future purchase decisions. Finally, some creative "consumer insights research" opportunities can even be built in, such as allowing visitors to select from among differently decorated IKEA hotel rooms and tracking such decisions to gather which items are most popular or even how to make IKEA's in-store bedroom sets more appealing. In summary, both the hotel and IKEA achieve "experiential marketing" which drives greater marketing effectiveness (i.e. hotel chain differentiates themselves from others; IKEA lets customers actually experience their products prior to going to a store), delivers a more impact experience to customers, and even reduces costs for both parties.

Cereal bars. Given the high cost and ineffectiveness of product research and television advertising for commodity products like cereal, imagine a small restaurant or section of a restaurant which serves only cereal. It would serve dozens of varieties of cereal through automated, single-portion-dispensing, self-serve stations. The stations would also allow people to "customize" their serving with a variety of milk (whole milk, 1%, 2%, strawberry milk, chocolate milk, soy milk, etc.) and add-ons like berries, nuts, fruits, etc. Customers would come into the cereal bar and buy a prepaid card, much like the Starbucks card, which they use over and over again. At any given self serve station, a swipe their card and dispense their choice of cereal, choice of milk, and choice of add-ons. They can go back as many times they want and create any combination they want. The experiential marketing part of this concept is that consumers, who are typically "loyal" to the brand and type of cereal that they grew up with out of convenience, can have the field

day tasting other kinds of cereal as made by manufacturers or as created by themselves. Cereal manufacturers who "sponsor" particular cereal bars will deliver actual consumption experiences to customers which no TV ad can do, at a fraction of the cost of a TV ad. Also, product research is already built in, simply by observing what cereal combinations people create for themselves; there's no need to pay an expensive product research consulting firm to do focus groups and ask people in an artificial environment what they may or may not like. Observing actual consumers' actual behavior is much more insightful and doesn't cost anything.

If your initial marketing does not even have to be in a physical retail space. In fact, some products are best experienced in the environment in which they are intended to be used.

Conclusion. "Experiential marketing" as it is defined and used in this article goes well beyond simply delivering consumption experiences to consumers as a way to give them the information they need to make a purchase decision. Experiential marketing 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. Experiential marketing is the difference between telling people about features or benefits within the confines of the thirty-second TV spot and letting them experience it and get their own "a-ha!" event.

Experiential marketing is a relatively new concept and when a marketing campaign designed around it works it becomes huge. Many business experiential marketing are a success due to viral factors. People love it. They talk about it. They tell their friends. Brands can become an instant success with a good experiential marketing campaign.

In each case, experiential marketing is about encountering a brand in an immersive experience that engages the senses in a way that traditional advertising or marketing never has; it is a user experience.

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