INTRODUCTION

Nowadays, in a competitive context, many companies should innovate in order to maintain their own businesses and remain competitive. Besides, customers are more and more demanding and it is difficult to meet customer's needs. Thus, companies invest huge amount in Research and Development in order to offer the best suitable product or service to customers. They also have to invest in marketing because it is one of the best ways to increase sales. According to the AMA, Marketing is «the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."¹ In Traditional Marketing, the purchasing process mainly takes into consideration rational decision through senses such as sight, touch and taste which are integrated to the product it selves. In the 80's, new senses (hearing and smell) had been developed and added to the products and we can experience it through the product but also in the stores.

For instance, experiential marketing is an innovative way to appeal consumers through its various elements. Indeed it consists in bringing consumers into contact with the product through emotions, logic, senses etc. in order to create memorable experiences. But using experiential marketing requires precautions because if we have a bad experiential marketing, it can lead to sales decrease.

Yet, how do companies innovate and attract consumers through experiential marketing?

First, we will see strategies, processes and how to measure experiential marketing in companies' point of view. Then, we will focus on customers’ analysis as how they perceived all information they experience and also how they could be influenced in their purchasing behavior. And finally, we will study the pros and cons of experiential marketing.

I. COMPANIES POINT OF VIEW

A. Why do many companies chose to use experiential marketing in their strategy?

Experiential marketing is becoming very popular in corporate world as a new way to appeal the consumer’s attention. As a unique approach, companies are using such kind of tactics because it can appeal many consumers and create an impulsive purchase. Then, it

could be a way for a company to be known and recognized thanks to specific things the customer experienced within the store. First, many companies chose to use experiential marketing because it can help to promote and launch a new product on the market. Indeed, it can help a product to be more competitive than the others on the market (have a competitive advantage). In a competitive context, companies should attract their consumers by giving them the opportunity to try the product in their hand. Their products should be different from their competitors and firsthand experience is one of the best ways to help the consumer to discover and really understand the functions of the product. According to the consumers, it is easier to understand the functions of a new technological product when he can experience rather than read about it. Besides, such kind of marketing campaign can create word of mouth about a product which is a key element in the product promotion. Indeed, word of mouth is becoming really important thanks to the increase of social networking websites. Word of mouth is the most efficient and credible marketing campaign because satisfied consumers make recommendation based on their personal experience to other people. Friends and acquaintances try the product and can convey directly their first impression and information about it. For instance, 90% of consumers trust in friends or acquaintances recommendation.

Finally, the goal of experiential marketing campaign is to increase immediate sales given that consumers can try and use directly the product before buying it. This kind of tactics can create impulsive purchase and so increase sales because the fun and the participation of trying a product lead consumers to buy. Thus, for these reasons, experiential marketing campaign is quickly becoming popular as an innovative way of promoting brands and products to consumers.

**B. Implementation of the experiential marketing: definition of tools.**

Experiential marketing focus on creating strong connections between brand and customers through senses. In order to create these connections with customers, companies have to appeal customer’s senses. The five senses are categorized into different types of experiential marketing and are used differently by companies. Here are the different types:

**Visual Marketing:** Sight is the sense the most used in marketing because it is the most stimulated by the environment. By this fact companies use many colors and forms to appeal customers because they help to build a brand identity. Indeed, many brands are associated to a specific color because it is memorized more easily in the audience’s mind. Sometimes even if customers do not know the name of the brand, they can quickly identify the product thanks to the color of its packaging. The colors of the surroundings, lights, materials or layout are also important criteria to take in account in selling points. Visual marketing is a powerful tool in particular in the food and beverage industry. Indeed, everybody already assimilated the brand Coca-Cola with its red packaging or Danone with its blue packaging.

**Auditory marketing:** In advertising it is the use of music or sounds to promote a message in order to consumer remember it more easily. But from now on, this technique is also very important to create an atmosphere in adequation with the image of the brand. For instance a beauty salon will use music

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2 Consumer Trust in Advertising by Channel (Trust Somewhat/Completely) from "Trust, Value and Engagement in Advertising" - Nielsen Global Online Consumer Survey, July 2009

4 http://www.imaginevisualmarketing.com/resources/reports/articles_whitepapers/visual_marketing.html

without lyrics or with natural sounds more favorable to the relaxation while a fashion shop will use more loud and rhythmic music to attract young people. We can say that music is an integrant part of the atmosphere in any selling points or restaurants.

**Tactile marketing:** Touch is very important in marketing. Indeed often the clients need to touch the product in order to test its texture, its quality etc... that is why marketers try to take in considerations these elements during the conception of the product choosing appropriated materials but also during the commercialization by the selection of the packaging\(^6\). For instance restaurants take into account the weight of the cutleries or the softness of the napkins because these factors can have a repercussion on the customer’s perception. In selling points, sampling are always at the disposition of customers in order to they experience the products. It is the case in Apple stores where the audience is free to test all the products.

**Olfactory marketing:** Firms use smell as a key component of the experiential marketing by the use of natural or artificial smells. Indeed, we can notice that smell is connected with emotions but also according to the Proust effect, smell spontaneously evoke autobiographical memories\(^7\). This technique is mostly used in the food industry by the use of artificial smells to attract customers. For instance, even if Starbucks use the major techniques of experiential marketing such as music, decoration, and lightings, Starbucks focus especially its strategy on the smell. Indeed, when we enter in a Starbucks outlet we are directly appeal by the coffee aroma which dominates all the setting\(^8\). We can notice the same fact in supermarkets where rotisseries or bakeries increased their sales thanks to the use of artificial aromas that fills the surroundings of the store.

**Gustative marketing:** This technique is mostly used in the alimentary market. Companies often use gustative marketing to convince customers to purchase by making blind - tests or directly with sampling. Indeed customers are more enthusiastic to buy a product they already tasted in the past. Nowadays because of the globalization and the emergence of news tastes, food industry have to adapt constantly its offer to meet customer’s expectations that is why most firms have their own gustative laboratories to test new trends and create new savors\(^9\).

To conclude we can say that in order to have a successful implementation of Experiential Marketing, companies have to understand the importance of the “total product experience” by the use of customers’ senses.

**C. Measure the impact of experiential marketing**

We have previously seen that companies make strategies and use different tools to implement experiential marketing. Above all, to be able to measure the efficiency of this concept is a main concern.

Measures of marketing experiential could be the same measures as traditional marketing as Web analytics, social media metrics, and media opinions. According to Craig Wilde, an experiential marketing expert, we could use

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\(^6\) The concept of Sensory Marketing. pdf

http://chemse.oxfordjournals.org/content/25/1/111.full

\(^7\) http://www.neurosciencemarketing.com/blog/articles/espresso-sensory-selling.htm

\(^8\) http://www.netpme.fr/marketing/714-marketing-gustatif.html
the « ART » approach to measurement. First of all, it consists in “A” like Activity, meaning that the company overviews all its marketing efforts and sees how it is engaged and whether it reaches its objectives or not. Then, the “R” remains the degree of Relevance of all the efforts, if experiential marketing strategy build by the company is well planned, executed. Finally, the “T” (like Target) is linked to the audience target, which corresponds to the initial and final target the company aimed at. This approach is efficient if the company knows exactly its goals by using experiential marketing.

The impact have to be measurable, we can considered in term of human aspect, that is to say by the company’s staff feedbacks towards experiential marketing (we mean, how the tools are perceived from employees point of view), in term of business, by monitoring the sales (increase, decrease of sales before and after using experiential marketing) and through financial aspect, by emphasizing return on investment (if the budget and the investment worth the final result the company reached).

Staff feedbacks. Employees’ point of view on the use of experiential marketing could be a useful tool to know the degree in which they are comfortable with the different tools. Then, they could give suggestions to their managers. A research and a survey leads by Brandweek in 2006, shows that one third of the employees surveyed, consider “experiential marketing as the lifeblood and the core of the organization”. That means that this kind of marketing is relatively well accepted by employees. However, it could not really measure the impact of this strategy because it is more linked with perception and feeling of the employees.

Monitoring sales. It is a real tangible parameter. We have the example of Panasonic, in 2007 the company wanted to launch its new product HD plasma TVs, as it considered that advertising only through televisions adds would not be as efficient as with an implementation of experiential marketing strategy. Next Marketing, a consulting agency proposed a tractor-trailer tour through the USA, which is composed by three trucks that contained a full HD 3D home theater and could welcome 25 to 35 customers to experience. Plus, in its media strategy, Next Marketing planned the tractor tour in conjunction with sport games periods like NBA basketball games or baseball games… According to Next Marketing study in 2007, 60% of visitors purchased Panasonic HD plasma within 30 days after participating to the tour. Consequently, experiential marketing could be measured by monitoring sales.

Return On Investment. According to Investopedia, the Return On Investment (ROI) can be calculated by divided the gain of investment minus the cost of investment by the cost of investment. An example of monitoring experiential marketing with ROI, is to test the new marketing approach on a targeting market and compare the results to a segment of the market which the company did not use the experimental approach. Then we could understand if this technique was more or less efficient that traditional marketing. Different software and material are developed to help company managing and monitoring their performance. For example, we have Kneebone, which is a company that offers services that help companies to find parameters to analyze their performance in their marketing strategies; then provides customized solutions and developed tools. Companies like Nintendo and Dell are their customers.

We have an example of the U.S army concerning ROI tool to measure experiential marketing from experientialforum.com. In a


13http://www.kneebone.com/resources/performance-algorithm/

14http://experientialforum.com/articles/09awbwmwxD.pdf
few words, the U.S army planned in 2008 a virtual game project in order to recruit potential young males. The main goal of the program was to increase ROI, by adding more experiences in the recruitment. The U.S army saw that this process was 10 times more effective than the traditional way of advertising: television. For instance, TV ads cost $150 million per year. Colonel Casey Wardynski, director of the U.S Army’s office summed up very well how TV ads are not relatively effective: “with advertising you know what you’re spending but you don’t know what you’re getting”. He compared an approximately rate to compare the traditional way with the experiential marketing tool. TV ads “cost/ per/ person hour” would cost $2.50 to $8 whereas the total cost of the game project would be $7 million, so a “cost/ per/ person hour” of 22 cents. Finally, experiential marketing could really have an impact on a company, provided that it manages its strategies, tools and measurement correctly and pertinently.

Companies find strategies to attract consumers; we will see now how customers react to all the experiences they face and how experiential marketing influence customers decision making to purchase.

II. CUSTOMERS’ ANALYSIS

A. Customers’ perception.

The use of Experiential Marketing could influence perception. According to Stephen P. Robbins & Timothy A. Judge, from Essentials of Organizational Behavior, perception “is a process by which people organize and interpret their sensory impressions in order to give meaning to their environment.”

15 We have some factors that could influence perception, which are the situation, the perceiver and the target. When Experiential Marketing is used, the situation is the environment where the customers are, the store, the perceiver is the customers and the target is the product, the service, the brand or an experience itself. Based on studies from Bellizzi, Crowley and Henderson in 198316, atmosphere and above all, the components of this atmosphere (like color, music…) could influence customers’ perception of the cost of shopping. Consumers find pleasing the aesthetic of the store design, and psychotically perceive and associate the product as at high quality and high price. Gordy Players17 also underline this constant association from customers. For example, based on its researches, classic music could help the customers perceiving the use of the product as a soft and with high quality, whereas with jazz music, customers tend to think that the way of consuming this product should be like romantic. Then, customers could perceive the brand differently. However, the perception consumers have about the products within the store is not really objective. In fact, based on Schlosser16 researches, the store is like a social identity that attracts consumers not only based on the products appeal. So, the customers’ perception could also have a negative consequence on a brand’s image, because it could give a

different interpretation from the one the brand would like to show.

We saw how the atmosphere created by Experiential Marketing influences customers’ perception. Customers have a real need of experiencing things. That is what we will explain in the following part.

**An important customer’s need: to experience.** We can notice different kind of needs. The most relevant are physiological and hedonic needs. Drink, and eat are physiological needs as individuals all primary need these to survive. Then, we will focus more on hedonic needs as experiences are more likely qualify to satisfy a pleasure. Experience is defined as, according to the Romanian Economic Journal (Dainora Grundey, The Romanian Economic Journal. *Experiential Marketing vs. Traditional Marketing: Creating Rational and Emotional Liaisons with Consumers”) a subjective episode in the construction/transformation of the individual, with however, an emphasis on the emotions and senses lived during the immersion at the expense of the cognitive dimension.” The experience living is related to emotional significance. It is like a sensitive thing called stimuli leads to a personal satisfaction or dissatisfaction and then to an experience. The main goal of Experiential Marketing is to make customers experiencing. Experiencing lasts from the store’s atmosphere (feeling process), through the decision making (thinking process), then purchasing process (the action of purchasing) and the after sale (customers could memorize the brand). The roles of emotions in behavior; the fact that consumers are feelers as well as thinkers and doers; the significance of symbolism in consumption; the consumer’s need for fun and pleasure; the roles of consumers, beyond the act of purchase, in product usage as well as brand choice, and so forth.”

We will see now, how Experiential Marketing could lead to purchase.

**B. How experiences lead to purchase?**

According to a study called “Best experience brands” published by Jack Morton Worldwide and conducted online in 2011 among 1,605 consumers (USA, UK, Asia and Australia) the brand experience drives consumer purchasing decisions. Indeed nowadays people are more exigent and want to buy products that satisfy personal emotions and also that provide them the right information. How people experience and interact with brands can be a critical point of differentiation from competitors and a reason for consumers to become customers and advocates. For instance, 60% of consumers agreed with the statement “My overall experience with a brand is the single biggest factor in whether I decide to purchase a product or service” and only 5% were disagreed.

Furthermore, although most of the survey respondents were living in regions suffering from economic uncertainty, many (that is to say 44%) would pay more for brands that offer a unique experience. Only 6% were disagreed. Consumers were asked also to rank what are the experience drivers that deliver a unique brand experience. Here is the result:

1) Initial impression the brand makes on you
2) Continues to serve and engage you after you have become a customer
3) Understands your needs
4) Differentiates from similar products
5) Employs people who anticipate your needs

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All these data highlight the fact that experiential marketing plays a key role on consumer’s behavior. The fact that they have the possibility to discover the product, its characteristics by touching, smelling it or that the staff is particularly pleasant and competent can change consumer’s perception and be determinant factors that can lead to purchase. However, even if the influence of experiential marketing is strong across all groups, the study demonstrates that there are some demographic differences. For instance, women are more responsive and receptive to experience. 47% of them would be ready to pay a premium price for experience against 41% of men. As women influence most household purchase decisions, this is an important insight to take in account for marketers in the future. Same fact for people over 55, they are less willing to pay a premium for brands that offer a unique experience (47% of younger and middle-aged consumers vs. 37% of seniors). To conclude numerous factors can influence consumer’s purchase but some targets will be more responsive to experiential marketing such as women and young people.

III. EXPERIENTIAL MARKETING: PROS AND CONS.

After seeing the different aspects of experiential marketing through companies’ point of view and then in customers’ behavior, both advantages and disadvantages could be identified.

A. Pros

a. Companies point of view

Generate more sales: First, Experiential Marketing can lead to impulsive purchase and then create immediate sales.

Differentiation from the competitors: As the environment is becoming more competitive, thanks to the experiential marketing, the product’s company can be really different from its competitors.

Measurable results / ROI: A good experiential marketing can provide measurable results concerning the Return on Investment.

Enhances brand image: Experiential marketing can strengthen brand image’s company thanks to supporting brand positioning by creating presence and maximizing awareness.

Extends brand advertising: companies can develop its advertisements and campaigns through nontraditional marketing channels which are less used by companies.

Attracts new customers: The creativity and uniqueness of its various tactics can help companies to appeal and target new customers.

Long term customer relationship: Thanks to Experiential Marketing, companies can create a long term relationship with their customers as they become more loyal to a brand. Indeed, customers are directly linked to the product and the brand.

b. Customers point of view

Comparison between traditional marketing and experiential marketing in customers in their decision-making. This comparison is based on a French economist Bernard Schmitt’s research in 2001. In the traditional marketing approach, customers have tendency to use rational decision-making process, where it is said that their main goal is to solve
a problem. Customers are like analyzing the different process and measuring the information they get to finally make a decision. So, this approach is a little narrow minded. In the contrary, with experiential marketing, the customers are less selective concerning the products they are looking for. The emotions tend to affect the customers in correlation with what they have already experienced. They could have a better overview of all the products that are proposed to them.

**Influence.** Customers are the direct target of experiential marketing. Companies need them to experience to influence them. Then, if the targets are the customers that are defined as “influencers”\(^\text{23}\), they could share their experiences and use positive word of mouth so the other customers may not feel as “influenced” by the company itself but it is like they have been recommended by their peers.

**Personal experience value.** Experiential marketing could increase customers personal experience value. From the book *Authenticity: What Customer Really Want* (Pine & Gilmore, 2007)\(^\text{24}\), the authors identify that the environment, the immersion of the customer into it and the constant stimulation for participation, have a great impact on “memorability” of customer. Through the different senses used during an experience, customers could relate them with their previous experiences and could be more or less, lead to a purchasing behavior.

**Brand recognition.** People could likely gather all together and especially grouped by specific target when they go through the same experiences. For instance, in 2009, AmEx has launched a new U.S Open iPhone application and fans were invited to participate to a special virtual session “Play with the pros”. The brand asks for the recognition of tennis fans and importantly potential future customers. The company that organized this event was Momentum, and the manager said that “Experiential marketing is like any form of great communication. Unless you truly understand the needs and desires of your target audience, then your brand is just ‘there.’ Significantly, a unique experience means a unique recognition, and then it could lead to build brand loyalty\(^\text{25}\). Above all, experiential marketing brings satisfaction to customers. As it allows customers to be directly approached and be a part of the experience.

**B. Cons**

Despite of many advantages of engaging in experiential marketing there are also some limits.

Here are the following:

Product or services can be a fail if the campaign produces a **negative experience** to the customer. For instance if a business use too much tools at the same time such as high music, strong smell, bright colors, customers can feel invaded and can leave the shop. So it can lead to a decline of visits in the business and a loss of potential customers.

**Subjectivity:** Determination of positive experience and negative experience is subjective and depends on customer preferences\(^\text{26}\). Indeed human preferences are not the same everywhere. People’s emotions and perception are difficult to predict because their needs and behaviors are not alike across demographic boundaries\(^\text{27}\). For instance according to a sensory survey about McDonalds restaurants, a third of customers thought that the restaurants smelled like stale oil. 42% of British McDonalds customers thought the same, and both groups indicated that this smell diminished their enjoyment of the food. To the contrary half of customers said they liked the smell, and that it made their

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minds water.\(^{28}\)

The consistency: When the experiential marketing is applied in several locations it is important that this experience be delivered in a consistent manner over time and across geography. However, it is difficult because people are different and also their way of working. The staff must be well equipped, amiable and professional. The best way to ensure this consistency is through ongoing training which plays a key role in the successful implementation of experiential marketing because at the end it is the staff who delivers the total product experience to the customer.\(^{29}\)

Expensive: To develop experiential marketing campaigns involves high costs. Indeed it is rarely used for large scale campaigns because there are budgetary restraints. Furthermore international campaigns for experiential marketing are extremely rare. These larger campaigns are usually combined with more traditional campaign to make the most of the experiential events.\(^{30}\)

IV. RECOMMENDATIONS

As we know, the settlement and execution of an experiential marketing is not an easy task and companies should be really careful. Indeed, using this kind of marketing requires strong precautions as it is really difficult to settle it. Thus, for a successful experiential marketing campaign, companies should follow some advice.

- First, they should hire an agency specialized in experiential marketing to help the company for the settlement of the campaign because experiential marketing agencies have strong background and experience in this field and have experts in strategy, planning, creating and innovating, logistics etc…
- They should clearly identify and know their target audience and then focus “on the right program at the right place for the right reason”
- Create an interactive and sensory experience and encourage hands-on participation
- Differentiate the experiential marketing plan from the competition’s plan
- Pre-promote the event and create news relevance to attract media coverage
- Create and present a quality experience with quality people and attention to detail
- Use the latest technology and give personalized attention to all customers
- Develop a feedback and follow up system to build brand loyalty and retain customers
- Make it fun

CONCLUSION

Through our studies, we saw 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.

Concerning customers’ point of view, based on different analyses, we could see that this marketing strategy has an influence on how they react and buy things. More importantly, consumers are looking for experience. It will lead to an added value for the customers. Since they could live a different experience, or at least identify themselves to the brand, they will be able to buy and moreover be loyal to a brand.

However, we should be cautious about
Experiential Marketing as it has both pros and cons, depending on how it is settle, it will not have the same consequences.

To conclude, experiential marketing is a powerful marketing tool which can help the company to launch a product successfully. Yet, these tactics requires some precautions as it is a risky marketing campaign. If campaign activation and project management failed, companies can waste time and money even if they have the most innovative concept and strategy on the market.

Thus, the company should ensure their events are well organized and targeted in order to get rapidly best results. If the marketing campaign is well run, the firm can have brand advocates who will convey the company’s brand messages through word of mouth and become a loyal customer for life.

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