

Experiential Marketing

Experiential Marketing: Selling the experience

Does the brand define the experience—or is it the other way around?

With the changing landscape of marketing and communications, it has become clear that a brand is only as good as its online customers say it is. It's the collective experiences of consumers that really drive the success of branding efforts in today's social and often instantaneous marketplace.

While the challenge of marketers will always be to identify and communicate effectively with target audiences, new challenges have emerged:

How do we create positive, memorable experiences that attract and retain customers? And, how do we encourage customers to share their experiences with others?

One possible answer: Experiential marketing.

Experiential marketing allows users to interact with a brand and its products or services firsthand, often in a controlled environment. This area of marketing aims to appeal to emotions, logic and the senses, and it provides an opportunity for customers to engage with a brand. This engagement aims to diminish the disconnect between what a company says about its offerings and what customers actually *encounter*.

Product demonstrations, online reviews, point-of-purchase displays, samples—these are all very basic examples of experiential marketing that have existed in the marketing mix for awhile. These tactics, when paired with targeted messages, can be key components for success in any campaign.

But, experiential marketing in today's world has pushed the envelope even further. The Internet, social networks, a demand for transparency and shortened consumer attention spans have contributed to a shift in experiential marketing strategies. This shift has resulted in a much wider approach to marketing and business that is heavily rooted in consumer opinion and dependent on target audience feedback.

In this Blue Paper®, we explore where experiential marketing and customer experience management meet and how you can harness the power of both to find success in today's evolving marketplace. We've also culled some great insight on how best to set experiential marketing goals, develop strategies and tactics, and measure experiential marketing success.

So, without further adieu ... let the experience begin!



Experiential marketing and customer experience

In the early years of the new millennium, customer experience management (CEM) was a popular buzzword that really set the stage for experiential marketing. While experiential marketing and CEM are two different things, they are intertwined, and knowledge of both is necessary for ultimate success.

In short, experiential marketing focuses on developing highly visible, interactive and sensory-engaging environments wherein products and services are showcased. Alternatively, CEM concentrates on customer experience as a whole, not just as the delivery method for marketing tactics.

Consider this matrix, developed by customer experience consulting firm, Live Path, to compare the specifics of the experiential marketing and CEM more in-depth¹:



Experiential Marketing	Customer Experience Management
A core competency of CEM that addresses how customers sense, feel, think, act and relate to companies, products, brands, and/or services within a variety of online and offline environments.	A parent area of focus defined as the discipline, methodology, and process used to comprehensively manage a customer's exposure, interaction and transaction with a company, product, brand or service across a wide variety of channels.
Focuses on: <ul style="list-style-type: none">• Customers and branding• Environmental factors of perception• Creating or modifying the environments in which consumers interact	Focuses on: <ul style="list-style-type: none">• Improving marketing outcomes• Adopting a balanced view across five areas: customers, environments, brand, delivery platforms and interface dynamics
Narrow and limited in scope, and executional in nature. Often seen in individual campaigns or through a limited number of channels.	Comprehensive in scope and strategic in nature. Supports iterative improvement and ongoing execution.
Seeks to create individual environments for customer exploration, interaction and transaction, focused to achieve a specific set of business objectives.	Seeks to help understand the entire world of the customer in order to better interact with them, develop relationships and foster loyalty and word-of-mouth.

¹ Duncan-Durst, Leigh. "Customer Relationships - What's the Difference Between Customer Experience Management and Experiential Marketing? : MarketingProfs Article." MarketingProfs: Marketing Resources for Marketing Professionals. 17 Jan. 2006. Web. 10 Feb. 2011. <<http://www.marketingprofs.com/articles/2006/1717/whats-the-difference-between-customer-experience-management-and-experiential-marketing>>.

Electronics giant, Panasonic®, gives us a real-world example of experiential marketing and customer experience management with its “Living in High Definition” promotional tour. Here’s the scoop: Panasonic had developed a potentially ubiquitous new product in its HD plasma TV line, but could not adequately communicate the product’s benefits through static ads. Recognizing that consumers needed to experience the technology first-hand to realize its magnitude, Panasonic partnered with Atlanta-based firm, Next Marketing, and took a tractor-trailer emblazoned with Panasonic branding and hit the road for a tour to electronics retailers across the United States. Home theater-style settings allowed shoppers to experience HDTV for themselves—and it worked.

Utilizing CEM, Panasonic identified a need to communicate with customers in a different way for this campaign. Then, in its implementation, the experiential marketing came into play. The results? According to Next Marketing, 60 percent of visitors made a Panasonic purchase within 30 days of attending the tour.²

As Panasonic demonstrates, in many cases you can’t successfully implement experiential marketing tactics until you’ve considered customer experience management. CEM is the sum of all experiences a customer has with a brand from research, to purchase, to customer service and beyond. It sets the stage for experiential marketing.

“In a world drenched in social word-of-mouth,” shares Josh Bernoff, a researcher at Forrester, “the way you treat your customers—and the way they perceive you—makes all the difference in what they say to their friends. That’s customer experience.”³

Forrester Research’s latest Customer Experience Index survey asked more than 7,700 consumers to respond to three questions about 154 different companies: How well did they meet your needs, how easy were they to do business with, and how enjoyable were they to do business with.⁴



² “Experiential Marketing - A Special Look.” *Ad Week*. Web. 14 Feb. 2011.

<http://www.adweek.com/law/custom-reports/images/1005-exptiamktg.pdf>.

³ Bernoff, Josh. “The Marketing Value of Customer Experience - Advertising Age - DigitalNext.” *Advertising Age - Ad & Marketing Industry News*. 10 Jan. 2011. Web. 10 Feb. 2011.

http://adage.com/digitalnext/post?article_id=148164.

⁴ Bernoff, Josh. “The Marketing Value of Customer Experience - Advertising Age - DigitalNext.” *Advertising Age - Ad & Marketing Industry News*. 10 Jan. 2011. Web. 10 Feb. 2011.

http://adage.com/digitalnext/post?article_id=148164.

Business Papers

Two key results were identified⁵:

- Only 6 percent of the brands were ranked as excellent (score 85 or more out of 100) while two-thirds were rated “okay” to “poor.” 18 percent were ranked as poor.
- Retail and hotel companies did the best; health insurance and television service providers ranked worst. Bernoff notes this as especially interesting:

“The cost of great experience in the retail and hotel business is very high; they are people-intensive businesses where it’s easy to fail. And yet, the companies that succeed here succeed in part based on great service—because they compete.”

The three “Ds” of customer experience

Similar to Forrester’s research, the Harvard Business School conducted its own survey and found that roughly 80 percent of companies believe they deliver a superior customer experience. Yet, curiously, when customers were asked about their own perceptions, they rated only 8 percent of companies as doing so.⁶

Harvard researchers then set out to determine what set the 8 percent apart from the rest. Their answer was found in three key areas of customer focus. This 8 percent:

1. **Designed** the right offers and experience for the right customers. Traditional marketing tells us to divide customers into segments and design value propositions specific and/or unique to each one. However, customer experience and experiential marketing take this school of thought one step further. Marketers take into consideration not only a customer’s relative probability of purchase, but also his or her tendency to act as an advocate for the company. Then, offers and experiences are developed based on a number of touch points, including purchases, service and support, upgrades, billing and so on. Design is closely tied to the delivery from the very beginning, and planning focuses on the value propositions and on all steps required to deliver the propositions to the appropriate audience segments.

⁵ Bernoff, Josh. “The Marketing Value of Customer Experience - Advertising Age - DigitalNext.” *Advertising Age - Ad & Marketing Industry News*. 10 Jan. 2011. Web. 10 Feb. 2011. <http://adage.com/digitalnext/post?article_id=148164>.

⁶ Allen, James, Frederick F. Reichheld, and Barney Hamilton. “The Three “Ds” of Customer Experience - HBS Working Knowledge.” *HBS Working Knowledge - Faculty Research at Harvard Business School*. 7 Jan. 2007. Web. 10 Feb. 2011. <<http://hbswk.hbs.edu/archive/5075.html>>.



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2. **Delivered** these propositions by focusing the entire company on them with an emphasis on cross-functional collaboration. The companies most successful in experiential marketing and customer experience recognized that the marketing department can't be the only team devoted to researching and communicating the customer experience. All departments need to be involved.
3. **Developed** their capabilities to please customers again and again—by such means as revamping the planning process, training people in how to create new customer propositions, and establishing direct accountability for the customer experience.

Each of the “three Ds” draws on and reinforces the others. Together, they transform a brand into one that is continually led and influenced by its customers’ voices. Then, when executed on a campaign-by-campaign basis, they form the foundation for experiential marketing.

Research, goals, objectives and targeting

After having considered the overarching concept of CEM, brands can then roll up their sleeves and effectively delve into the nitty-gritty of experiential marketing.

Experiential marketing isn't for everyone; it requires a fair amount of research and often more resources (especially in regard to manpower) than traditional marketing strategies. Experiential marketing is great for getting people to talk, but it requires a lot of listening and interpreting on the brand's end.

Brands should especially consider experiential marketing if current goals and objectives include:

- Building word-of-mouth buzz around a brand, product or service to reach new customers
- Increasing engagement with target audiences online and offline to boost visibility
- Harboring brand loyalty by including customers in research and development of new products or services
- Improving the customer experience through service, incentive and communication to retain customers, clients and/or vendors



"Marketers are best to start with the 'why,' not the 'how,' " advises Drew Neisser, CEO of Renegade Marketing, New York. "If they know why they want to create experiences, then it is much easier to figure out [the what] and the how."⁷

Paul Duffy, vice president of partnership marketing at Next Marketing, agrees. "We always begin with an understanding of what a client wants to achieve and how experiential fits into their overall marketing mix," he says. "There's a dramatic difference between a unique experiential solution and setting up a table with product samples, where at the end of the day you ask, 'How many did we hand out?' That's not experiential marketing."⁸

In order to reach that level of understanding Duffy is referring to, conduct research on target audiences and segment appropriately:

- Know who your target audiences are;
- Know what they care about, what they want and what they need;
- Know what their current experience is with your brand; and
- Know if there are questions that they need answered or gaps that need filling throughout any phases of customer engagement that can be achieved through experiential marketing tactics.

Like all other areas marketing, the research phase of experiential marketing also takes a look at what is going on internally. This is done through SWOT analysis, considerations to what the competitor is doing and how they are communicating and engaging with similar audiences.

A great example of a brand that, through customer experience research, recognized an opportunity for experiential marketing is American Express™. The credit card company reaches out to tennis fans at the U.S. Open site in Flushing Meadows, N.Y., through its longstanding tournament sponsorship. In 2009, working with experiential marketing firm, Momentum Worldwide, American Express introduced a new U.S. Open iPhone application and invited fans to join in activities including a "Play with the Pros" virtual tennis match.⁹



⁷ "Experiential Marketing - A Special Look." Ad Week. Web. 14 Feb. 2011. <<http://www.adweek.com/law/custom-reports/images/1005-exptiamktg.pdf>>.

⁸ "Experiential Marketing - A Special Look." Ad Week. Web. 14 Feb. 2011. <<http://www.adweek.com/law/custom-reports/images/1005-exptiamktg.pdf>>.

⁹ "Experiential Marketing - A Special Look." Ad Week. Web. 14 Feb. 2011. <<http://www.adweek.com/law/custom-reports/images/1005-exptiamktg.pdf>>.

"We constantly ask ourselves, 'How do we enhance customers' love of the sport?'" says Momentum's Chris Weil. "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.'" ¹⁰

Exploring strategies and tactics

Once the time has been put in researching audiences and establishing goals, implementation—or "the how"—of experiential marketing can begin. For a bit of initial inspiration, take a cue from other big brands using experiential marketing:

At tradeshows

Tradeshows offer the perfect opportunity for marketers to try experiential marketing tactics because they provide an ideal venue for testing new products and services. Consider car shows where, for years, auto manufacturers have used national shows to unveil the latest in concept cars. By allowing visitors to sit in the cars, feel them, touch them, all but drive them away, they're able to create an emotional tie to a new product—one that hopefully gets people talking, too.

In advertisements

Advertisements have actually laid the foundation for other tactics of experiential marketing. Think perfume ads in magazines, or coupons in the Sunday paper: they both make consumers interact with the advertisement to receive a fuller product experience.

While online has taken over much of the modern marketing share, traditional channels of communication can work just as well when experiential marketing is executed. Take billboards, for one. In April 2010, the Ministry of Internal Affairs Netherlands, in partnership with Bitmove, introduced an interactive billboard in Amsterdam to challenge people's lack of response in regards to acts of public aggression. The billboard used technology to pick up images of people walking by and placed them into a pre-recorded violent situation, which was streamed on the billboard as though it were happening at that very moment. When people realized they were actually on the billboard, they stopped to watch themselves (vanity works every time) and were then lured into the campaign's powerful message. Not only did this billboard garner the attention of passersby, it also provided four key tips people could use should they find themselves in a similar situation.¹¹

¹⁰ "Experiential Marketing - A Special Look." *Ad Week*. Web. 14 Feb. 2011.

<<http://www.adweek.com/law/custom-reports/images/1005-exptiamktg.pdf>>.

¹¹ "Cause Marketing Campaigns | Experiential Tactics." *Experiential Marketing, Digital Marketing Agency* | Antler | Boston. Web. 15 Feb. 2011. <<http://www.antleragency.com/cause-marketing-campaigns-use->



Through product demonstrations

What better way to show consumers how your product is different and superior to the competitor's than by letting them find out firsthand? American winemaker, Beringer's, did just that. Partnering with agency Marketing Werks, Beringer's took to the road in a shiny silver bullet trailer for branded product demonstrations they deemed "Urban Picnics." Beringer's goal was to showcase how a great wine can bring the Napa Valley lifestyle anywhere.¹²

Urban Picnics took Beringer's, and Napa, nationwide. Consumers enjoyed a taste of wine country with demonstrations and food pairing suggestions from Beringer's executive chef. Wine-tasting completed the experience, and sealed in the results: 24,000 program impressions, 1,248 wine samples and 503 leads generated. Hard to argue with that success, huh?¹³

Using guerilla tactics

There is an overlap between experiential marketing and guerilla marketing in some cases—it can be an aggressive, in-your-face experience to evoke some sort of action in a target audience. For example, in July 2010, UNICEF installed "Dirty Water" vending machines in Manhattan to create public awareness about the dangers of not having clean drinking water. There were eight flavors available, representing the eight common diseases affecting impoverished communities around the world: *malaria, cholera, typhoid, dengue, hepatitis, dysentery, salmonella, and yellow fever*. Many people donated their cash on-the-spot, and UNICEF also offered a mobile component that allowed consumers to donate later via text.¹⁴

Tips for Doing Better Experiential Marketing¹⁵

1. Give people something to talk about (e.g., a unique feature, benefit, value proposition, etc.).
2. Let people experience the product and facilitate their talking about their experience publicly.
3. Use traditional media to drive people to talk about their experience so their collective feedback is accumulated and publicly visible for others to use in their own purchase decisions.



Beringer's
Urban Picnics

[experiential-tactics-to-gain-awareness/](#)>.

12 "Beringer Experiential Marketing Event." *Experiential Marketing | Event Marketing | Mobile Marketing*. Web. 10 Feb. 2011. <<http://www.marketingwerks.com/beringer.html>>.

13 "Beringer Experiential Marketing Event." *Experiential Marketing | Event Marketing | Mobile Marketing*. Web. 10 Feb. 2011. <<http://www.marketingwerks.com/beringer.html>>.

14 "Cause Marketing Campaigns | Experiential Tactics." *Experiential Marketing, Digital Marketing Agency | Antler | Boston*. Web. 15 Feb. 2011. <<http://www.antleragency.com/cause-marketing-campaigns-use-experiential-tactics-to-gain-awareness/>>.

15 "Experiential Marketing | ClickZ." *ClickZ | Marketing News & Expert Advice*. Web. 16 Feb. 2011. <<http://www.clickz.com/clickz/column/1708324/experiential-marketing>>.

4. Be prepared to hear what you don't want to hear; be prepared to acknowledge questions, complaints and suggestions, and openly carry on the dialogue.
5. Use the ideas contributed by real users to innovate as fast as possible to give people something more to talk about, such as adding new features that users say they want. Repeat the cycle often.

Measuring experiential marketing

Experiential marketing can be measured similar to other marketing and communications efforts. The key is that you do indeed measure it!

Use indicators like Web analytics, social media monitoring metrics, media relations impressions and more to gauge the success of your experiential marketing campaign(s). Additionally, experiential marketing expert, Craig Wilde, suggests taking the ART approach to measurement:

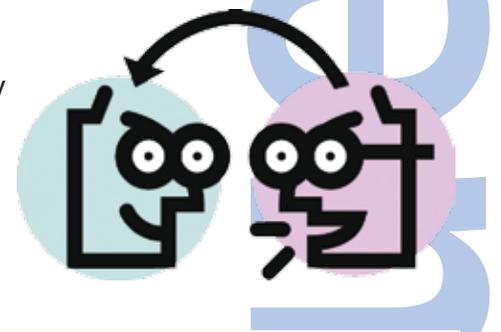
ACTIVITY – Consider your experiential marketing efforts. How did it engage? Did it achieve goals and objectives?

RELEVANT - Why did your experiential marketing efforts connect with the audience, was it in the way it was planned or the execution?

TARGET – Did those who interacted with your experiential marketing efforts belong to the original target audience identified?

Experiential is an **ART**, and the science of it and understanding best how to measure it will come from understanding what you want to achieve. Ask yourself: Why are we pursuing an experiential activity in the first place, over more traditional marketing?¹⁶

Experiential marketing is ... well, an experience! It can be an extremely efficient means of cutting through the clutter and encouraging target audiences to not only hear your marketing messages but share them with others.



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¹⁶ "Experiential Marketing Forum - The ART of Measuring Experiential." Experiential Marketing Forum - Welcome to the Experiential Marketing Forum. Web. 10 Feb. 2011. <<http://www.experientialforum.com/content/view/181/50/>>.