

# A Conceptual Study of Experiential Marketing and its Influence on Customers at Online Platform

Jyoti Yadav<sup>1</sup> Reeta Tyagi<sup>2</sup> Bhawana Singh<sup>3</sup>

<sup>1</sup>Research Scholar <sup>2,3</sup>Assistant Professor

<sup>2</sup>Department of Applied Science <sup>3</sup>Department of Electrical and Electronics Engineering

<sup>1</sup>Gautam Buddha University, Greater Noida, India <sup>2,3</sup>IIMT College of polytechnic, Greater Noida, India

**Abstract**— Experiential sellout creates department to entertain, inform, educate and let the users discover what the brands are all about by interacting with the brands in person. Experiential Learning Theory says that people learn from an experience through either becoming a part of it or analyzing it. It creates a platform to involve the customers and let the brands directly interact with the target audience. Experiential marketing is not just about entertaining the customers, it's a platform that provides the companies with a chance to showcase their product so that they can attract the customers and motivate them to buy the product. However, since the digital world came to, online experiences have become an important way to connect with the audience. Everything from YouTube videos, to social media campaigns, has increased not only in numbers but also in value. Creating experiences through experiential marketing online could be rather difficult but if done successfully, it can provide a greater customer experience and attain a positive and satisfied customer. This study is an effort to explore the concept of experiential marketing and how it can influence the customers at the online platform. The study is conceptual in nature and includes the review of some papers and is based on secondary data. It was found that experiential marketing is very challenging at online platform associated with many risks. But the results of taking such risks could be greater than any other promotional efforts. This useful and exciting approach puts the customers in genuine conversation with the product or service and helps to develop a positive customer attitude towards the brand.

**Keywords:** Experiential marketing and digital marketing, Online Platform

## I. INTRODUCTION

Experiential marketing is all about the impact, Emotion, and excitement. Experiential Learning Theory says that people learn from an experience through either becoming a part of it or analyzing it. Experiential marketing gives customers a chance to get to know a brand in person. It creates a platform to involve the customers and let the brands directly interact with the target audience. While traditional marketing puts the customers in the role of spectators, experiential marketing uses various activities to create personal interactions with the customers.

Trend Reports believes experiential marketing is any strategy, "that aid[s] in the creation of a memorable customer experience." On the other hand, Modern Communications, an experiential marketing agency, defines experiential marketing as a "method used to break through the chatter to reach today's overstimulated consumer with live and personalized experiences where they can see, touch, and interact with products and services firsthand."

Experiential marketing has become an important marketing strategy over time as marketers understand that the Consumers with stronger connections to brands have emotional responses towards them which may lead to true brand loyalty. This marketing strategy drives word-of-mouth advertising; research conducted by Google, Ogilvy, and McKinsey shows that consumers are influenced more by word-of-mouth when making purchasing decisions than they are by print media, television, movies, and brand websites.

## II. CREATING EXPERIENCES ONLINE

Experiential marketing creates experiences to entertain, inform, educate and let the users discover what the brands are all about by interacting with the brands in person. And creating experiences online could prove to be quite difficult. However, since the digital world came to, online experiences have become an important way to connect with the audience. Everything from YouTube videos, to social media campaigns, has increased not only in numbers but also in value. And as the digital world keeps on evolving the experiential marketing continues transforming with it, provided with various ways to create a meaningful customer experience.

Social Media hub for the customers and providing them the opportunities to share their views and messages effectively.

- Online conversations between consumers and brands
- Live videos on social media channels like Facebook live
- Blog writing and sharing customer experience with the brand
- E-mails or Tweets
- The hashtag for the experience
- Experience-dedicated pages on platforms such as Facebook and Twitter
- Real-time online Solicit testimonials
- Apps and games
- Virtual Reality experience
- Experiential Marketing and Social Media

Creating experiences through experiential marketing online could be rather difficult but if done successfully, it can provide a greater customer experience and attain a positive and satisfied customer.

## III. LITERATURE REVIEW

The study, "The interplay of online shopping motivations and experimental factors on personalized e-commerce: A complexity theory approach" (2017) discussed that the online shopping experience and online shopping motivations combine to predict high purchase intention. Price sensitivity and promotion were found to be the most important motivations. While it was reported that the personalized e-

shopping may be successful even when the quality of personalization is low. The results indicated nine configurations of online shopping experience and online shopping motivations that lead to high purchase intentions.

Another Study, "The effect of online and offline experiential marketing on brand equity in the hotel sector" García (2017) measures the relationship between online experiential marketing (during the purchasing process involving information search and booking) and offline experiential marketing (during the stay) with hotel brand equity. The results suggest that the experience during the hotel stay, contrary to that of the online purchase process, has an influence on hotel brand equity. Nonetheless, the online experience has a significant impact on the hotel stay experience. A strong and positive relationship between the level of experience garnered in the stay and the hotel's brand equity was found. This relationship is supported by recent studies advancing that consumers prefer to choose a brand mainly based on their experiential benefits and indicate that there is a direct and causal link between the service experience and its ability to generate consumer brand equity. The effect of online experience on the offline experience proved to be significant and positive.

A research in 2016 from PwC found that consumers aged 18-34 are more interested in spending their money on experience-related purchases. Those experiences in turn fuel the experience economy by channeling spending and leisure time to social experiences rather than material possessions.

Numerous marketing studies have shown that good customer experience drives customer loyalty and improves customer satisfaction. Indrawatia and Fatharani in their study, "The Effect of Experiential Marketing towards Customer Satisfaction on Online Fashion Store in Indonesia" (2016) researched the effect of Experiential Marketing variable which has five sub-variable (Feel, Think, Act, Relate, and Sense) towards Customer Satisfaction on Zalora online fashion store in Indonesia. The results showed that Experiential Marketing has a simultaneous significant effect on Customer Satisfaction. While four sub-variables of Experiential Marketing (Feel, Think, Act, and Relate) have significant effects on Customer Satisfaction. However, Sense does not have a significant effect on Customer Satisfaction.

Further a study, "Customer Satisfaction and Loyalty in an Online Shop: An Experiential Marketing Perspective" published in International Journal of Business and Management (2015) by Mei-Ying Wu & Li-Hsia Tseng attempted to explore the type of experience preferred by consumers of late, a well-known low-cost apparel brand in Taiwan, and further examine the relationship between customer satisfaction and loyalty. Results showed that perceptions of experiential marketing differed significantly on some demographic variable; experiential marketing was positively related to customer satisfaction and customer loyalty; customer satisfaction and customer loyalty were positively related, and experiential marketing was a significant predictor of customer satisfaction and customer loyalty. And sense was particularly effective in increasing customer satisfaction. But the perception of experiential marketing significantly differed by some demographic variables.

In the study conducted by Hsien, Nagasawa(2015), "Experiential Marketing Leading to Behavioural Intention - Testing the Mediation Effects of Information Search Cost" an attempt to understand the consumer consumption behavior based on the experiential marketing module proposed by Schmitt (1990) was made. It was found that the information search cost fully mediated the relationship between trust and behavioral intention, and partially mediated the relationship between self-esteem and behavioral intention. The comprehensive information on how to offer efficient marketing clues to invest the limited resource on the critical variables in order to maximize the sales volume was further explained. The relationships between the consumer trust and self-esteem with the elements of experiential marketing module were found. The study further reflected the growing recognition of the experiential marketing stimuli, as they were found in advertisement and selling effectiveness. Indeed, adding the free and relaxed atmosphere during the promotion activities and specialty store also can enhance the feel marketing which can increase consumers' trust and self-esteem. The experience of product usage also could enhance consumer trust toward the providers, leading a high level of behavioral intention.

"A Study of the Effect of Experiential Marketing on Customer Purchase Intention: Case Study of the Taipei International Sports Cycle Show" by Chen (2014) investigated the degree to which experiential marketing influences customer intent on purchase choices and to assess differences in experiential marketing across different demographic variables. They noted the significant difference in experiential marketing across different demographic variables, including age, educational level, and average monthly income. There was also a significant positive correlation between experiential marketing and the purchase intention of customers participating in exhibitions. All attributes of experiential marketing showed a significantly positive influence on purchase intention. It was concluded that through experiential marketing, the industry can enhance its contact and communication with potential customers by participating in exhibitions, and thus, increase customer intent to purchase for products highlighted and exhibited at this specific type of venue. Hence, exhibitors can bring in more experiential marketing activities for promoting customer purchase intention. Moreover, enterprises can relate unique experiences with marketing strategies to offer customers a holistic experience to facilitate their future purchase decisions.

"The role of experiential value in online shopping: The impacts of product presentation on consumer responses towards an apparel web site" a study Jeong (2013) mentions that website features affected the 4Es and three of the 4Es (entertainment, escapist and esthetic experiences) influenced pleasure and/or arousal. While the pleasure, arousal, entertainment, and esthetic experiences had direct effects on website patronage intention.

Also a study on "Online apparel retailing: roles of e- shopping quality and experiential e- shopping motives" by Sejin Ha (2013) examine e- shopping quality dimensions; explore how e- shopping quality factors influence consumer shopping outcomes (e- shopping satisfaction and e- shopping intention); and test the moderating effects of

consumer experiential e- shopping motives on the e- shopping quality – e- shopping outcomes links within the context of online apparel retailing. Among four e- shopping quality factors identified (privacy/security, website content/functionality, customer service, and experiential/atmospheric), website content/functionality and atmospheric/experiential quality have significant impact on e- shopping satisfaction contributing to e- shopping intention, while privacy/security and customer service have significant impact on e- shopping intention but not on e- shopping satisfaction. Furthermore, the experiential e- shopping motives play a moderating role in the e- shopping quality – e- shopping outcomes links.

Shobeiri, Mazaheri & Laroche has conducted various studies over the years in the field of experimental marketing. In their study, "Shaping e-retailer's website personality: The importance of experiential marketing (2012) they study the impacts of four experiential value types – aesthetics, playfulness, customer return on investment (CROI), and service excellence – on each of the five website personality dimensions of enthusiasm, genuineness, solidity, sophistication, and pleasantness. The findings show that e-retailers should use appropriate combinations of experiential values to portray their desired website personalities.

In a study, "Improving customer website involvement through experiential marketing" (2014) they investigate how a provision of experiential values by an online store improves the involvement of customers in the e-retailer's website. Findings confirm that esthetics, service excellence, and customer return on investment are effective experiential values in terms of improving e-retailer's assistive image and enhancing customers' involvement in the website.

While another study conducted in 2015, "Shopping online for goods vs. services: where do experiential features help more?" They further investigated how the type of offer sold online (goods vs. services) moderates the relationships between perceived experiential values and customers' attitudes towards the website. It was found that although offering experiential values on the site improves customers' attitudes for both physical goods and services websites, the impact is much stronger in the case of services.

#### IV. OBJECTIVE

The objective of this study is to explore the concept of experiential marketing and how it can influence the customers at the online platform.

#### V. RESEARCH METHODOLOGY

The study is conceptual in nature and includes the review of some papers. The study is based on secondary data which is collected through various online and offline sources including journals, newspapers, books etc.

#### VI. DISCUSSION

Experiential marketing is a growing marketing method, it helps to put the seller in front of their buyers and helps to create a lasting relationship. Experiential marketing is not just about entertaining the customers, it's a platform that provides the companies with a chance to showcase their product so that

they can attract the customers and motivate them to buy the product. The event needs to be unique and fun for the viewers, it needs to offer such extreme value that the viewers or participants will not only gain some unforgettable memories but also be prompted to share their experience through word-of-mouth, post videos, pictures, and comments on their social media page, follow the official event page and ultimately increasing the viewer's interest in the products and services the company offers.

A study conducted by Harris Group found that most of the millennials (72%) prefer to spend money on experiences over material things. Understanding the value of experiential marketing strategy more and more companies are organizing events online and offline to create a unique value for their customers. As per the study from Crossmark, three out of four marketers of a brand rated experiential marketing "very or somewhat" important. Further, a study from Freeman Research predicts that in the upcoming three to five years one-third of chief marketing officers will dedicate 21-50% of their budgets on experiential marketing. According to the EventTrack 2016 study by Event Marketing Institute, about 72% of consumers view the brands that provide quality experiences and event opportunities positively. And 74% say that experiencing events conducted by a particular brand makes them more likely to buy the promoted products. Further, it was seen that 73% of consumers post pictures, and 49% share videos of the events which help the promotion of the brand even more. Hence it can be deduced that experiential marketing will become an important part of marketing strategy for the brands in near future.

Nowadays people are living in the digital world, many studies concluded that today people are spending somewhat around six hours a day browsing through the internet. And the majority of that time is spent on social media. So it can be said that to develop a relationship with such customer marketers should focus their efforts more in this direction. As online shopping is growing at a very fast rate it has become an unavoidable trend for brands to offer their products online if they want to stay competitive in the market. But online shopping is different from the traditional way a customer makes purchases. While traditional ways allow the customers to directly see, touch and feel the product online shopping limits this contact. There exist a barrier of the screen between a buyer and seller allowing the customer to make their purchase decisions only on the basis of what they see. Hence it becomes even more important for the seller to make the customer feel connected and reinforce their reason to buy the product. Experiential marketing can be an effective marketing tool to strengthen the position of the brand in the online market.

Social media is not the only tool of experiential marketing but it has proven to be the most effective tool so far as it increases the effectiveness and reach of the event or promotion. Virtual reality technology is another tool used in experiential marketing which is on the rise and is expected to grow more than any other method in the future. Virtual reality technology gives the companies opportunities to engage the customers in a fictional world associated with the promoted product or service generating the emotional reactions in customers.

## VII. CONCLUSION

Experiential marketing and digital marketing go hand in hand, both enhance the value of the other creating a more effective and positive customer experience. Social Media is one of the most efficient ways to promote experiential marketing on the digital platform. It promotes the events by the means of authentic posts and promo videos. Social media focus on brand experiences. It can trigger people who know of the brand but haven't associated with it to have a second thought. It creates an online presence and allows customers to share feedbacks. It builds the buzz or promotes the brand through electronic word-of-mouth.

There are many challenges with experiential marketing at online platform. It is important to understand the risks associated with experiential marketing. Events not properly planned or maintained could turn into a disaster for advertisers and even waste a lot of time and money. But the results of taking such risks could be greater than any other promotional efforts. This useful and exciting approach puts the customers in genuine conversation with the product or service and helps to develop a positive customer attitude towards the brand.

## REFERENCES

- [1] Academy, U. (2019). A Study of the Effect of Experiential Marketing on Customer Purchase Intention: Case Study of the Taipei International Sports Cycle Show.
- [2] CastañedaGarcía, J., Del Valle Galindo, A., &Martínez Suárez, R. (2018). The effect of online and offline experiential marketing on brand equity in the hotel sector. *Spanish Journal Of Marketing - ESIC*, 22(1), 22-41. doi: 10.1108/sjme-03-2018-003
- [3] Pappas, I., Kourouthanassis, P., Giannakos, M., &Lekakos, G. (2017). The interplay of online shopping motivations and experiential factors on personalized e-commerce: A complexity theory approach. *Telematics and Informatics*, 34(5), 730-742. doi: 10.1016/j.tele.2016.08.021
- [4] Nurcahyo, B. (2016). The Role of Customer Satisfaction in a Relation of Experiential Marketing and Customer Loyalty. *Advances In Social Sciences Research Journal*, 3(1). doi: 10.14738/assrj.31.1774
- [5] Shobeiri, S., Laroche, M., &Mazaheri, E. (2013). Shaping e-retailer's website personality: The importance of experiential marketing. *Journal Of Retailing And Consumer Services*, 20(1), 102-110. doi: 10.1016/j.jretconser.2012.10.011
- [6] Kuo, C. (2019). Experiential Marketing Leading to Behavioural Intention - Testing the Mediation Effects of Information Search Cost.
- [7] Wu, M., & Tseng, L. (2019). Customer Satisfaction and Loyalty in an Online Shop: An Experiential Marketing Perspective.