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# A study to analyze the importance of experiential marketing in marketing communication

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### ABSTRACT

The research is an attempt to analyze the essence of experiential marketing in marketing communication through the consumers of shampoo, an FMCG with stiff competition where 'experience' of the consumer influences his loyalty towards the brand. From the study it was found that experiential marketing plays a vital role in marketing communications.

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### Introduction

Experiential marketing is a new approach for the branding and information age. It deals with customer experiences and is quite different from traditional forms of marketing, which focus on functional features and benefits of products. For some, Experiential Marketing is a revolutionary concept that allows marketers to move beyond the traditional "feature and benefit" approach and focus on creating fresh connections between brands and consumers – increasing sales as a result of having customers relate better to what we market and who we are as a company. For others, it's a concept as old as time – the more people know and understand what we and our product, the more likely they are to buy from us. Marketers are always very proud of saying that you have to pay attention to the customer, but what marketers are actually doing is they often start with the product and its functional features and benefits. Experiential marketing takes the customer seriously and understand the customer experience. Traditional marketing views consumers as rational decision makers who care about functional features and benefits. In contrast, experiential marketers view consumers as rational and emotional human beings who are concerned with achieving pleasurable experiences. Five different types of experiences, or strategic experiential modules (SEMs), that marketers can create for customers are : sensory experiences , affective experiences , creative cognitive experience, physical experiences, behaviours and lifestyle and relating to a reference group or culture. The ultimate goal of experiential marketing is to create holistic experiences that integrate individual experiences into a holistic Gestalt.

#### Literature review:

Raymond Pettit and William Cook (Jan 2008), in their paper have done extensive research on Experiential Marketing. Events and sponsorships are tools for experiential marketing that focus on customer/consumer experiences. Given that most sponsorships and events are time-delimited, the tendency is to think they only have short-term impacts. On the contrary, the

power of experiential marketing is shown in this study to go beyond short-term effects to generate a longer term brand value. Lon Zimmerman (2006) conducted a roundtable discussion on Experiential Marketing with ten local area Chief Marketing Officers in an AMA sponsored conference. During the session, the challenges in implementing Experiential Marketing strategies and tactics, and the corresponding solutions are discussed. Engel, Blackwell & Miniard (1994) explained the problem solving refers to thoughtful, reasoned action undertaken to bring about need satisfaction. Dertouzos (1997) predicted that within a few years we will see products like the "body net" a web of integrated devices - functioning as cell phone, computer, television, camera etc. - that will be confined to an invisible envelope around our bodies. B. Joseph Pine II and James H. Gilmore (1998), have distinguished four stages in the progression of economic value: commodities, goods, services and experiences. Alfred G. Hawkins, Jr. (2009) has highlighted that Experiential marketing [XM] uses credible voices, sensory experiences, and respect for the consumer in its tactics and strategies, and it is employed to create direct and meaningful connections between companies and customers. XM is concerned about the entire relationship with the company throughout the customer lifecycle. Brad Back and Dan Bowens (2009) conducted a survey last year which showed 77 percent of marketers planned to reduce their advertising campaign budgets specifically in the media arena in 2009. Yet to strengthen the market share within the budget experiential marketing becomes the effective tool.

#### Objective:

##### Primary Objectives:

To determine the importance of Experiential Marketing in Marketing Communications.

##### Secondary Objectives:

- To find the top three factors that influence purchase of shampoo.

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- To determine the impact of celebrity endorsement and advertisement on purchase decision.
- To determine the preference of consumers based on the type of usage.
- To determine Activities, Interests and Opinions of the consumers.

#### **Significance of the Study**

- The study determines the importance of experiential marketing in marketing communication which will facilitate the companies to communicate clearly.
- Understanding the customer's tastes and preferences will improve product offerings by a company
- Delivering values based on the customer expectation

#### **Limitations of the Study**

The study contains some limitations, which are inherent to market survey. Main limitations of this study are as follows:

- The Sample size of the respondents was limited to 100 only due to time constraint.
- This survey is purely based on opinion of students, employees and housewives, which may be biased at the time of study.
- Some customers were hesitant on spending time for the questionnaire.
- The study was limited only to Coimbatore.

#### **Research methodology:**

##### **Research design**

The research design is descriptive which is focused on accurate description of the variables present in the problem. Here the descriptive given are the personal profile, and how the respondents Sense, Feel, Act, Think, Relate about their shampoo.

##### **Data collection method**

The respondents to the project included students, employees and housewives.

##### **Primary data**

By administering structured questionnaire to the students, employees and housewives the required data for the project were collected. The structured questionnaire was designed so that the queries include both qualitative and quantitative questions.

##### **Secondary data**

The secondary data is collected through the books, internet, brochures and pamphlets.

##### **Population**

Population refers to entire people, events or things of interest that the researcher wishes to investigate. Population for this study is all those who use shampoo.

##### **Sampling design**

The study used non probability sampling technique. Judgmental sampling is used to select the respondents.

##### **Sampling frame**

The sampling frame is a listing of all the elements in the population from which the sample is drawn. The study draws its sample students, employees and housewives of the age group 15 to 30.

##### **Sampling method**

Every element in the population has an unknown and unequal chance of being selected. Hence the distribution patterns of the characteristics of interest for the study in the sample represent the population. Hence, Judgmental sampling technique is used.

##### **Sample size**

Sample size refers to the number of items to be selected from the population to constitute a sample. The sample size in this study is 100.

#### **Statistical tools:**

- Percentage Analysis
- One sample t test
- Anova
- Chi Square Test

#### **Independent Sample T-Test**

##### **Gender vs. Sense (Silky or Rough)**

**Null Hypothesis (H<sub>0</sub>):** There is no difference between the means of male and female

**Alternate Hypothesis (H<sub>1</sub>):** There is difference between the means of male and female

##### **Interpretation:**

As the sig value (0.002) is less than 0.05, H<sub>1</sub> is accepted. Hence there is a difference between the means of male and female.

##### **Gender Vs Sense (Dandruff control or No Dandruff control)**

**Null Hypothesis (H<sub>0</sub>):** There is no difference between the means of male and female

**Alternate Hypothesis (H<sub>1</sub>):** There is a difference between the means of male and female

##### **Interpretation:**

As the sig value (0.006) is less than 0.05, H<sub>1</sub> is accepted. Hence there is a difference between the means of male and female. The mean value of female is 4. Therefore female respondents prefer dandruff control shampoos compared to male respondents.

##### **Interpretation:**

As the sig value (0.000) is less than 0.05, H<sub>1</sub> is accepted. There is a significant difference between the means the type of usage of shampoo and favourite pass time of respondents. The mean value of general users is 3.6. Therefore general users do partying more than anti-dandruff users.

##### **Gender Vs Interests (Current Affairs)**

**Null Hypothesis (H<sub>0</sub>):** There is no significant difference between the means of the gender and interests of respondents in current affairs.

**Alternate Hypothesis (H<sub>1</sub>):** There is a significant difference between the means of the gender and interests of respondents in current affairs.

##### **Interpretation:**

As the sig value (0.034) is less than 0.05, H<sub>1</sub> is accepted. Hence there is a significant difference between the means of the gender and interests of respondents in current affairs. The mean value of male respondents is 4.12. Therefore male respondents are comparatively more interested in current affairs than female respondents.

##### **Type of Usage Vs Opinion (Natural Hair Care Products)**

**Null Hypothesis (H<sub>0</sub>):** There is no significant difference between the means of the type of usage of shampoo and preference of natural hair care products

**Alternate Hypothesis (H<sub>1</sub>):** There is a significant difference between the means of the type of usage of shampoo and preference of natural hair care products

##### **Interpretation:**

As the sig value (0.000) is less than 0.05, H<sub>1</sub> is accepted. There is a significant difference between the means of the type of usage of shampoo and preference of natural hair care products. The mean value of anti-dandruff users is 4.29. Therefore anti-dandruff users prefer natural hair care products more compared to general users.

##### **Gender Vs Opinion (Celebrity Endorsements)**

**Null Hypothesis (H<sub>0</sub>):** There is no significant difference between the means of the type of usage of shampoo and preference of natural hair care products

**Alternate Hypothesis (H1):** There is a significant difference between the means of the type of usage of shampoo and preference of natural hair care products

**Interpretation:**

As the sig value (0.00) is less than 0.05, H1 is accepted. There is a significant difference between the means of the type of usage of shampoo and preference of natural hair care products. The mean value of anti-dandruff users is 4.29. Therefore anti-dandruff users prefer natural hair care products more compared to general users.

**Gender Vs Opinion (Celebrity Endorsements)**

**Null Hypothesis (H0):** There is no significant difference between the means of the gender and belief in celebrity endorsements

**Alternate Hypothesis (H1):** There is a significant difference between the means of the gender and belief in celebrity endorsements

**Interpretation:**

As the sig value (0.04) is less than 0.05, H1 is accepted. There is a significant difference between the means of the gender and belief in celebrity endorsements. The mean value of female respondents is 4.31. Therefore female respondents believe in celebrity endorsements more compared to male respondents.

**Gender Vs Opinion (Western Style)**

**Null Hypothesis (H0):** There is no significant difference between the means of the gender and preference to Western Style

**Alternate Hypothesis (H1):** There is a significant difference between the means of the gender and preference to Western Style

**Interpretation:**

As the sig value (0.046) is less than 0.05, H1 is accepted. There is a significant difference between the means of the gender and preference to Western Style. The mean value of male respondents is 2.31. Therefore male respondents don't like western style compared to female respondents.

**Chi square analysis**

**Gender Vs Type of usage of the shampoo**

**Null Hypothesis (H0):** There is no association between the Gender and the Type of usage of the shampoo.

**Alternative Hypothesis (H1):** There is an association between the Gender and the Type of usage of the shampoo.

**Interpretation:**

From the table we get the value of  $\chi^2$  for one degree of freedom at 5% level of significance as 0.904. Since the significant value is .342 the null hypothesis is accepted. Hence there is no association between the Gender and the Type of usage of the shampoo.

**One way anova**

**Annual Income Vs Spending on hair care**

**Null Hypothesis (H0):** Annual income does not influence the spending on hair care products.

**Alternate Hypothesis (H1):** Annual income influences the spending on hair care products.

**Interpretation:**

As the sig value is less than 0.05, H1 is accepted. Hence annual income influences the spending on hair care products.

**Gender Vs Preference of Natural Hair Care Products**

**Null Hypothesis (H0):** Gender does not influence Preference of Natural hair care products.

**Alternate Hypothesis (H1):** Gender influences Preference of Natural hair care products

**Interpretation:**

As the sig value is less than 0.05, H1 is accepted. Hence gender influences Preference of Natural hair care products over artificial hair care products.

**Educational Qualification Vs Belief in Celebrity Endorsement of Cosmetics:**

**Null Hypothesis (H0):**

Educational qualification does not influence belief in celebrity endorsement of cosmetics.

**Alternate Hypothesis (H1):**

Educational qualification influences belief in celebrity endorsement of cosmetics

**Interpretation:**

As the sig value is less than 0.05, H1 is accepted. Hence educational qualification influences the belief of people in celebrity endorsement of cosmetics.

**Findings & Conclusion:**

**Findings**

- Majority of the respondent were between the age group of 15 to 30 and were male.
- Majority of the respondents prefer a general shampoo to an anti-dandruff one.
- Female respondents expect their shampoo to give them silky hair & they like the feel of softness. They prefer anti-dandruff shampoo to male respondents & they want a low frequency usage.
- Male respondents expect their shampoo to prevent hair fall and a majority of them were contended with the shampoo usage. They even agree that they have received the benefits as mentioned in advertisements.
- Majority of the respondents feel exciting using the shampoo.
- Female respondents prefer shampoo having good variety.
- Measurable Functional benefits, Easy availability of sachets and Fragrance are the top 3 factors that influence purchase of shampoo. Good advertisement and celebrity endorsement adds up to the list.
- Female respondents rank fragrance as the most influential factor in purchase decision making whereas Male respondents opt measurable functional benefit.
- Female respondents relate shampoo as friend to them.
- Male respondents consider their shampoo as dependable.
- Female respondents relate their shampoo as non-traditional.
- From the study it was found that male respondents are comparatively more interested in current affairs than female respondents.
- From the study it was found that anti-dandruff users prefer natural hair care products more compared to general users
- From the study it was found that female respondents believe in celebrity endorsements more compared to male respondents.
- From the study it was found that male respondents don't like western style compared to female respondents
- From the study it was found that there is no association between gender and type of usage of the shampoo.
- From the study it was found that annual income influences the spending on hair care products.
- From the study it was found that gender influences Preference of Natural hair care products over artificial hair care products.
- From the study it was found that educational qualification influences the belief of people in celebrity endorsement of cosmetics. Higher the education less is the belief in celebrity endorsements.

### Suggestions

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.

#### The following are few suggestions that help in yielding better results through Experiential Marketing:

- Give people something to talk about (e.g., a unique feature, benefit, value proposition, etc.).
- Let people experience the product and facilitate their talking about their experience publicly.
- 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.
- 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.
- 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.
- Use indicators like Web analytics, social media monitoring metrics, media relations impressions and more to gauge the success of your experiential marketing campaign(s).
- ✓ By using the ART approach to measurement, Experiential Marketing can be best put to use. ART approach indicates the following:
  - **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 marketing isn't for everyone; it requires a fair amount of research and often more resources 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.

### Conclusion

Results of the research study show that experiential marketing is a rich and complex communication technique—and not a game for amateurs. “If the brand is the experience—as so many of us in the business claim—then delivering a positive interaction at every brand touch point is not only ‘good to do’ but mandatory,” says Hauser. Flawlessly executed experiential marketing campaigns that reflect the creative strategy and the positioning and tone of voice of the brand require a well-designed approach, according to respondents to this survey. Experiential marketing plays a vital role in marketing communication

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#### Analysis: Profile of respondents:

Age	No of Respondents	Percent
15-20	2	2.0
21-25	85	85.0
26-35	13	13.0
Total	100	100.0
Gender	No of Respondents	Percent
Male	64	64.0
Female	36	36.0
Total	100	100.0
Education qualification	No of Respondents	Percent
Lower than Bachelor's Degree	4	4
Bachelor's Degree	28	28
Master's Degree	68	68
Total	103	100.0
Annual Income	Number of Respondents	Percent
less than 1 lakh	5	5.0
1-4	26	26.0
4-7	55	55.0
above 7 lakh	14	14.0
Total	100	100.0
Type of usage of the shampoo	Number of respondents	Percent
General	52	52.0
Anti-Dandruff	48	48.0
Total	100	100.0

**Table: Gender vs. Sense (Silky or Rough)**

Gender	N	Mean	Std. Deviation	Std. Error Mean	
Silky (or) Rough	Male	64	3.78	.453	.057
	Female	36	4.06	.333	.056

**Table: Independent Sample tests 1**

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Silky (or) Rough	10.124	.002	3.17	98	.002	-.274	.086	-1.446	-.103
			3.45	90.97	.001	-.274	.079	-1.432	-.117

**Table: Gender VsSense(Dandruff control or No Dandruff control)**

Gender	N	Mean	Std. Deviation	Std. Error Mean	
Dandruff control	Male	64	3.00	1.182	.148
	Female	36	4.00	.956	.159

**Table: Independent Sample test 2**

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Dandruff control	10.40	.006	4.33	98	.000	-1.000	.231	-1.457	-.543
			4.60	85.8	.000	-1.000	.217	-1.432	-.568

**Table: Type of usage Vs Activity (Partying)**

Gender	N	Mean	Std. Deviation	Std. Error Mean	
Partying	General	52	3.60	.569	.079
	AntiDandruff	48	3.29	.898	.130

**Table: Independent Sample test 3**

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Partying	30.403	.000	2.041	98	.044	.304	.149	.008	.601
			2.006	78.3	.048	.304	.152	.002	.607

**Table 4.12 Gender Vs Interests (Current Affairs)**

Gender	N	Mean	Std. Deviation	Std. Error Mean
Current Affairs Male	52	4.12	.676	.094
Female	48	3.38	.570	.082

**Table 4.13 Independent Sample test 4**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Current Affairs	Equal variance assumed	.886	.034	-10.0	98	.000	-1.260	.126	-1.509	-1.010
	Equal variance not assumed			-10.1	97.2	.000	-1.260	.125	-1.507	-1.012

**Table: Gender Vs Opinion (Natural Hair Care Products)**

Gender	N	Mean	Std. Deviation	Std. Error Mean
Natural hair care products General	52	3.87	1.121	.155
AntiDandruff	48	4.29	.459	.066

**Table: Independent Sample test 5**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Natural hair care products	Equal variance assumed	87.20	.00	-2.4	98	.016	-.426	.174	-.771	-.081
	Equal variance not assumed			-2.5	68.78	.014	-.426	.169	-.763	-.089

**Table: Gender Vs Opinion (Celebrity Endorsements)**

Gender	N	Mean	Std. Deviation	Std. Error Mean
Celebrity Endorsements Male	64	3.45	.576	.084
Female	36	4.31	.470	.072

**Table: Independent Sample test 6**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Celebrity Endorsements	Equal variance assumed	.886	.04	-10	98	.000	-1.260	.126	-1.50	-1.01
	Equal variances not assumed			-10	97.1	.000	-1.260	.125	-1.50	-1.01

**Table: Gender Vs Opinion (Western Style)**

Gender	N	Mean	Std. Deviation	Std. Error Mean
Western Style Male	64	2.31	1.355	.169
Female	36	2.58	1.025	.171

Table Chi Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.904	1	.342
Likelihood Ratio	.907	1	.458
Linear-by-Linear Association	.895	1	.341
N of Valid Cases	100		

**Table Details of Annual Income and Spending on hair care**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	69.539	3	23.180	64.369	.000
Within Groups	34.571	96	.360		
Total	104.110	99			

**Table: Independent Sample test 7**

		Levene's Test for Equality of Variance		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Western Style	Equal variance assumed	3.461	.046	-1.0	98	.300	-.271	.260	-.787	.245
	Equal variances not assumed			-1.1	89.5	.263	-.271	.241	-.749	.207

**Table: Relationship between the Gender and Type of usage of the shampoo**

		Type of usage of the shampoo		
		General	Anti-Dandruff	Total
Gender	Male	31	33	64
	Female	21	15	36
	Total	52	48	100

**Table 4.23 Details of Gender and Preference of Natural hair care products**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	22.012	1	22.012	38.181	.000
Within Groups	56.498	98	.577		
Total	78.510	99			

**Table : Details of Educational qualification and Belief in Celebrity Endorsement of Cosmetics**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	11.769	1	11.769	12.113	.001
Within Groups	95.221	98	.972		
Total	106.990	99			