

Experiential Marketing: An Efficient Tool to Leverage Marketing Communication Impact on Consumer Behaviour

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In a dynamic economic environment marked by rapid evolution of new technologies and communication, new challenges have appeared for marketers. Traditional marketing tools have partially lost their efficiency, therefore important changes are required, in order to reach and maintain an optimum level of consumer satisfaction. Experiential marketing, one of the relative new concept which reflects these changes, focuses on enhancing the consumer direct contact with a brand or product, sending the message to consumers by offering them a personal experience, rather than spreading it by non-personal mass-media channels. This paper aims to highlight the possibilities of increasing the impact of marketing communication on consumer behaviour, rethinking the marketing communication mix in terms of experiential marketing. As an explanatory study, it describes the influence of marketing communication tools, acting through the strategic experiential modules, on the motivation, perception, attitude, learning and effective consumer behaviour. The practical importance of this study lies on identifying which marketing communication tools could offer to consumers a valuable experience, so marketers to exert a more direct and powerful influence on consumer behaviour, creating and reinforcing a sustainable relationship between consumers and brand.

Key words: experiential marketing, brand experience, marketing communication, consumer behavior

JEL classification: M31, M37.

1. Introduction

Since the 90s, many authors and specialists in the field of marketing, said that marketing concept needs to evolve from traditional marketing to modern marketing, adapted to changing economic environment. The concept of marketing is constantly being reshaped by internal and external forces. The most obvious forces come from developments in strategic management and planning and considerable restructuring of many traditional marketing into network of long-term cooperation (Day and Wensley, 1988).

Theory and practice of marketing faced with new situations arising de the re-organization of organizations and the place of marketing therein (Gummesson, 1991), the ever-increasing fragmentation and sheer unpredictability of markets and competition (Mueller-Heumann, 1992).

The economic environment and market place are changing radically as a result of major forces such as technological advances, globalization and deregulation. (Kotler and Armstrong, 2010). These forces create new behaviours and challenges. On the one hand, customers increasingly expect higher quality and service and perceive fewer real product differences, showing less brand loyalty. They can obtain extensive product information from the Internet and other sources, permitting them to shop more intelligently. They are showing greater price sensitivity in their search for value. On the other hand, brand manufacturers are facing increasingly competition from domestic and foreign brands, which is resulting in rising costs and diminishing profits.

In the same time, over the past 40 years marketing communications has developed and changed, trying to maintain and improve the efficiency of messages sent to the consumers and to find new ways to reach them. The main landmarks of this evolution are: the move from local media to global electronic communications systems and social media becoming part of the whole; the shift from planned, scheduled media events to instantaneous communication between persons and organizations; the change from time- and place-bound communications systems to time-shifting by consumers to fit their needs and their schedules.

Marketing organizations created broadly demanded products for these mass markets. Technology and the Internet are fundamentally changing the way the world interacts and communicates. Retail distribution systems developed to sell to and through these markets. Marketing communications professionals developed plans, programs, and systems to communicate to these mass markets. Although marketing communications can play a number of crucial roles, it must do so in an increasingly tough communication environment. The media environment has changed dramatically in recent years. Traditional advertising media such as TV, radio, magazines and newspapers are losing their grip on consumers (Keller, 2009). Technology and other factors have profoundly changed when, where and how consumers process communications, and even whether they choose to process them at all. The rapid diffusion of powerful broadband Internet connections, ad-skipping digital video recorders, multi-purpose cell phones and portable music and video players have forced marketers to rethink a number of their traditional practices (Kaplan Thaler and Koval 2007; Kiley 2005).

Technology and Internet collided with society and human wants and needs and are fundamentally changing the way the world interacts and communicates. Suddenly consumers, who now had more information than ever before, began to demand specialized products, distribution systems, and communication. What once had been a mass market splintered into hundreds if not thousands of separate, individual markets driven by lifestyle, ethnic background, income, geography, education, gender, and all the other things that make one person different from another.

Growing digitalization, increasing competition and changing consumer behaviour place marketing communication in the centre of everything and necessitates powerful relationship between organization and customers (Kitchen and Uzunoglu, 2014). This relationship has to be based on dialogue and experience sharing, because communication is no longer effective as simple information exchange.

Therefore, there is an increasing concern to find the most appropriate ways to communicate the desired brand message, offering not only indirect information, but transforming the customers in experimenters.

2. Literature review

2.1. Experiential marketing

According to Grundey (2008) the rapid growth in new technologies and communication, is influencing changes in marketing. It seems that worldwide countries are overflowing with products and services. Accordingly, competition is high among marketers, therefore, principles and actions of traditional marketing are no more effective. Marketers wanted to find new opportunities to attract customers, and that is when the notion of experiential marketing came into view. The increase of offerings to customers and the rise of competition have made it harder for organisations to differentiate themselves solely by providing products or services that satisfy customer needs. The companies, in order to have a competitive advantage, are pressured by both the market and their customers, to come up with experiences that stimulate their target's emotions and sensations (Gentile, Spiller and Noci, 2007). The focus has changed from product to experiences, and in order to manage and create those experiences; marketers have started using experiential marketing (EM) tools.

Holbrook and Hirschman (1982) were the first pioneers in introducing the notion of experience in the field of consumption and marketing. Twenty years later, this notion has gained solid recognition and is considered essential for what it can contribute to marketing knowledge (Grundey, 2008). Modern marketing has overtaken traditional marketing due to the emphasizing on the concepts of customer experience and experiential marketing. Kotler (2003) also mentioned that there are more and more companies start to develop non rational image and they ask from psychologist and anthropologists to create and improve messages to make deep soul touch for the consumers. Holbrook (2000) believed that when markets enter into the period of experiential marketing, the major focuses will change from product performance to experiences entertainment.

As a result, the notion of experience is considered to be a pillar of the so called experience economy and experiential marketing (Pine and Gilmore, 1998; Omar and Qader, 2013). Pine and Gilmore (1998) have distinguished four stages in the progression of economic value: commodities, goods, services and experiences.

Furthermore, Schmitt Bernd (1999) is considered a great initiator of experiential marketing. Specifically, Schmitt considers that traditional marketing is only concerned with the features and benefits, while experiential marketing focuses on customer experience which occurs as a result of encountering or living through things. Experiences provide sensory, cognitive and emotional values which replace functional ones.

In Schmitt's opinion, experiential marketing has four key characteristics: 1) a focus on customer experience, 2) consumption as a holistic experience, 3) emotional-driven consumption, 4) eclectic methodologies. The findings of a research regarding experiential marketing (Lanier, 2008) have revealed three distinct dimensions of experiential marketing: (1) the marketing experience, (2) the experiential interface, and (3) the consumer experience. The study also finds four main characteristics of experiential marketing: (1) liminality, (2) narrativity, (3) connectivity, and (4) multiplicity. Each of these characteristics manifests itself differently among the dimensions. Lastly, the study finds that the experiential marketing logic is based on symbolic resources, engaging transactions, and internalized value.

Experiential marketing enables customers to experience and become directly involved as the main body, creating a kind of unforgettable feeling, satisfy their needs mentally to the greatest extent in order to win customer trust and loyalty (Liu, 2006). Therefore, a well-designed experience engages the consumer, becomes memorable and allows for a free interpretation as it is non-partisan (McLuhan, 2008). Positive experiences need to become institutionalized within the system so that all touch points deliver the brand essence (Shaw and Ivens, 2005). This ensures that there is no gap between the brand promise and the brand delivery and attempts to connect consumers with brands in personally relevant and memorable ways and also gives customers an opportunity to engage and interact with brands, products, and services in sensory ways (Ponsonby-McCabe and Boyle, 2006). In essence, an outstanding customer experience will certainly lead to customer satisfaction which normally will result in building brand loyalty. Intuitively, brand loyal consumers may be willing to pay more for brand because they perceive some unique value in the brand that no alternative can provide (Xiao, 2004).

Under the experiential notion in marketing the psychological aspect are distinguished, so for example; brand associations like thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand from the experiential aspect. The experiential aspect consists of the sum of all points of contact with the brand and is known as the brand experience. Hence, brand experience is a brand's action perceived by a person (Ha and Perks, 2005).

Several authors, including Hsieh and Li (2008), Blackwell, Miniard, and Engel (2006), and Holbrook (2000) indicate that there is a positive correlation between experiential marketing and purchase intention. These findings show that through experiential marketing, customers can provide immediate feedback on the products. The potential customer immediately achieves full understanding of the functions, safety, and price of the products. Experiential marketing can certainly establish an interactive relationship between customers and brands, and customers are more likely to have positive evaluations of these brands.

The idea of experiential marketing has been widespread in the marketing literature in different contexts, including brand experience, consumption experience, product experience, shopping experience and service experience (Brakus, Zarantonello and Schmitt, 2009).

2.2. Marketing communication impact on consumer behaviour

In a global market characterized by high dynamism and fierce competition, organizations try to find the most efficient way to get their word out so that customers understand the benefits that can be obtained by consumption or use products or services (Clow, 2010). Consequently, marketing communications have become a fundamental aspect of marketing, a business vision and an essential factor in successful marketing communication. Its importance have increased dramatically in recent decades, considering that the marketing and communication are inseparable, all organizations business areas using various forms of marketing communication to make their offer and to meet financial or non-profit targets (Shimp, 2003).

Consumer behavior can be change as an effect of gaining new knowledge from reading, observation, discussion or actual experience whereas the use of marketing communication component is to deliver information to customers so they could have a better understanding of the distribution of the product and the product knowledge (Mihart, 2012).

The world of communication is changing and with it are the marketing communications needed to

convince customers to adopt a certain consumer behaviour. Many authors are focusing on information sharing and reciprocity (Kitchen, 2005). In the actual changing environment, successful marketing communications have to be developed in new ways, for example by identifying activities and promotional tools as key part of marketing communications strategy, including activities like guerilla marketing, brand experiences and ambient media (Durden, 2004)

One of the most important changes in today's marketplace is the increased number and diversity of communication options available to marketers to reach customers. Marketing communications represent the voice of a brand and the means by which companies can establish a dialogue with consumers concerning their product offerings, allowing marketers to inform, persuade, incite, and remind consumers and influence their perception, motivation, attitude and decision (Jerman and Završnik, 2013).

The experiential approach is focused on a two-way interaction in real-time, a live brand experience and thereby a significantly deeper consumer bonding process. Live brand experiences usually manifest in the form of live events that allow the consumer to live, breathe and feel the brand through interactive sensory connections and activities (Smilansky, 2009). Brand experiences are usually integrated with the other marketing efforts using a communication mix which traditionally include advertising, sales promotion, direct marketing, sponsorship and public relations. The evolution and changes of marketing communications are determined by the rapid growth of digital channels which connect consumers with brands online and can be a cost effective – channel for generating word-of-mouth online. Viral marketing is a new and effective way to spread a message with a great impact on consumer behaviour.

There is an inextricable relationship between marketing communication and consumer behaviour (Dahlen, Lange and Smith, 2010), acting in two-way sense: knowledge of purchase drivers builds the foundation of effective marketing communication, which is instrumental in affecting behaviour change, assisting and influencing consumer decision making.

Experiential marketing has shaped itself as a distinctive marketing communication tool which gathers all the communication modalities which could create a positive impact on consumers. Experiential marketing includes special events, concerts, free samples, touring experiences and other activities which are usually considered as belonging to other communication tools (public relations, events marketing, sales promotion etc.) and connects with consumers through the participation and tangible nature of a relevant experience.

3. Modalities of increasing the marketing communication impact on consumer behaviour using experiential marketing

Experiential marketing is a cross-media promotional activity which encourages two way interaction and direct physical immersion into a brand. The actual stage of other communication tools are influenced by the general environment changes. The relative importance of marketing communications tools (advertising, public relations and sponsorship, sales promotion, personal selling, direct marketing, Internet communication, viral marketing and blogging) in affecting consumer behaviour differs from one to another and is under the impact of the rapid development of on and offline technologies.

Compared to mass media campaigns, experiential events tend to communicate on a much more personal level, generate a deeper level of emotional engagement, resulting in better conversion rates, and all at relatively low cost.

The fragmentation and saturation of conventional media channels has led to the reduced effectiveness of traditional promotional methods. Experiential marketing by its very nature represents a communication tool that consumers cannot ignore, not because they're being forced into it, but because it engages with them on a personal level.

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To clarify the way in which the experiential marketing could be used for leveraging the efficiency of marketing communications, we have to analyze its impact on each one of the constitutive component of the consumer behaviour – motivation, perception, attitude, learning and actual behaviour and each target level of desired response.

The desired consumer response could be obtained using one of the essential concept of experiential marketing – strategic experiential modules (SEMs) as drivers of marketing communications. According to Schmitt (1999), SEMs include five types of experiences: sensory (SENSE), affective (FEEL), creative cognitive (THINK), physical, behaviours and lifestyles (ACT) and social identity (RELATE).

SENSE communication has as main objective creating sensory experiences, through sight, smell, touch, taste and sound. It enhances consumer perception of product or brand. FEEL based communications aim to create affective experiences which trigger strong emotions, engagement and empathy. It has an important contribution to developing and maintaining an emotional attachment with consumers and create a positive attitude to the brand. FEEL and SENSE experiences are meant to create a unique consumer perception and a strong brand identity, acting at liking and preference levels of response.

THINK experiences appeals to the intellect oriented brand positioning and focuses on action at awareness and knowledge level of consumer response, taking into account that personal experiences helps people connect with a brand and make intelligent and informed purchasing decision. ACT marketing communications target the physical experiences of consumers, trying to change their behaviour, influencing attitude and learning, by showing them alternative ways of doing things, new lifestyle or interactions.

RELATE marketing integrates aspects of all the others types of experiences appealing to the personal desire for self-improvement and to be perceived as a part of a social system.

In most cases, experiential marketing actions result in more than one type of experience. Experiences are interlinked and create a personal way to communicate the brand core message meant to determine a certain consumer behaviour and build relationships that create loyalty and brand advocacy.

4. Conclusions and Implications

This paper aimed to clarify some theoretical aspects regarding the communication potential of experiential marketing, as a key approach for achieving marketing objectives.

Although companies benefit from using traditional marketing communication tools and channels, marketers have to find new ways to utilize them in order to engage consumers on a deeper level and have a stronger impact on their behaviour. Many times, consumer participate in creating content, emphasizing the idea of communicating the essence of a brand through a personalized experience and building lasting loyalty around that brand.

Experiential marketing is a powerful marketing tool which should be considered as part of any integrated marketing campaign and can be used successfully to increase brand awareness, build relationships, strengthen loyalty and encourage interaction and product trial.

The communication potential of each experiential module and, implicit, of each type of experience, has to be capitalized taking into account the component of consumer behaviour which it could be better influenced, in order to obtain the desired response, loyalty and satisfaction.

Beyond the marketing communication tools, which traditionally work together, delivering successful campaigns both for global or small brands, marketers worldwide try to find new ways to utilize these tools to their full potential, in order to engage their target audience on a deeper level, to create loyalty and generate customer satisfaction.

Experiential marketing is not only communicating messages, as traditional marketing does, but is creating a strong and direct tool with a considerable impact on consumer behaviour: personal recommendation, spread by word-of-mouth. Therefore, communication mix has to include experiential marketing specific activities, take the brand essence, bring it to life and create unique experiences focused on consumer emotions. This emotional connection is the link between the brand personality and values and the customer's feelings, involving the consumer emotionally, physically and intellectually.

Creating a valuable experience for the consumer, using appropriate location or venue and multiple media platforms and providing consumers with what they want, are more likely to drive purchase decision

than almost any marketing channel, therefore marketers have to use the important potential of experiential marketing for leveraging the efficiency of marketing communication impact on consumer behaviour.

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