

THE ST. LOUIS AMERICAN MARKETING ASSOCIATION PRESENTS

EXPERIENTIAL MARKETING – *HOW TO GET CUSTOMERS TO SENSE, FEEL, THINK, ACT, RELATE*

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by Lon Zimmerman, Zimmerman Marketing Research

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 do, what we offer in terms of products and service, and the more comfortable

they become with us and our companies, the more likely they are to buy from us.

Recently the St. Louis chapter of the American Marketing Association (AMA) conducted a roundtable discussion on Experiential Marketing with local area Chief Marketing Officers. This discussion was the fourth in a series sponsored by the AMA. During the session, the marketing executives discussed the challenges that they face in implementing Experiential Marketing strategies and tactics, and how they have overcome these.

PARTICIPANTS INCLUDED:

Mr. Mark Engel
Director of Global Mktg.
Communications
Solae, LLC

Ms. Kelly Hoskins
Director of Marketing
Wehrenberg Theatres

Mr. Jim Huhn
Marketing Director
Hunter Engineering

Mr. Richard Klassen
Vice President, Marketing & Sales
Delta Dental

Mr. Cliff Langston
Director of Marketing
Sigma-Aldrich

Ms. GeGe Mix
Vice President, Sales & Marketing
Dazor Manufacturing Corporation

Mr. John Salozzo
Director of Marketing
Craftsmen Industries

Mr. Sal Stazzone
Senior Vice President of Marketing
Beechnut Nutrition Corporation

Mr. Kim Tucci
President & CEO
The Pasta House Company

Mr. Mark Witzling
Vice-President, Marketing & Sales
Waterway Gas & Wash

The Roundtable discussion was designed and moderated by Mr. Lon Zimmerman of Zimmerman Marketing Research.

EXAMPLES OF EXPERIENTIAL MARKETING.

During the discussion the marketing executives raised a number of examples of companies that had been able to move beyond the old paradigm of features and benefits and were utilizing aspects of experiential marketing. Among the examples mentioned were the following:

At The Pasta House Company, what we are selling is the complete dining experience. It's not just food and beverage. That is just a small portion of it. It's selling a booth that doesn't have crumbs in it from the previous customer. The greeting, or when people are exiting, what do the host or hostess say to the customer. ... to compete we have to exceed customer expectations. And the only way we can exceed them is by what you are talking about, and that is the experience economy.

I think you see the blurring of product and service in a lot of areas. I think in Waterway's case, it's not just a car wash. It's an experience. It's everything that happens from the time you enter the site, to how you go through the experience and how you go through the transaction and you leave and how you are treated and all of those things.

Virgin Airways and how they changed a business class ticket from the strategy of moving you from your home to your destination and back. They pick you up in a limo, whisk you to a special club, put you on an airline, and give you a massage. When you get off the airline, they pick you up and bring you to your location and then they do the same thing on the way back. And all of this is included in the price of the ticket so you are not buying a business class ticket. You are buying a roundtrip ticket to and from your destination. They provide multiple senses.

Las Vegas was selling the experience long before anybody else.

The casinos are a perfect example. You can go to Harrah's. You can go to Ameristar and you can go to other casinos and just go to one slot machine. We know it's a one-armed bandit. You used to pull the thing down and if you got three cherries, you got your prize. Now my God! They focus on one slot machine even though there are thousands of them right next to each other, this thing here, the lights and the sounds, the themes. A friend of mine said I have to go to the Penguin machine. Another one is going to the Kenny Rodgers machine.

SUCCESSFUL IMPLEMENTATION OF EXPERIENTIAL MARKETING.

While companies seeking to implement Experiential Marketing efforts will face a number of challenges, they can increase their likelihood of success by following the recommendations offered by participants. These Chief Marketing Officers agree that many of the challenges of Experiential Marketing can be overcome by doing the following:

Spend sufficient time upfront developing customer insights.

Roundtable participants agree that it is critically important to devote sufficient time and money upfront to understanding the category, brand, and customer. Experiential Marketing based on true customer insights, provides the greatest opportunity for success.

You asked the question what challenges do we face in implementing this...you truly can't deliver it unless you have the consumer insights because it can't be relevant without the insights. Getting those insights at the level that you need to do to touch on all the senses, having a single minded proposition, having your senses engage in that, is a lot of work.

It doesn't cost any more to build what we call the total product experience. It just takes deep consumer insights and thoughtfulness on the very front end. So with that I think you can take a single minded proposition like something that is natural and build what natural looks like, smells like, tastes like, feels like and in many cases how someone would kinesthetically interact with the product. When you think through that on the front end, you can build certain things into the process. They don't necessarily have to cost more. It's just the thoughtfulness that goes into it.

At The Little Tykes Company we produced the playgrounds you see in parks, schools and at McDonalds. We developed a whole set of products around what we called Inclusive Playgrounds, playgrounds for children of all abilities. We knew nothing about children with disabilities so we setup a partnership with the St. Louis Children's Hospital. We learned about children who were hearing impaired and visually impaired. Then we created elements in the playground that built on all the senses.

Recognize the needs of stakeholders.

While customers are the most frequently mentioned source for marketing insights, it is also important that marketers recognize the importance of insights that can be obtained from other stakeholders such as franchisees, distributors, installers, and other end-users. It is important to have on-going input from these channel partners in order to stay focused on what is relevant to them.

One of the key things as marketers that I think we need to do is to truly understand not just the consumer insights or customer insights but insights regarding all our stakeholders. As marketers, we can't control everything. I didn't control the installation of my product but I had to control as much as I could control. So for example I had to make sure that the installation instructions were so easy that they could be done. I had to make sure that I understand what their needs were in installation to get rid of the problems.

We as marketers really need to understand all of our stakeholders. In many cases, it might be the suppliers who we are getting us stuff. We can ask for stuff to come in differently. I need it packed like this or packaged like that so it fits in our fridge. If you don't think about how a product is going to be merchandised, you might create a package that doesn't work for the customer. For example, they made this box too big. It didn't fit on the shelf at Walmart, someone didn't take the time to look at merchandising and Walmart sent it back.

Get Buy-In throughout the company.

A prerequisite for successful implementation of Experiential Marketing is to make sure that the organization adequately understands and appreciates the importance of the “total product experience.” Experiential Marketing, like all marketing, must be understood and appreciated.

The Chief Marketing Officers recommend that marketers engage other members of the organization early and consistently to get buy-in on the importance of the total product experience. It's not enough to just do the research. It's important to get direct reports and others involved in listening to the consumer and creating ownership in the process.

One of the things that I've done is to try and engage a cross functional team. So for example, I won't do research

with just marketing. If R&D is not going to join me and Operations is not going to join me on these research pieces, whether it be doing in-home stuff, evaluating form or function, or doing focus groups or observational work or participating in what I call the generation of hypotheses, if I'm not going to get cross functional support, I don't even waste my time. Unless you have that you are not going to get buy-in.

You drop an R&D person or an Operations person in one of these groups and you ask them questions. What did you hear? How is that important? They go back to the lab and start creating stuff on their own. It's incredibly inspiring but you have to make it fun and you have to get it built into their jobs.

Ongoing training of staff is critical to being able to offer a consistent total product experience.

The marketing executives also agree that training plays a key role in successful implementation of experiential marketing. In most categories, people deliver the total product experience to the customer. Therefore, it is critical that this experience be delivered in a consistent manner over time and across geography. The best way to ensure this consistency is through ongoing training.

I think the other key factor is consistency. Especially if you reach out and you've got multiple locations, how do you ensure that the same experience is being delivered, every time, every day, in every location. That gets very difficult because invariably people vary. No matter how well you train them, at some point they are out there on their own. It's how you train your people. At the end of the day the experience is delivered by the people. It's not delivered in any other way.

All new hires have to come through our office. If they are in the St. Louis area, they are trained at our school there. If not, I have to go out on the road to our franchise and them to learn that they are selling a complete dining experience.

Everybody comes in and goes through the same school. It's a concentrated program. Same program by the same people. It's very consistent.

*For more information about this or future
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