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## **EXPERIENTIAL MARKETING – ASSUMPTIONS AND PROSPECTS**

### **Introduction**

Marketing is a field of study that is constantly developing, which - on the one hand - is partly due to the changing environment of contemporary companies and – on the other hand – is the effect of the adaptation of the knowledge and developments in fields that are sometimes remote to the traditionally conceived areas of interest of marketing. Experiential marketing is one of the concepts that are based on the fundamentals of marketing and at the same time have a modern approach to the issue of consumer relationships.

### **1. The genesis and concept of experiential marketing**

The concept of experiential marketing is a comparatively new approach to company marketing operations, particularly on the Polish market. One should mention the following main processes and market and social phenomena that have a significant impact on the development of this concept<sup>1</sup>:

- postmodernism, which focuses on consumption and treats products as the carriers of attitudes, beliefs and lifestyles ( apart from their utility functions),
- ritualization of consumption, which results from the fact that present-day consumers expect strong feelings, emotions and extreme experiences,
- the increasing diversification of the product range offered to consumers, which results in an increasingly improved adaptation of the products to customers' needs and expectations,
- commoditization of products and services, reflected by the increase and equalization of standards, which leads to the limitation of possibilities to create a non-price competitive advantage in a given field,

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<sup>1</sup> Cf. K. Dziewanowska, *Nowe oblicze marketingu – koncepcja marketingu doświadczeń*, „Marketing i Rynek” 2013, No. 1; K. Dziewanowska, A. Kacprzak, *Marketing doświadczeń*, Wydawnictwo Naukowe PWN, Warszawa 2013

- the emergence of a new type of consumers, i.e. prosumers, who actively and intentionally participate in designing and producing products and services that they are going to use,
- a dramatic development of and easy access to IT,
- virtualization of society,
- strong brand position,
- a widespread presence of entertainment and communication.

As a result of these trends a new type of economy emerged that is based on experience. Traditional methods of competition and the creation of market offer that were based on quality or brand became insufficient and the effectiveness of operations ceased to be considered the main measure of success. When creating a market offer, companies realized that there was a necessity to appeal to the feelings and impressions of customers and not their rationalism. Thus, impressions associated with consumption became the distinguishing feature of the offer and consumers turned from passive buyers of the offer to active participants of the experience-creating process.

Experiential marketing, which is a natural result of the market trends and processes, focuses on consumer, whose emotions, impressions and opinions become the basis for the creation of company's operational strategy. The aim of experiential marketing is to build strong emotional bonds between the consumer and the brand/product/company through the buyer's experience and emotions that are incited before and during the consumption process as well as in all other points of contact of the buyer and the company. According to B.Schmitt, the typical features of experiential marketing are<sup>2</sup>:

- the focus on consumer's experience which is caused by a contact or participation in situations that provide sensorial, emotional, cognitive, behavioral and rational values,
- the attitude to consumption as a holistic experience,
- the concept of consumers as both rational and emotional individuals,
- the application of varied and diversified research methods and tools.

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<sup>2</sup> B. Schmitt, *Experiential Marketing*, „Journal of Marketing Management” 1999, No.15

Experiential marketing does not constitute a mere set of marketing tools and activities but is rather a philosophy that requires to look at the market through the consumer's eyes and to provide the customers memorable experience and involvement resulting in long-lasting relationships between the buyer and the company. The development of durable bonds is possible through the use of both product and service features and the emotional and sensorial elements that form a total of the consumer's experience of contacts with the company. According to L.Carbone, the market offer is a complete offer of emotional and rational values that is developed and managed for the sake of client's complete experience<sup>3</sup>. Thus, experiential marketing integrates various dimensions of consumption experiences and the creation of consumer's positive experiences makes it possible to combine the buyer's perspective (satisfaction) with the economic perspective (company's profit)<sup>4</sup>.

## 2. The concept and types of experiences

Consumer experience is not a new phenomenon in the concept of marketing. Initially, it was considered as an accumulation of knowledge and skills that result in a trained reaction of the consumer in response to particular stimuli. Then, the emotional aspect was considered and it was pointed out that experience is unique in its character; in most cases its form is coincidental and, consequently, conclusions drawn from previous experiences have little value as regards the understanding of current consumer reactions. In the literature on the subject there is a clear shift of emphasis from defining experience in a cognitive sense to its emotional sense. Numerous authors do not only pay attention to the aspect of stimuli received by customers but also point out to the significant role of company in creating experiences. Table 1 presents selected definitions of experience.

**Table 1. Selected definitions of experience**

Author	Definition
C. Shaw,	Experience is the result of interactions between an organization and a buyer. It is a blend of company's physical performance, the senses stimulated and emotions evoked,

<sup>3</sup> L. Carbone, *Clued In: How To Keep Customers Comming Back Again and Again*, FT Prentice Hall, Upper Saddle River, NJ 2004, p. XIX [in:]: M. Boguszewicz-Kreft, *Doświadczenie jako propozycja wartości dla klienta*, Zeszyty Naukowe Polityki Europejskie, Finanse i Marketing, Wydawnictwo SGGW, Warszawa 2010, No. 3

<sup>4</sup> I. Skowronek, *Marketing doświadczeń. Od doświadczeń klienta do wizerunku firmy*, Wydawnictwo Poltext, Warszawa 2012, p.109

J. Ivens	intuitively measured against customer subjective expectations across all moments of contact.
B.J. Pine, J.H. Gilmore	Experience takes place when a company by means of products and services as the carriers of emotions arrange events that involve consumer and supply them with memorable impressions
C. Gentile, N. Spiller, G. Noci	Experience originates from a set of interactions that occur between a customer, a product, company or its part, which incite some reaction. Experience is strictly personal and is related with customer's involvement at different levels (rational, emotional, sensorial, physical and spirituals) .
C. Meyer, A. Schwanger	Customer's experience is the internal and subjective response to a direct or indirect contact with a company.

Source: Author's research based on: C. Shaw, J. Ivens, *Building Great Customer Experiences*, Palgrave MacMillan, Basingstoke 2005 [in:] M. Boguszewicz-Kreft, *Doświadczenie jako propozycja wartości dla klienta*, Zeszyty Naukowe Polityki Europejskie, Finanse i Marketing, Wydawnictwo SGGW, Warszawa 2010, No.3; B.J. Pine, J.H. Gilmore, *Welcome to the Experience Economy*, „Harvard Business Review”, July-August 1998; C. Gentile, N. Spiller, G. Noci, *How to Sustain the Customer Experience: An overview of experience components that create value with the customer*, „European Management Journal” 2007, vol.76 [in:] K. Dziewanowska, A. Kacprzak, *Marketing doświadczeń*, Wydawnictwo Naukowe PWN, Warszawa 2013; C. Meyer, A. Schwanger, *Understanding Customer Experience*, “Harvard Business Review”, February 2007

Experience is consumer's individual reaction, a certain set of feelings at different levels resulting from the confrontation of company marketing activities that affect users' senses, emotions and minds with their subjective and individualized expectations.

The literature on the subject includes various classifications of experiences. B.Pine and J.Gilmore analyze experiences from the point of view of two dimensions. The first dimension relates to the extent of consumer's participation in the experience, which may be active (the consumer plays a key and active role in the creation of the experience) or passive (the consumer does not have a direct influence on a particular event). The second dimension is the bond with the experience and the environment that is created by the experience. It may be either absorption (a thorough monitoring and absorbing the atmosphere of the experience) or immersion (the consumer is immersed in the experience, i.e. the consumer is a part of the experience). The consideration of two dimensions leads to the differentiation of four realms of experience:

- entertainment – consumers participate passively, taking in the experience through senses,
- educational – consumers participate actively but the bond with the experience is restricted to a discerning observation and absorption of the atmosphere ,
- escapist – consumers participate actively, being completely immersed in the experience,



- aesthetics – consumers participate passively, being immersed in the experience<sup>5</sup>  
(figure 1)

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<sup>5</sup> Cf. B.J. Pine, J.H. Gilmore, *Welcome to the Experience Economy*, „Harvard Business Review”, July-August 1998

Figure 1, Classification of experiences – the concept of B.J.Pine and J.H.Gilmore

		Participation in experience	
		passive	active
Bond with experience	absorbpcja	entertainment	educational
	immersja	aesthetic	escapist

Source: Author’s research based on: B.J. Pine, J.H. Gilmore, *Welcome to the Experience Economy*, „Harvard Business Review”, July-August 1998

The presented above types of experiences usually intermingle and create mixtures that make it possible for companies to take advantage of their resources and to achieve the objectives set.

Due to its subjective character, the experience consists of numerous elements that are both functional and emotional in character. From the point of view of a company, it is easier to shape functional elements, which can be rationally assessed. However, the creation of memorable experiences requires a shift of emphasis towards emotional elements. The complex structure of experience results in the fact that every experience is different and, consequently, it is necessary to try and group similar experiences and then to develop activities that aim at inciting particular effects. The above requirements are referred to by B.Schmitt’s concept of strategic experiential modules which consists of<sup>6</sup>:

- sensory module (Sense) – which involves human senses (of sight, hearing, smell, taste and touch) in order to develop sensory experiences. In this case it is crucial that all stimuli are used to ensure cognitive cohesion and sensory variety,
- affective module (Feel) – which involves human feelings and emotions in order to incite affective experiences that fluctuate from moderately positive mood to strong emotions. In this case it is crucial to define what stimuli incite emotions, what kind of emotions they are and how they influence the consumer.

<sup>6</sup> B. Schmitt, *Experiential Marketing*, „Journal of Marketing Management” 1999, No.15, pp.60-62  
More about modular approach to experience in: K. Dziewanowska i A. Kacprzak, zob. K. Dziewanowska, A. Kacprzak, *Marketing doświadczeń*, Wydawnictwo Naukowe PWN, Warszawa 2013

- creative and cognitive module (Think) – which involves human intellect to incite cognitive experiences that require thinking and creative commitment of consumers. Here, it is crucial to define precisely the receiver of the communication and its context.
- behavioral module (Act) – involves rational thinking or provides motivation and inspiration and shows patterns how to enhance consumers' lives by physical activities, change lifestyles, behavior, interactions and ways of particular activities,
- relational module (Relate) – involves the occurrence of bonds between individuals and other people or social groups; however, it goes beyond individual interactions that result from other modules and presents the consumer in a wider social and cultural context in order to build a relationship between the consumer and the brand's social role.

### **3. The analysis of the survey results**

Experiences develop in the course of all consumer contacts with the company as they are an inseparable element of any activity. From the point of view of companies, whose opportunities to compete in the area of products and services have been significantly limited, it is absolutely necessary to create a complete experience whose form is expected by consumers and will be well remembered by them.

In order to recognize the features of the offer that would help the company shape the experiences in functional and emotional dimensions and to obtain consumers' opinion on experiential marketing, a research survey was conveyed among a group of 94 respondents.

The questionnaire included 8 questions concerning the features of the product and service offered and their significance in the selection and purchase process, the opinion on the contemporary consumption model and the concept of experiential marketing.

51 (54%) women and 43 (46%) men were the respondents. People aged 20-30 were the most numerous group (77% - 72 people). The second numerous group were respondents aged 31-40 (17% - 16 people). Respondents aged 41 - 50 (6% - 6 people) constituted the least numerous group.

The respondents were asked to rank the factors by their significance during the selection and the purchase of physical products and services. More than half of the respondents (56%) considered quality as the most important factor both in the case of selecting and purchasing

physical products and services. Every third respondent ranked the compliance with expectations second, availability third and utility traits fourth (such order was declared by 33% of respondents as regards physical products, and for services the same order was declared by 37%, 33% and 30% respondents, respectively). Discrepancies regarding the significance of factors appeared in the case of such features of the offer as future expectations, cooperation with the company and communication with the company. As regards physical products, female respondents considered future expectations (including the possibility to participate in product improvement or in branding) the least important – 31% selected this reply, while for male respondents (30%) the communication with the company was the least significant feature. However, in the case of services, both women and men declared the communication with the company as the least significant (25% and 23%, respectively). Men, however pointed to future expectations (23%).

When asked about the contemporary consumption model, the majority of respondents described it as one in which consumers want to buy products and services at any time and place they wish (91%); they expect individual treatment (69%) and are loyal to companies that offer unique value (56%). 38% respondents claimed that contemporary consumers expect, apart from utility functions of products and services, emotions and extreme experiences – table 2.

**Table 2. Respondents' response to question: *What features describe best the contemporary consumption model?***

Features of contemporary consumption	Respondents' replies	
	% replies	No. of replies
consumers wish to buy products and services at any time and place	91	86
consumers want to participate in product development and branding	18	17
consumers prefer dialogue to one way promotion	11	10
consumers expect individual treatment	69	65
consumers expect emotions and extreme experiences beside utility values of products and services	38	36
consumers are loyal to companies that offer unique value	56	53

Source: Author's research.

When asked about the impact of emotional experience and rational arguments for consumer loyalty, an equal number of respondents stated that loyalty results either from the





simultaneous influence of rational arguments and emotional involvement or is the sole result of the consumer's emotional involvement with particular purchase (37% each group) – table 3.

**Table 3. Impact of national arguments and emotional experience on consumer loyalty**

Consumer loyalty	Respondents' replies	
	% replies	% replies
customer's emotional involvement with a product purchase increases the loyalty	37	35
only rational arguments influence consumer loyalty to products	20	19
consumer loyalty results both from national arguments and emotional involvement with a product purchase	37	35
consumer loyalty is influenced neither by rational arguments nor emotional involvement with a product purchase	6	5

Source: Author's research

74% respondents declared that they pay attention to non-standard marketing activities of companies. However, as many as 80% admitted that they did not know the concept of experiential marketing. The respondents who made an attempt to define the term most frequently perceived it either as marketing activities that are based on company's previous experiences, the knowledge about the market and its monitoring or a pilot product or service launch that aims at checking consumers reaction to the offer. An insignificant number of respondents (7%) defined experiential marketing as the provision of emotions and additional experiences to consumers.

## Conclusions

The dynamically changing environment forces present-day companies to look for more effective ways of acquiring and retaining consumers. Despite the fact that high quality or recognizable brand are features of products and services that are still crucial to consumers, the opportunities for companies to be competitive in this field are limited. Thus, it is necessary to widen the offer by developing unique and positive experiences that would involve consumers emotionally. Experiential marketing, which goes beyond the 4P formula, is based on involvement, experiences and emotions which build consumer experience that is difficult to copy by competitors.

The concept of experiential marketing is not widespread on the Polish market. However, according to the research, the contemporary consumption model shows an increasing trend among consumers not only to gain the desired utility functions of a product but also to

experience extreme sensations and emotions. Polish consumers still declare that product and service quality is significant but they also expect individual treatment and choose companies which offer a unique value to them. In order to meet such expectations, companies will have to redefine their strategies and apply the concept of experiential marketing.

## **Literatura**

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## **Abstract**

The changes on the market and, particularly, a wide and unlimited access to information as well as the increasing technological development influence both the behavior and lifestyles of consumers and the operations of companies. The experiential marketing is a concept that may be a reaction of companies to changes as – through the development of steady relationships based on emotions that result from experiences that are important to consumers – it aims at achieving the same objectives (such as customer loyalty, sales, profit) as the ones that constituted the basis for the traditional marketing approach.

The article presents the origins and the concept of experiential marketing as well as the characteristics of experiences. It also presents selected results of the survey research that aimed at finding the significance of the functional and emotional factors of a trade offer and the consumers’ opinion on experiential marketing.