

The Myths and Realities of Experiential Marketing

체험마케팅의 허와 실

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본 글은 한국마케팅저널 편집규정 2조4항에 근거한 것이다. 2조 4항: 열린 마당(open plaza)은 book review, issue, short essay 등을 다루며 A4 4-5장 정도의 분량으로 편집위원장이 원로 회원 및 특정회원에게 원고를 청탁할 수 있다.

One of the most popular concepts to impact the marketing field in the last decade has been 'Experiential Marketing.' It has made its mark not only in the United States and Europe but also here in Korea. Unfortunately many aspects of the concept are often poorly understood with the end result being that Experiential Marketing is either under or overrated in its scope and impact. This paper sets out to set the record straight about this concept from the perspective of someone who has 'experienced' firsthand the pros and cons of this approach.

I. Myth 1: Experiential Marketing is a radically new concept

Perhaps the biggest misunderstanding about Experiential Marketing is that it is a seminally new concept. At least in my opinion I would argue that it is not. The term 'experience' was first popularized by the article and book 'Welcome to the Experience Economy' written by Pine and Gilmore (1998, 1999) and then by the book "Experiential Marketing" by Bernd Schmitt (1999). But even before them many of the components incorporated in these titles were espoused by other people. For example, one of the main underpinnings of Experiential Marketing is the notion that

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consumers react to marketing stimuli in an interrelated series of responses (what Schmitt calls SEMS). This is very similar to the various hierarchies of consumer response that we use in marketing such as AIDA. Another important tenet is that practitioners must integrate the various marketing implementation tools. This is a viewpoint established albeit within a narrower scope by the proponents of integrated marketing communication, better known as IMC (e.g. Schultz, 1993). Also, as will be explained below, a key emphasis in Experiential Marketing is the need to cater to consumer emotions. The importance of the emotional side of consumer behavior has long been established in marketing and advertising (e.g. Vaughn 1980, Holbrook and Hirschman 1982).

If Experiential Marketing is actually something old then what accounts for its new found fame? The answer is that these authors were able to bring together these piecemeal concepts into a persuasive and holistic framework. In essence these books acted as a veritable 'tipping point' in bringing this philosophy to the mainstream of marketing thought and practice worldwide. Both books have spawned not only a slew of similarly titled copycat books but also a cottage industry of experience-based marketing consultancies. Another reason for the widespread acceptance of the concept is that the increasing fragmentation of consumers and the emergence of new media such as the internet and DMB demand a

more integrative marketing model. Relying on mass communication methods such as advertising can neither efficiently reach nor persuade buyers into developing a strong commitment to a brand. The recent decrease in mass media spending in Korea suggests that marketing practitioners are migrating to 'Below-the-Line' (BTL) communication methods and part of this movement will be towards more Experiential Marketing. This will be especially true once there are better generally accepted metrics developed in this field. The lack of more rigorous measures has been a key stumbling block from Experiential Marketing being adopted more in Korea because marketing practitioners here tend to be more comfortable with 'hard data.'

II. Myth 2: Experiential Marketing is equivalent to Sensory Marketing

Within the SEMS framework used by Schmitt, perhaps the 'experiential module' that has received the biggest attention is SENSE. This has been especially true for the Korean market where we can see many examples of 'smell marketing,' 'taste marketing,' and 'five-senses marketing.' While acknowledging that the most basic of all human responses have been heretofore overlooked in marketing,

it would be grossly limiting to simply categorize Experiential Marketing as only catering to SENSE. More importantly, this perception has added fuel to the false argument that Experiential Marketing is gimmicky and that it does not have the fundamental and overall interests of consumers at heart. This misperception is partly caused by the word 'Experience' itself because it connotes something which is partial and perhaps temporary. The Korean word for 'experience' is '체험' and in marketing it is almost synonymous with 'trial usage.' It would be more accurate to lump so-called successful cases of Experiential Marketing such as GM Daewoo Tosca and DHC cosmetics into the category of 'successful trial or sampling' marketing. Thus a better name for the field of Experiential Marketing would be to call it 'Total Experience Marketing' because Experiential Marketing aims to optimize the interaction with the consumer from the very start to the very finish. Here in Korea, a good example of Experiential Marketing is the Ye Dental Clinic franchise. Going to the dentist is usually one of the worst experiences one can have. And yet the Ye Dental Clinic has identified 77 touch-points (points of encounter with the consumer) starting from the valet parking service all the way to free spa service for VIP clients, whereby patients can find going to the dentist more tolerable. More importantly, they have improved waiting time for patients by scheduling appointments

on a five minute basis as opposed to the normal practice of half an hour. Total customer experience is also important for airlines and Singapore Airlines and Jet Blue are prime proponents of the Experiential Marketing philosophy. A consumer's trip may be spoiled at any instance due to a flight delay, lost luggage, or a baby crying in the next seat. Air travel is therefore not just about having the best routes, cheapest fares and the most comfortable seats. While it is true that it is impractical to plan for all possible contingencies, both airlines instill in their flight and counter attendants the attitude that they can.

III. Myth 3: Experiential Marketing is equivalent to Emotional Marketing

There is no denying that there is a strong Emotional Marketing emphasis in Experiential Marketing. In Schmitt's book much is made of the 'features and benefits' categorization of traditional product-based marketing. In spite of the tone that it sounds like a manifesto against all such practices, in truth Experiential Marketing is a very comprehensive paradigm that actually incorporates hardcore product features and benefits analysis. The important distinction is the Experiential Marketing starts

and finishes with the consumer in mind. In other words many rational and quantitative approaches have the product squarely as the focal point and there is a danger that such modus operandi may not completely capture all relevant consumer wants and needs. Theodore Levitt (1960) in his classic 'Marketing Myopia' article predicted that decades ahead U.S. automakers would face difficulty because they asked consumers to choose between models A and B while not realizing that in truth consumers may have wanted something else. The 'something else' may entail not only other unnamed product features and benefits but also aspects about the car brand that satisfy consumers at an emotional level. The Soju market in Korea is a great showcase to understand the difference between a functional and emotional approach. Whereas the former would argue for stronger Soju that gives you more 'bang' and hence value for the money, the latter would point to having weaker Soju as is the current trend. This is true not only for women who drink less than men but even for men who ironically want to drink more. The paradox is that the weaker Soju such as 'Like the First Time' (처음처럼) is so weak that men can drink much more of it as compared to the older and stronger brands. In so doing the weaker Soju can satisfy men's (and some women's) ego about how much alcohol they can drink. 'Like the First Time' also uses a very emotional brand name that is

based on a famous title of a poem. Of course this brand also pitches some key rational features and benefits such as using Alkali enriched water that purportedly minimizes the hangover effects of Soju.

IV. Myth 4: Experiential Marketing is a sexy but not very practical concept

Above all, the reality is that Experiential Marketing is a very useful marketing tool for practitioners. Having been involved in a few consulting projects where Experiential Marketing was used, I can personally vouch for its utility. This fact is lost on many academics and even practitioners because Schmitt's second and more 'hands-on' book on 'Customer Experience Management' (2003) did not sell as many copies as his first one. As a result they are left with the impression that Experiential Marketing is just some abstract concept that only sounds good on paper. The two key benefits of the Customer Experience Management (often called CEM) approach are as follow. First, it begins with a consumer trend analysis that tries to find the relevance of products and brands in a consumer consumption context. Going back to the car example mentioned above, this approach avoids the pitfall of having consumers respond

to irrelevant alternatives arbitrarily set forth by manufacturers. Let's think of another category, namely cosmetics to illustrate this point. A significant socio-cultural trend that we can find in the major global cities is the increasing participation of women in the workforce. As women aspire to attain higher positions in their careers they seek cosmetic products and services that match their very demanding lifestyle. For these women time is a valuable resource and cosmetics can act both as a time-consumer as well as a time-saver. Makeup products such as lipstick, foundation, eyeliners and mascara must reflect that duality by being portable and easy to use on the run. Botanically based skincare products and related services such as day spas have enjoyed the biggest boost from this trend because they help to counter and relax women's skin from the emotional and physical wear and tear of a hectic city life.

Second, the CEM approach is useful because it helps to achieve organizational consensus on marketing initiatives. Marketing practice is both blessed and cursed by having an abundance of marketing experts. Even in Korea there are specialists and stylists that help companies to tackle a myriad of marketing problems such as brand-naming, package design, website management, public relations, store interior design, point-of-purchase displays, specific sales promotion campaigns and events. The main problem with having too many experts

is that the brand manager loses control of the brand. This tends to be more the case in Korea because we often do not have the brand governance structure that we see in other countries. In short, brand management responsibility is not matched with the same amount of brand management authority. Key decisions about the nature, look and feel of the brand are delegated to the various experts such as advertising agencies and the other specialized consulting outfits. Moreover, each discipline may have certain biases about how to interpret the brand concept and personality. When all of these disparate pieces of the puzzle are put together, the resulting picture may not look at all cohesive or at worse may appear inconsistent. In contrast, the CEM approach requires that there is a meeting of minds from the very start of the project. This means that every specialist or stylist involved with the brand must physically meet frequently for meetings about the 'experientialization' of the brand. This is no small feat as there might be over thirty to fifty people involved (if the brand is big) when we count the many 'expert' fields identified above. Even though obtaining the participation of these many 'owners' of the brand is not easy, it is what is absolutely necessary to ensure that everyone is on the same page about the brand. This also implies that the Chief Marketing Officer or better yet the CEO must be committed to having or even requiring the

involvement of the many 'brand owners.'

V. Conclusion

In summary, even though Experiential Marketing may appear to some as an attempt to 'reinvent the wheel,' the truth is that this concept and practice offer some relative advantages vis-à-vis more 'traditional' marketing approaches. As marketing managers try to cope with shrinking advertising budgets and ineffective conventional marketing tools Experiential Marketing may provide some opportunities to gain an important edge over the competition and some new enthusiasm on the part of its marketing personnel.

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국문요약

최근 국내외로 각광을 많이 받은 마케팅 개념 중 하나가 바로 체험마케팅이다. 특히 업계에서는 체험마케팅에 대한 많은 관심이 있었기에 체험마케팅의 여러 개념과 적용사례가 부각되고 있다. 본 글에서는 체험마케팅에 관련된 주요 오해가 무엇이고 그 실상이 또한 무엇인지 설명하고자 한다. 체험마케팅의 첫째 오해는 체험마케팅이 획기적인 개념이라는 것인데 사실 체험마케팅의 근원이 되는 소비자 반응의 계층, 감성 마케팅, 그리고 통합마케팅 등은 다른 선행 이론에서 잘 정립되었다. 하지만 체험마케팅의 공헌은 이처럼 분할된 여러 개념을 한 틀 속에 응용할 수 있게끔 체계화시켰다는 점이다. 둘째 오해는 체험마케팅의 뜻이 감각마케팅과 통용된다는 것이다. 체험마케팅의 우수 사례 중에는 오감마케팅만을 강조하는 경우가 많은데 성공적인 체험마케팅을 꾀하는 기업은 소비자의 전체적인 체험의 향상을 지향해야 한다. 셋째 오해는 체험마케팅이 감성마케팅만을 강조하고 이성적 마케팅을 간과한다는 생각이다. 체험마케팅은 실제로 소비자의 상황분석에 근거하여 이성과 감성적 마케팅을 둘 다 포괄하는 접근방식이다. 넷째 오해는 체험마케팅의 개념이 너무 추상적이어서 실무에는 큰 도움이 되지 않는다는 주장이다. 하지만 체험마케팅의 실무적인 프로세스를 충실히 따르면 여러 가지의 마케팅 및 조직상의 긍정효과가 나타난다.

핵심개념: 체험마케팅, 감각마케팅, 감성마케팅, CEM

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