



Experiential Marketing

Bernd Schmitt

To cite this article: Bernd Schmitt (1999) Experiential Marketing, Journal of Marketing Management, 15:1-3, 53-67, DOI: [10.1362/026725799784870496](https://doi.org/10.1362/026725799784870496)

To link to this article: <https://doi.org/10.1362/026725799784870496>



Published online: 01 Feb 2010.



Submit your article to this journal [↗](#)



Article views: 34399



View related articles [↗](#)



Citing articles: 347 View citing articles [↗](#)

**Bernd
Schmitt¹**

Experiential Marketing

Director, Centre of
Global Brand
Management
Columbia Business
School

In this article, I contrast traditional marketing with a new approach to marketing called Experiential Marketing and provide a strategic framework for Experiential Marketing. 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 distinguished: sensory experiences (SENSE); affective experiences (FEEL); creative cognitive experiences (THINK); physical experiences, behaviours and lifestyles (ACT); and social-identity experiences that result from relating to a reference group or culture (RELATE). These experiences are implemented through so-called experience providers (ExPros) such as communications, visual and verbal identity, product presence, electronic media, etc. The ultimate goal of experiential marketing is to create holistic experiences that integrate individual experiences into a holistic Gestalt. The paper concludes with an examination of strategic issues and a discussion about how to create the experience-oriented organization.

Experiential Marketing

Experiential marketing is everywhere. In a variety of industries, companies have moved away from traditional “features-and-benefits” marketing toward creating experiences for their customers. This shift toward experiential marketing has occurred as a result of three simultaneous developments in the broader business environment.

1. The Omnipresence of Information Technology. Nowadays business is increasingly driven by information technology. The information revolution will not mean merely an improvement in speed, as suggested by the original metaphor of the “information superhighway.” It will mean a transformation in

¹ Correspondence: Bernd Schmitt, Professor of Marketing, Director, Centre of Global Brand Management, 510 Uris Hall, Columbia Business School, New York, NY 10027, USA, Tel: 212 854 3468, Fax: 212 854 8762, E-mail: bhs1@columbia.edu

media - from print to voice, from sight to sound. It is quite conceivable that, within a few years, consumers will be working with considerably smaller-and cheaper- computing devices that will integrate mobile phones, television, voice-operated computer with access to anyone and anything-real or virtual - anywhere in the world. Futurists like Dertouzos (1997) predict that within a few years we will see products like the "bodynet," a web of integrated devices - functioning as cellphone, computer, television, camera, etc. - that will be confined to an invisible envelope around our bodies. This device-or a similar one - will allow people and companies to connect and to share an experiential universe with one another at any time.

2. The Supremacy of the Brand. "Brand! Brand!! Brand!!! That's the message...for the late '90s and beyond," writes Tom Peters (1997) in his book *The Cycle of Innovation*. Through advancements in information technology, information about brands - in all different forms and media - will be available instantly and globally. Even things we do not traditionally think of as brands are now being treated and marketed as such. Examples include U.S. business schools, TV stations and programs, medical practices and even nursing homes. Moreover, daring brand extensions are occurring everywhere. Fashion brands have been extended into paint (Ralph Lauren), bottled water (DKNY), popcorn boxes (Calvin Klein), toothpaste (Paul Smith), and dog carriers (Gucci). In a world in which brands rule, products are no longer bundles of functional characteristics but rather are means to provide and enhance customer experiences.

3. The Ubiquity of Communications and Entertainment. As everything is becoming branded, everything becomes a form of communication and entertainment. Companies are getting better and better at dressing themselves as "customer-" and "community-oriented" and spare no efforts to provide fun and entertainment for their customers. The latest annual reports and corporate websites are full of terms like "customer," "connection," and "stimulation" orbiting around you in bright colours. Moreover, communications are no longer just one-way. Customers and other constituents of a company are now able to communicate directly with the company itself.

These three phenomena represent the early signs of an entirely new approach to marketing, if not to business as a whole. "Welcome to the Experience Economy," write B. Joseph Pine II and James H. Gilmore (1998). Using a long-term perspective, these authors have distinguished four stages in the progression of economic value: commodities, goods, services and experiences. They write: "As services, like goods before them, increasingly become commoditized - think of long-distance telephone services sold solely on price-experiences have emerged as the next step in what we call the *progression of economic value*. From now on, leading-edge companies - whether they sell to consumers or businesses-will find

that the next competitive battlefield lies in staging experiences.”

Unfortunately, traditional marketing and business concepts offer hardly any guidance to capitalize on the emerging experiential economy. Traditional marketing has been developed in response to the industrial age, not the information, branding and communications revolution we are facing today.

To get a better grasp of Experiential Marketing, let us first take a look at some of the assumptions and practices of traditional marketing.

I use the term “traditional marketing” to refer to a canon of principles, concepts and methodologies that marketing academicians, practitioners (marketing directors, brand managers, communication managers) and consultants have amassed throughout this century and, in particular, during the last thirty years. Strangely enough, these concepts have been around in marketing, essentially unchanged, for decades. The concepts and methodologies of traditional marketing describe the nature of products, the behaviour of consumers and competitive activity in the marketplace. They are used to develop new products, plan product lines and brand extensions, design communications and respond to competitive activities.

As we will see, traditional marketing presents an engineering-driven, rational, analytical view of customers, products and competition that is full of untested and outmoded assumptions. It is hardly a psychologically-based theory about customers and how they view and react to products and competition. Figure 1 outlines the key features of such traditional marketing.

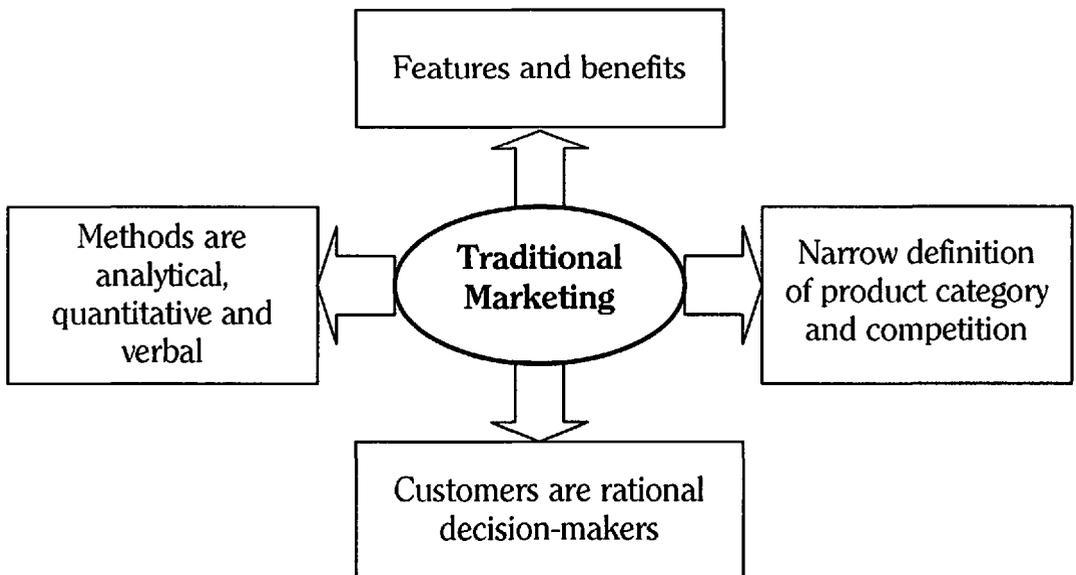


Figure 1. Characteristics of Traditional Marketing

Traditional Marketing: Four Key Characteristics

1. Focus on Functional Features and Benefits

Traditional marketing is largely focused on features and benefits.

Traditional marketers assume that customers (business customers or end consumers) in a variety of markets (industrial, consumer, technology, service) weigh functional features in terms of their importance, trade off features by comparing them, and select the product with the highest overall utility (defined as the sum of weighted features).

What exactly are features? According to Kotler (1994), features are “characteristics that supplement the product’s basic function.” Because customers are assumed to make choices based on features, product features are viewed as a key tool for differentiating a company’s offerings from competitive offerings. Indeed, strategist Michael Porter (1985) describes product differentiation in a competitive context as developing a unique position on an attribute that is “widely valued by buyers.” Functions, based on features, are performance characteristics that customers seek from products: for toothpaste - cavity prevention, tartar control and whitening; for airlines - schedules, destinations, baggage handling and frequent flyer miles; for personal computers-speed, connectivity and portability.

2. Product Category and Competition are Narrowly Defined

In the world of a traditional marketer, McDonald’s competes against Burger King and Wendy’s (and not against Pizza Hut, Friendly’s or Starbucks). Chanel fragrances compete against Dior fragrances (and not against those of Lancome or L’Oreal, or against fragrances offered by the Gap or another mass-market retailer). For a traditional marketer, competition occurs primarily within narrowly defined product categories - the battleground of product and brand managers.

3. Customers are Viewed as Rational Decision Makers

Throughout this century, economists, decision scientists and marketers have viewed customer decision-making as straightforward problem solving. As Engel, Blackwell and Miniard (1994) explain, problem solving refers to thoughtful, reasoned action undertaken to bring about need satisfaction. Customer decision-making processes typically are assumed to involve several steps: need recognition, information search, evaluation of alternatives, purchase and consumption.

4. Methods and Tools are Analytical, Quantitative and Verbal

Standard traditional marketing methodologies are analytical, quantitative and verbal. Think about regression models. The input to most regression models (and their stepchild the logit model) consists of verbal ratings collected in interviews or surveys. The purpose is to predict purchase or choice based on a number of predictors and to assess their relative importance weights. Or consider positioning maps (and their stepchild, the correspondence analysis). There, the input consists of verbal pairwise similarity ratings among brand names and/or ratings on a number of mostly functional-features scales. Output consists of two or three dimensional spaces (quality vs. value, or functionality

vs. luxury) in which one brand is positioned against another brand. Or consider conjoint analyses. This type of analysis is used for assessing the monetary value of individual functional features within a bundle of offers. To arrive at the result, customers are asked to evaluate several products consisting of product bundles and how much they would be willing to pay for each one.

Clearly, there are situations in which these methodologies offer useful insights. The issue is not to critique individual research techniques but to think about the purpose and function of research within a corporation. Do you expect to gain a competitive advantage by tweaking the customer importance weights used in a regression? Do you expect to gain strategic insights by examining the position of your brand against another along the broad, general dimensions of a positioning map? Can you justify a price increase or decrease after examining the “part worths” in a conjoint analysis?

But How About Branding?

Didn't the branding approach, which has been so prominent in the nineties, change all that? Brand strategists certainly do not look at products just in terms of their functional features and benefits. Brand equity consists of “assets (and liabilities) linked to a brand, its name and symbol” (Aaker 1991). But nonetheless, most brand theorists have treated brands primarily as identifiers: Brand = ID.

This view of branding unfortunately misses the very essence of a brand as a rich source of sensory, affective, and cognitive associations that result in memorable and rewarding brand experiences: Brand = EX. Today, customers take functional features and benefits, product quality and a positive brand image as a given. What they want is products, communications, and marketing campaigns that dazzle their senses, touch their hearts, and stimulate their minds. They want products, communications, and campaigns that they can relate to and that they can incorporate into their lifestyles. They want products, communications, and marketing campaigns to deliver an experience. The degree to which a company is able to deliver a desirable customer experience - and to use information technology, brands, and integrated communications to do so - will largely determine its success in the global marketplace of the new millennium.

Experiential Marketing: Four Key Characteristics

Figure 2 shows the key characteristics of Experiential Marketing.

1. A Focus on Customer Experiences

In contrast to its narrow focus on functional features and benefits, experiential marketing focuses on customer experiences. Experiences occur as a result of encountering, undergoing or living through things. Experiences provide sensory, emotional, cognitive, behavioural, and relational values that replace functional values.

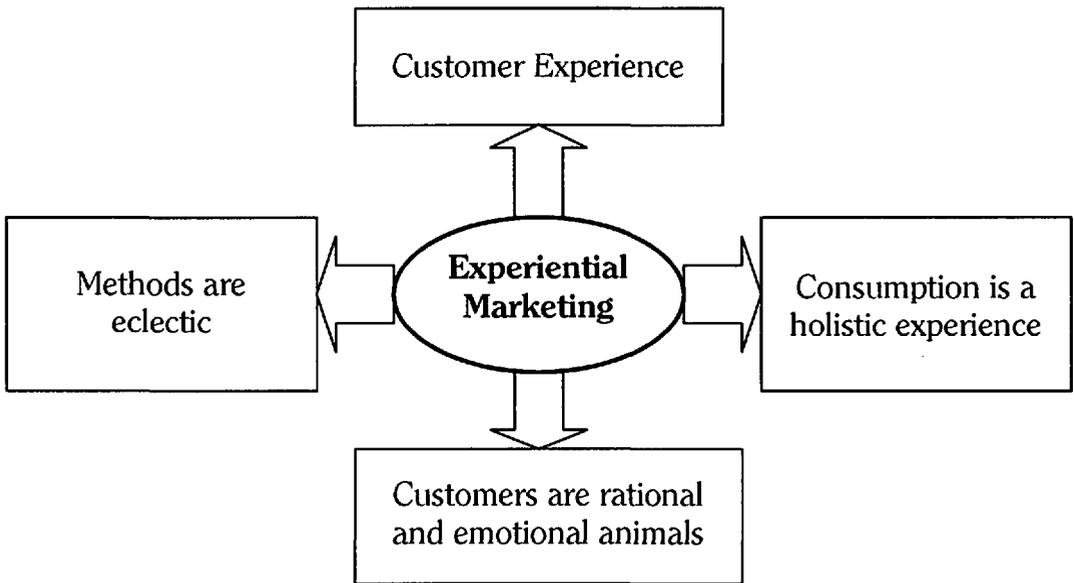


Figure 2. Characteristics of Experiential Marketing

2. A Focus on Consumption as a Holistic Experience

Experiential marketers do not think shampoo, shaving cream, blow dryer and perfume. Instead, they think “grooming in the bathroom” and ask themselves what products fit into this consumption situation and how these products, their packaging, and their advertising prior to consumption can enhance the consumption experience.

Examining the consumption situation and sketching the (fuzzy) boundaries of categories and competition accordingly amounts to a radical shift in thinking about market opportunities - a shift that moves marketing thinking “over” and “up” (see Figure 3). This type of thinking broadens the concept of a category (“moving over”) and examines the meaning of the specific consumption situation in its broader socio-cultural context (“moving up”). For an experiential marketer, McDonald’s competes against any other form of fast food; even any other form of “quick bite” or “hang-out.” Moreover, we examine the “macro” picture: what does it mean to eat a hamburger in a time when nutrition facts are screaming in your face in the supermarkets and when Martha Stewart urges you to live a homey, healthy lifestyle? How should McDonald’s be positioned and communicate in this world? In sum, we are moving from thinking about an isolated product along the socio-cultural consumption vector (SCCV) into the customer’s broader space of meaning.

3. Customers are Rational and Emotional Animals

For an experiential marketer, customers are emotionally as well as rationally driven. That is, while customers may frequently engage in rational choice, they are just as frequently driven by emotions because consumption experiences are

often “directed toward the pursuit of fantasies, feelings, and fun.” (Holbrook and Hirschman 1982). Moreover, it is useful to think of customers as *animals* whose physical and mental apparatus for generating sensations, thoughts and feelings evolved by natural selection to solve the problems faced by their evolutionary ancestors. Unfortunately, this broad view of the customer, which incorporates the latest concepts and findings from psychology, cognitive science, sociology and evolutionary biology, has had little impact in the field of marketing.

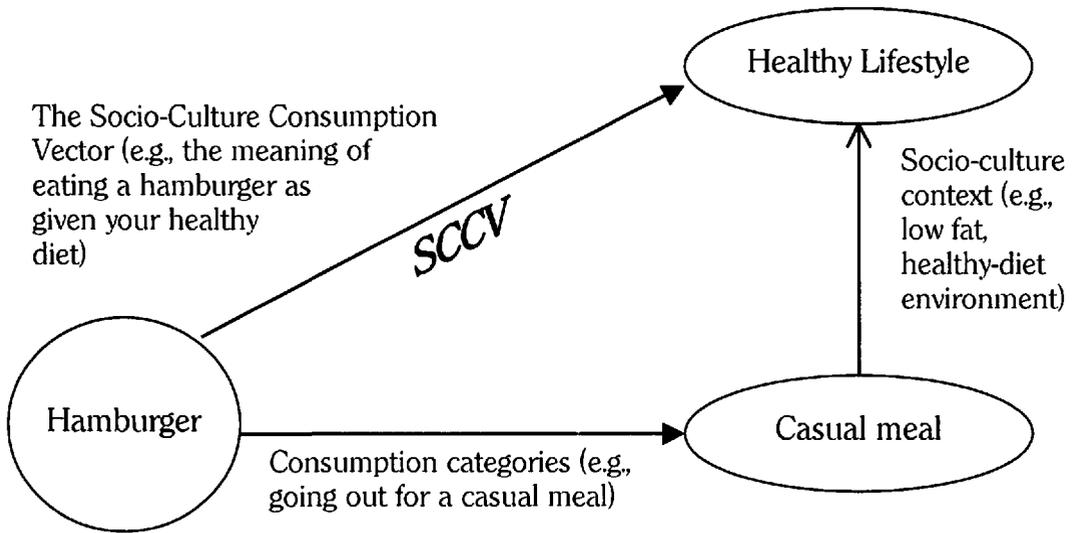


Figure 3. Moving “Over” and “Up”

4. Methods and Tools are Eclectic

In contrast to the analytical, quantitative, and verbal methodologies of traditional marketing, the methods and tools of an experiential marketer are diverse and multi-faceted. In a word, experiential marketing is not bound to one methodological ideology; it is eclectic. Some methods and tools may be highly analytical and quantitative (such as eye-movement methodologies for measuring the sensory impact of communications). Or they may be more intuitive and qualitative (such as brain-focusing techniques used for understanding creative thinking). They may be verbal, taking the traditional format of a focus group, in-depth interview or questionnaire. Or they may be visual. They may occur in an artificial lab environment or in a bar where consumers watch TV and drink beer. They are often ideographic (i.e., customized for the situation at hand) rather than nomothetic (providing the same standard format to all respondents). There is no dogma here; it all depends on the objective.

In summary, then, experiential marketing is distinct in four key ways: focusing on

consumer experiences, treating consumption as a holistic experience, recognizing both the rational and emotional drivers of consumption, and using eclectic methodologies.

Next, I will present a strategic framework for managing experiences.

A Strategic Framework for Managing Experiences

The two most essential concepts of Experiential Marketing are: strategic experiential modules (SEMS) and experience providers (ExPros).

Strategic Experiential Modules (SEMs)

SEMs are strategic experiential modules that managers can use to create different types of customer experiences for their customers. The term “module” has been borrowed from recent work in cognitive science and the philosophy of mind to refer to circumscribed functional domains of the mind and behaviour. Modules have distinct structures and processes. The experiential modules to be managed in Experiential Marketing include sensory experiences (SENSE), affective experiences (FEEL), creative cognitive experiences (THINK), physical experiences, behaviours and lifestyles (ACT), and social-identity experiences that result from relating to a reference group or culture (RELATE). Following recent work in cognitive science, I posit that each SEM has its own objectives, as well as internal structure and principles. Let me discuss each SEM one by one (see Figure 4).

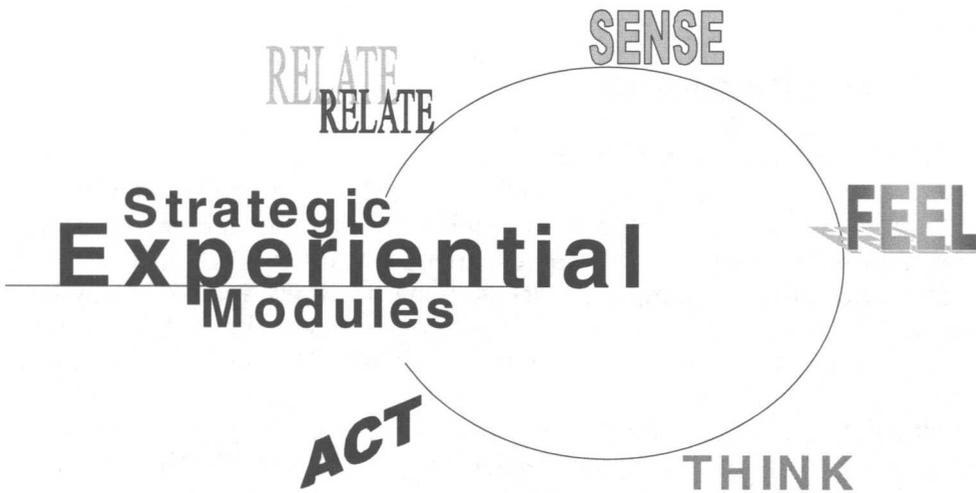


Figure 4. Strategic Experiential Modules (SEMs)

SENSE

The SENSE module - or SENSE marketing - appeals to the senses with the objective of creating sensory experiences, through sight, sound, touch, taste and smell. SENSE marketing may be used to differentiate companies and products, to motivate customers and to add value to products (e.g., through aesthetics or excitement). One of the key principles of SENSE is “cognitive consistency/sensory variety,” i.e., the ideal SENSE approach provides an underlying concept that is clearly detectable but appears always fresh and new. The long-lasting campaign for Absolut vodka provides a good example, in which one underlying idea and concept is combined with constantly fresh executions.

FEEL

FEEL marketing appeals to customers' inner feelings and emotions, with the objective of creating affective experiences that range from mildly positive moods linked to a brand (e.g., for a noninvolving, nondurable grocery brand or service or industrial product) to strong emotions of joy and pride (e.g., for a consumer durable, technology, or social marketing campaign). What is needed for FEEL marketing to work is a close understanding of what stimuli can trigger certain emotions as well as the willingness of the consumer to engage in perspective-taking and empathy. Standard emotional advertising lacks both because it does not target feelings during consumption. It is difficult to create successful FEEL campaigns on an international scale because both the emotion-inducing stimuli and the willingness to empathize in a given situation often differ from culture to culture.

An example of FEEL marketing is Clinique's first new fragrance in seven years, called “Happy.” Videos at the point of purchase reinforce the name's message, reflecting the product's sunny orange packaging, showing the jumping, joyfully smiling figure of model Kylie Bax. Television ads incorporate movement and music with lively camera work. In mounting the “Happy” campaign, Clinique is riding a growing anti-grunge wave that is sparking a trend toward more cheerful fashions. As a tie-in, Clinique has produced a limited-edition CD of “happy” songs, including Judy Garland's “Get Happy” and the Turtles' “Happy Together” (Elliott 1997).

THINK

THINK marketing appeals to the intellect with the objective of creating cognitive, problem-solving experiences that engage customers creatively. THINK appeals to target customers' convergent and divergent thinking through surprise, intrigue and provocation. THINK campaigns are common for new technology products. A good example is Microsoft's campaign, “Where Do You Want to Go Today?” But THINK marketing is not restricted only to high-tech products. THINK marketing has also been used in product design, retailing and in communications in many other industries.

ACT

ACT marketing enriches customers' lives by targeting their physical

experiences, showing them alternative ways of doing things (e.g., in business-to-business and industrial markets), alternative lifestyles and interactions. Rational approaches to behaviour change (i.e., theories of reasoned actions) are only one of many behavioural change options. Changes in lifestyles and behaviours are often more motivational, inspirational and emotional in nature and often motivated by role models (such as movie stars or athletes). Nike's "Just do it" has become a classic of ACT marketing.

RELATE

RELATE marketing contains aspects of SENSE, FEEL, THINK and ACT marketing. However, RELATE marketing expands beyond the individual's personal, private feelings, thus relating the individual to something outside his/her private state.

RELATE campaigns appeal to the individual's desire for self-improvement (e.g., a future "ideal self" that he or she wants to relate to). They appeal to the need to be perceived positively by individual others (e.g., one's peers, girlfriend, boyfriend or spouse; family and colleagues). They relate the person to a broader social system (a subculture, a country, etc.).

The American motorcycle Harley-Davidson is a RELATE brand par excellence. Harley is a way of life. From the bikes themselves to Harley-related merchandise to Harley-Davidson tattoos on the bodies of enthusiasts (who cut across all social groups), consumers see Harley as a part of their identity. Not surprisingly, Harley Davidson users form strong bonds in the form of brand communities.

As mentioned earlier, these five types of SEMs all have their own inherent structures and principles. Consider advertising in line with the five SEMs. A SENSE TV ad campaign typically dazzles viewers' senses with fast-paced, fast-cut images and music. It is dynamic and attention-getting and may leave a strong impression after just 15 seconds. FEEL TV ads, in contrast, are often slice-of-life ads that take time to draw the viewer in, building emotion gradually. THINK campaigns are often sedate. They begin with a voiceover, then move to text on the screen. ACT campaigns show behavioural outcomes or lifestyles. RELATE campaigns typically show the referent person or group that the customer is supposed to relate to.

However, experiential appeals rarely result in only one type of experience. Modules are circumscribed but they are not self-contained structures; instead they are connected and interact. Many successful corporations employ experiential hybrids that combine two or more SEMs in order to broaden the experiential appeal. Ideally, marketers should strive strategically for creating holistically integrated experiences that possess, at the same time, SENSE, FEEL, THINK, ACT and RELATE qualities.

The Implementation Tools of Experiential Marketing: ExPros

How are the SEMs implemented? The implementation of the strategic SENSE, FEEL, THINK, ACT and RELATE modules occurs by means of what I call

“experience providers” (or ExPros). ExPros include communications, visual and verbal identity and signage, product presence, co-branding, spatial environments, electronic media, and people. To create an experience, ExPros must be managed in three ways: (1) coherently (i.e., in an integrated fashion); (2) consistently over time; and (3) by paying attention to detail and using each ExPro to its fullest potential for creating the experience.

Strategic Issues of Experiential Marketing

Issue 1: Strategic issues related to the Experiential Grid.

The critical strategic issues of what I call the Experiential Grid are identified in Figure 5. These issues are related to the depth, intensity, breadth and linkage of experiences.

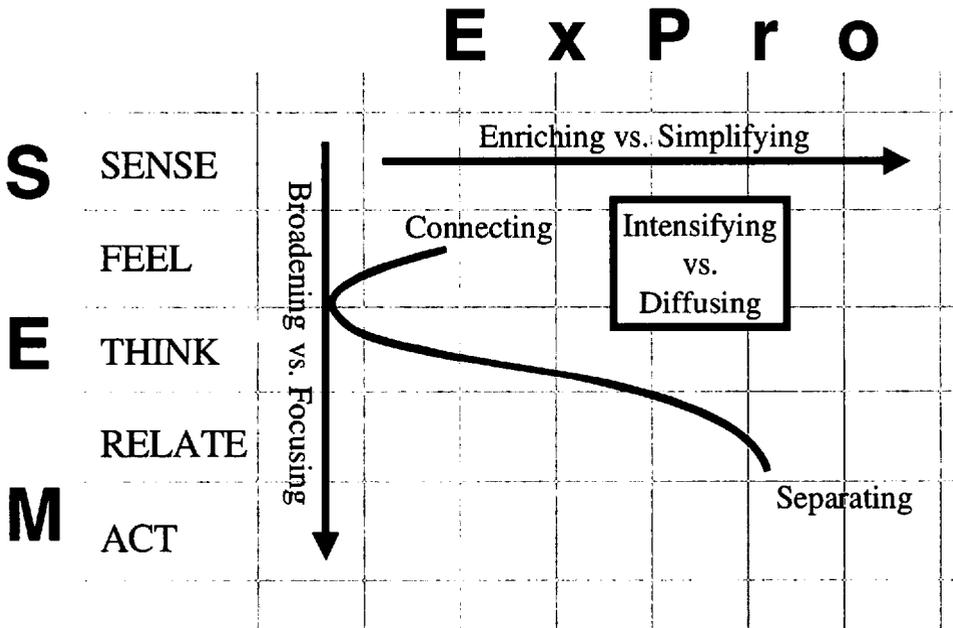


Figure 5. Strategic Issues of the Experiential Grid

Intensity: Intensifying vs. Diffusing

The intensity issue (“Intensifying vs. Diffusing”) concerns individual grid cells. Should the specific experience provided in a given ExPro be experientially enhanced or diffused?

Let's say you are Hallmark Cards, and you are creating a FEEL experience by showing a FEEL commercial. (You know, those "slice-of-apple-pie" two-minute commercials showing the brother coming home [almost] late for Christmas dinner, just in time to sing a Christmas carol with his younger brother.) The question is: What is exactly the right level of intensity to get viewers to dab their eyes and feel good about Hallmark, without overdoing it and coming across as tacky? This is not an easy balance to strike. Without the right kind of testing, you can overshoot your mark or fall far short.

Breadth: Enriching vs. Simplifying

The breadth issue ("Enriching vs. Simplifying") concerns the management across ExPros. Should the organization enrich a given experience by adding additional ExPros that provide the same experience, or simplify the experience by concentrating it into certain ExPros?

Again, you are Hallmark. Should your retail stores be experiential FEEL environments in order to enrich the experience, or should they be more functional selling spaces? Or conversely, should you even drop the FEEL advertising described earlier and use a more simplified approach by relying solely on the messages and imagery of the cards themselves? In fact, Hallmark's choice has been to enrich its retail outlets, creating new Hallmark Creations shops that provide a warm and welcoming atmosphere.

Depth: Broadening vs. Focusing

The depth issue ("Broadening vs. Focusing") concerns the management across SEMs: Should the organization broaden its experiential appeal from individual experiences to experiential hybrids and holistic experiences, or should it stick to - or focus on - one single experience?

For example, as part of its strategic planning, Hallmark may ask, "What is the function and meaning of greeting cards in the electronic age? Does it still make sense to send greetings via mail? And what if greeting cards are sent by email, or personally created and stored on websites?" As these questions illustrate, in the electronic age, Hallmark may consider broadening its experiential approach from FEEL to THINK and perhaps even explore RELATE and ACT. In fact, the company has capitalized on these opportunities by inaugurating one of the most exciting and thought-provoking sites on the World Wide Web.

Linkage: Connecting vs. Separating.

Finally, the linkage issue ("Connecting vs. Separating") concerns the interrelations among SEMs as well as ExPros. It is often not enough merely to add SEMs. SEMs need to be connected with one another. In some cases, however, it may be beneficial to separate experiences that have become too broad and thus run the risk of being meaningless.

Should Hallmark create linkages and connections between its traditional FEEL approach and its new THINK approach by, for example, by adding multimedia to its physical greeting cards? Or should electronic greeting cards and printed ones

be run as separate businesses?

Successfully managing these issues requires making a commitment to an experiential approach to marketing. Most companies, having practiced features-and-benefits marketing for many years, initially generate impoverished experiential marketing strategies: they use an approach that is too diffused and simplified, focusing on one type of experience only or using multiple, yet unconnected, ones. For them, the strategic task clearly requires intensifying and enriching current experiences, adding new types of experiences, and interconnecting them with one another gradually. As a result, major investments in experiential marketing are needed because the strategy approach often calls for a stepwise review and revision of all ExPros and the addition of experiential elements into communication hitherto used to features-and-benefits marketing. It also requires the presence of certain organizational structures and processes (see below).

Issue 2: Corporate Branding and Sub-Branding

This issue concerns corporate/brand architecture as it is projected to customers (suppliers, business customers or consumers). Typically, a company that has very high corporate visibility (e.g., Ford or Sony) should create an experiential identity for itself. But it must also create experiential identities for its brands and products, and these should not clash with the corporate identity. A corporation that has created strong stand-alone brand identities (such as General Motors and Procter and Gamble) may forego experiential branding because it has less visibility as a corporation. But it still needs to manage the experiential identities of its products and brands very closely.

Issue 3: New Products, Brand Extensions and Partnership Strategies

Using the traditional approach, the goal of new product development is often seen as adding new features and benefits, "improving" old products or old technologies. Traditional marketing models view brand extensions in terms of the fit between product categories and the transfer of positive equity from the current brand to the extension product.

In contrast, new product and brand extension decisions using an experiential marketing approach are driven by three factors: (1) the degree to which the new product and extension category enhances the experiential image of the company or brand; (2) the degree to which new products and brand extensions add new experiences that can be leveraged in additional new products and further brand extensions; and (3) the degree to which they help in the creation of holistic experiences.

Similar considerations will also drive the selection of other companies for strategic partnerships. Such experiential considerations may have been behind the decision of Swatch and Daimler-Benz to form a joint venture to manufacture a new car—a decision that puzzled many industry experts. And the resulting product - the Smart car - is a new automotive offering that is experiential from beginning to end. The Smart reflects the best of both of its parents' worlds. Its appeal derives from its design, which couples attention to safety with a

customizable fashion look. The Smart car is a mini, designed to fit in any parking space in any crowded city in the world; its thought-provoking slogan is “reduce to the max.” The Smart is conceived as a completely new product—an innovative solution to the problems of city driving. Despite its size, the Smart is passing rigorous safety tests implemented by Daimler-Benz, and safety is a central design concern. The Smart is also fun. Its distinctive look—tiny, somewhat triangular, and modern - sets it apart from all others; this car looks like nothing so much as a sneaker! Its distinctive two-tone colour scheme is customizable to consumer specifications, and its interior design is marked by modular parts making it possible to stylize the car quickly and cheaply. In fact, the Smart represents the realization of a car as a safe and well-designed fashion accessory.

Issue 4: Global Experiential Branding

Experiential branding extended into the global arena raises a range of complex issues, including the following:

- Are there cultural differences in preferences for types of SEMs? For example, do customers in one nation prefer FEEL, in a second nation THINK, and in a third one RELATE?
- How about specific experiences? For example, are certain nations more attuned to aesthetics in SENSE, while others love excitement? Or do some like nationalistic RELATE appeals but others global appeals?
- Do different ExPro executions appeal to customers in different countries?

Organizational Issues

Experiential Marketing not only raises a set of important strategic issues, it also often requires organizational changes. What is needed is not really a new organizational chart but rather a new spirit that pervades the entire organizational culture. I call such a culture “the Dionysian organization.”

What are some of the specific characteristics of the Dionysian organization? Managers in the Dionysian organization ask: What experience do we want to create in the long-term for our customers, and how can they get it done in an unusual, interesting, eye-catching way? They go for wild ideas. They bring in the iconoclasts as consultants. They do not waste time with meaningless terms, strategy gibberish, management pretence. They encourage their employees to express themselves honestly, directly and creatively, and challenge them to explore new methodologies.

Moreover, an organization that is serious about experiential marketing places an emphasis on creativity and innovation and, following along the socio-cultural consumption vector (SCCV) discussed earlier, looks for broad, long-term trends in the environment. In other words, it takes a “helicopter view” of its business and environment. Also, the experience-oriented organization treats the creativity and innovativeness displayed by its employees as its most critical intellectual capital. As a result, creative hiring, training and experiential growth - as well as attention

to the physical environment - become key human resource requirements. Finally, in the process of strategizing and developing experiential programs, the organization will rely on the expertise of outside constituents, who help the organization to manage the experience in an integrated fashion.

Conclusion

Traditional marketing has provided a valuable set of strategies, implementation tools and methodologies for the industrial age. Now that we have entered a new era, it is necessary to shift attention from the features-and-benefits approach advocated by traditional marketing to customer experiences. Managers need to consider new concepts and approaches, and most of all, new approaches within the organization to capitalize on the new opportunities offered by experiential marketing.

References

- Aaker David (1991), *Managing Brand Equity: Capitalizing on the Value of a Brand Name*, New York: The Free Press.
- Dertouzos, Michael (1997), *What Will Be*, San Francisco: Harper.
- Elliott, Stuart (1997) "Clinique is Introducing Scent in Bid for Share of Premium Market," *The New York Times*, September 30, Section D, p. 6.
- Engel, James, Blackwell, Roger D. and Miniard, Paul W. (1994), *Consumer Behaviour*. Dryden Press.
- Holbrook, Morris and Hirschman, Elizabeth C. (1982), "The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun," *Journal of Consumer Research*, September, Vol. 9, 132-140.
- Kotler, Philip (1994), *Marketing Management* (Eighth edition), Englewood Cliffs, NJ: Prentice-Hall.
- Peters, Tom (1997), *The Cycle of Innovation: You Can't Shrink Your Way to Greatness*, New York: Knopf.
- Pine II, B. Joseph and Gilmore, James H., "Welcome to the Experience Economy," *Harvard Business Review*, July/August 1998, pp. 97-105.
- Porter, Michael (1985), *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, New York: The Free Press, 1985

