

Experiential Marketing

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Abstract

Customers are exposed to endless, invasive advertisements and messages, compelling them to buy products. In a competitive and dynamic business environment marketers are trying hard to win the customers, the traditional concepts of marketing are constrained due to the prevailing recessionary pressures and changing customer tastes and preferences such changes makes it imperative to understand what does the customer want. Customers want brands to engage with them, to add value to their lives, customers tend to relate to brands and make them part of their lifestyle; once they become loyal they start marketing for the brands. The present paper aims at exploring the relevance of experience driven marketing approaches like experiential marketing and customer experience management in context of the prevailing business environment.

1.1 EXPERIENTIAL MARKETING

Experiential Marketing approach focuses on a two way interaction of brand with the customers giving way to brand experiences and stimulating a deeper customer bonding process, which allow the customer to feel, sense, touch, think, relate and experience the brand/product in different ways. Experiential marketing gives customers an opportunity to engage and interact with brands, products/services and facilitate buyers in making better purchase decisions.

The concept of experiential marketing was introduced by Pine and Gilmore (1997) and Schmitt (1999), experiential marketing is said to take place as defined by (Pine and Gilmore, 1997, p.98) “when a company intentionally uses services as the stage and goods as props to engage customers in a way that creates a memorable event”. A well planned and executed experiential marketing strategy provides a complete marketing package not only confined to mere goods and services but memorable experiences as well. Experiential Marketing allows brands to engage with their target audiences through initiatives and engagements that aim to achieve marketing communication objectives, and add value to the customer’s life.

Experiential Marketing is a process of identifying and satisfying needs and aspirations of the customers by engaging them in a two -way communication with the brand. It is the art of creating experiences, a form of marketing or advertising based on the principle of marketing a product or brand through a experience rather than the traditional means, it

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includes the conventional promotional tools like events, contests, interactive campaigns, primarily focuses on experience delivered to the customer through the purchase or use of the product or service, is based on the fundamental concepts of marketing, in the recent years the concept of creating an experience for customers, that help them to relate to connect and relate with the brand emotionally has become popular with the changing business environment, intense competition and the changing marketing environment.

1.2 EXPERIENTIAL MARKETING & CUSTOMER EXPERIENCE MANAGEMENT

In a environment of intense competition focus is on maintaining long term relationship with the customers, several marketing approaches have been adopted like customer relationship marketing, the next level of thinking on the subject of maintaining customer loyalty is customer experience management (CEM), this is defined as a process of strategically managing a customer's entire experience with a product or company. CEM is adopted as an approach to influence customer loyalty, taking companies into an era they can differentiate themselves on the basis of brand valuable experience at every touch point, where the customer interacts with the brand or the company.

Experiential marketing allows brands to engage with the target segment through initiatives and loyalty engagements that aim to achieve marketing communication objectives and value for the consumers. Both of two concepts taken together can result into massive business gains, by successfully implementing CEM orientation across the organization and then reaching out and communicating with target market through experiential marketing campaigns and programs, organizations can convert consumers into brand advocates.

Two-way communication and interactive engagement is the key to creating memorable experiences that drive word-of-mouth, and transform customers into brand advocates as the power of personal recommendation is enormous, if customers feel strongly about the brand, strong enough to make personal recommendation, it makes all the difference and stimulates brand loyalty, as the trust between the brand and customer is an indicator of real relationship.

1.3 CUSTOMER EXPERIENCE MANAGEMENT

Peter Drucker emphasized on the significance of customers according to (Drucker, 1954:54) 'There is only one valid definition of the purpose business purpose: to create a customer'. In the same manner the main purpose of marketing is to create valuable customer experience that will create loyal customers. Customer experience management(CEM) provides the means to sustain valued and long term relationships with the customers, as an approach it takes an outside, forwarding-looking marketing approach that is customer-centric view. CEM captures the voice of the customer, so that all the parts of the organization work in a unified and integrated manner towards the common goal of achieving customer needs.

It develops the framework within which all parts in an organization can consider the customer voice while making decisions, it is through the singular customer focused approach organizations can better protect themselves against customer defections. CEM is an addition to several customer- centric approaches like Customer Relationship Marketing (CRM) which is related with customer analysis and other automotive applications used for tracking sales and service transactions, it provides historical view of the customer transactions, whereas CEM approach develop a 360-degree view of the customer. Such an approach provides an integrated approach to help, build, develop, and sustain customer relationships.

A significant feature of CEM is its application across all organizational functions – from research and development to human resources, it works across functional domains, customer feedback is collected and gathered across the functional domains in this manner a customer- centric organization is developed. In the recent times a growing number of writers and management thinkers are propagating the philosophy of CEM like Joseph Pine, James Gilmore, Shaun Smith, Bernd Schmitt, Colin Shaw etc.

1.4 Key Functional Areas: CEM

CEM mainly includes the following functional areas:

- **Customer:** CEM analysis focuses on multidimensional understanding of customers; this comprises social, sociological, behavioral, cultural and demographic analysis. Such an analysis develops holistic customer analysis and helps to understand the needs, wants, desires, expectations, conditions, context and intentions of the divergent customer groups.
- **Environment:** CEM examines the environmental factors and their impact on the business as well, it comprises of analysis of market conditions, competitive factors, channel use (channel / cross-channel dynamics), purchasing environment as well as the service environment.
- **Brand:** Brand analysis focuses on development of visual identity, assets, tag-lines, communications, logos and other brand assets that help in influencing customer perception and developing brand identity.
- **Platform:** This is mainly concerned with the comprehensive evaluation of people, process, policies, technology, and systems that facilitate, track and measure customer interaction and transaction. Mainly platform analysis is concerned with improving operations and overcoming barriers to customer satisfaction, lowering costs and improving the overall customer experience by way of operational excellence.

- **Interface:** This aspect of CEM focuses on interaction between the consumers and the brand, including human-to-technology, human-to-human and human-to-environment perspectives, emphasis is placed on improving the quality and efficacy of customer dialog.

CEM analysis is focused on overall customer interaction across channels including brick-and-mortar as well as other channels; it is the process or methodology to manage customer's interaction and transactions with the brand, product, company or service.

1.5 Experience Economy- The Road Ahead

Pine and Gilmore(1997) support the transition of service economy to experience economy, experience is a function of product when tangible or intangible offerings are exchanged with the customer for value, something else is exchanged, in the form of customer experiences. Customer experiences are gaining importance from the perspective of competitive advantage, more value is assigned to those firms which excel in providing valuable experiences.

The term experience captures the combination of both emotional and functional benefits that the present day consumption offering strives to provide. It is a blend and fusion of company's physical performance and emotions evoked and intuitively measured against customer expectations across all transactions and interactions involving customer, a great customer is all about how it makes one feel as a customer. In this manner the total experience involves functional as well as emotional elements.

Business organizations recognize the vitality of customer relations, as customers are viewed as important assets, company grows only when it customers grows and with the support of customers, that is only when it can retain and sustain customers. In the recent scenario, creating customer experience that becomes synonymous with the company's brand is increasingly recognized as a prime driver of corporate performance. Customers desire experiences that complement their lifestyle, and brands that say something about their aspirations, as brands are associated with lifestyle and personal values as the transition from product to brands is obvious.

Customer Satisfaction is no longer sufficient, to resist the temptations of competitors , truly loyal customers not only stay with the company but also provide word of mouth advertising , which is increasingly gaining significance in the present scenario, hence the focus is on managing customer interactions which create consistent, intentional, differentiated and valuable experiences that make all the difference, in this manner the road ahead is the experience driven, delivering a consistently superior set of benefits is probably the most important driver of value creation, it will become the new sustainable differentiator, as well as the new source of competitive advantage.

References:

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