

CREATING THE CLUB EXPERIENCE

Experiential marketing was once regarded as just a branch of field marketing, but it's fast emerging from the shadows as many businesses realise how it helps develop brand perceptions. So, what exactly is experiential marketing and how can your club benefit from it? To find out, *Club Life* caught up with Alan Riva, General Manager and Director of Experiences at Kaleidoscope Marketing Communications to find out more. His belief in the power of experiences has shaped his work for countless brands and businesses around the globe. And, his passion for experiences has led him to seek them out, from developing the Salamander Eco-Resort in Belize and building an Adventure Travel company in the Himalayas to building brand experiences for some of the world's best known brands including Foster's Lager, Gillette, Emirates, Chevron, and Panasonic. Whether it's through sponsorship, branded content, events, promotions, retail, or digital channels, Alan Riva aims for what he feels is rich territory for brands in the new communication landscape – contextual engagement. Put simply, creating connections with audiences at the right place and at the right time with the goal of inspiring actions that deliver value.

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Alan Riva, General Manager and Director of Experiences,
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Club Life: Experiential marketing seems to be the latest ‘buzz’ term, with a lot of businesses embracing this modern phenomenon. But what is experiential marketing? And, what role does it play in the customer relationship?

Alan Riva: Experiential marketing can quite easily be defined by going back to the root of the word. It’s an experience that is created with the purpose of engaging an audience in a brand on an intellectual, emotional, and multi-sensory level. My personal view is that experiential marketing, as the Australian market currently defines it, is only the tip of an experienced-based communication model that continues to revolutionise how brands are connecting with, and inspiring, their audiences across the world. Experience-based marketing is recognised globally as a fundamental building block to delivering short- and long-term value for a brand through its unique ability to create connections with a customer that inspire actions.

CL: Furthermore, what does experiential marketing offer and/or deliver that’s driving more and more companies to shift substantial investment towards it?

AR: The single-minded benefit of experiential marketing is that it provides companies with the tools to reconnect with their audience in a respectful and authentic way, something that was lost in the mass media landscape. When done well, these connections can be transformed into actions that create value for the brand and the business it represents. Importantly, to put this in the context of a traditional advertising model, traditional advertising focuses on an oratory approach to communication – for example, a Guinness advert telling you their stout is good stuff – tell as many people as possible, over a long enough period, and hope some of them believe you just enough to try it.

The alternative is an experience-led approach which invites your audience to discover on a multi- sensory, intellectual, and emotional level why the brand is right for them – for example, the Guinness storehouse where the brand becomes the host to thousands of inquisitive consumers who are able to discover every inch of the brand in an interactive experience. Then as with all human nature, positive experiences are shared with friends and the powerful word of mouth snowball starts to gather momentum.

As to why companies are shifting their investment toward it, this really just comes down to simple economics. Firstly, the market (consumers) demands it (they switch

off when brands preach to them) and secondly, when done well, with long-term commitment and integrated well into your new marketing mix, it delivers strong returns.

CL: Can you give us some examples of successful experiential marketing campaigns and why/how they achieved the results they did? And, is there anything we can learn from these examples?

AR: There is certainly no shortage of great examples of experiences delivering value for a brand. Still one of the greatest retail brand experiences of the last five years is *The Simpson’s 7-Eleven* activation in the US. The experiential campaign called attention to 7-Eleven stores’ fresh foods and proprietary beverages by promoting Twentieth Century Fox’s *The Simpsons Movie* with a dozen 7-Eleven stores transformed overnight into Kwik-E-Marts, the fictional convenience store made famous in *The Simpsons*. There are many lessons that can be learnt here, but I think some of the key ones are: 7-Eleven discovered and committed to an idea that provided the opportunity to connect with their target customers en masse, but also at depth they had never previously connected on. They then developed a customer journey that identified the most powerful points of engagement with their customer. And finally, they developed and executed a series of experiences that brought the concept to life in an entertaining and engaging way. I think the results say the rest... the campaign resulted in a 10-20% increase in sales nationwide, store visits up by 500%, and 20% increase in repeat visitation.

CL: By using an integrated methodology which includes experiential marketing, how can it help develop and maintain brand relevance?

AR: If you take the view that the relevance of a brand is measured by its ability to connect with its audience in an authentic, timely, and meaningful way then experiences are one of the most powerful tools you possess. Experiences, by definition, are immersive and interactive and as such they have the ability to transmit the relevance of your brand in a far deeper and more authentic way than almost any other communication form. It therefore follows that experience centric marketing must at worst be part of your integrated mix and at best it should be at the core.

CL: Now, is it a case that ‘engagement’ is the final piece of the puzzle to convert the eluding consumer into believers? And, is adding a ‘life form’ to a brand critical to →

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its longevity? Or, does it all go deeper than simply as an alternative means of creating product differentiation in a highly saturated market?

AR: Firstly, I consider 'engagement' as an important step for the marketing and advertising industry as it has required a big shift in the industry's mind-set from pushing messages onto the public to now seeking to 'engage' in dialogue. I don't think this is where it ends though as authenticity will continue to grow as a massive 'piece of the puzzle.' One could argue that authentic engagement may be the pinnacle in attracting and retaining customers.

Secondly, adding a 'life form' or transforming your brand into an experience or host for positive experiences is a key means to creating sustainable growth of your brand and business. Take *Red Bull* for example – as a product it's a carbonated drink with a few additives, not too dissimilar from other fizzy drinks. But as a brand it has a unique relationship with a critical mass of consumers, all based on the extreme lifestyle *Red Bull* stands for and the extreme experiences it provides. As such, experiences do go deeper than just product differentiation; they provide employee engagement, the opportunity to build new revenue channels, and much more.

CL: Obviously an important element of experiential marketing is to create brand loyalty. Is loyalty a difficult element to achieve and maintain in the customer relationship and how can it be achieved and/or reinforced through experiential marketing?

AR: The ability for an organisation to create loyalty within its customer base is a complex challenge and one that obviously varies with factors such as the price sensitivity of a market and so on. However, on the question of do positive experiences engender loyal behaviour, absolutely yes! A recent report in the US by Forrester across 12 industries found that, in all industries sampled, a positive customer experience correlates to consumers' willingness to repurchase, reluctance to switch, and likelihood to recommend brands.

CL: Many marketers often say when done right, experiential marketing is the most powerful tool out there to win brand loyalty. Is this right, and why?

AR: I believe loyalty is, in most cases, engendered by a mix of the three following rewards for a customer: Financial, intellectual, and experiential. Each can be

incredibly powerful when used in the right context, however experiences are the most difficult for competitors to copy; they develop the deepest relationships; and, they are most likely to get your customers recommending you to other potential customers.

CL: Is sole reliance on traditional media and marketing becoming far too risky nowadays? Or is it a case of traditional media and marketing playing a role in an overall holistic strategy?

AR: Is there a greater risk in the sole reliance on traditional media? Yes, there are many risks in bundling your budget into an out-of-date approach in the fragmented environment we now operate in. One key risk that affects the value any business can extract from each customer is related to something we call the *Experience Gap*, which is simply the gap between your customers' expectations and the reality they experience. Traditional advertising is built on its power to build desire and expectation. It follows then that solely investing in building expectation and not delivering on it will significantly reduce customer loyalty and leave your business in a costly cycle of customer acquisition dependence.

Saying that and looking at the above scenario in reverse, traditional media and marketing certainly still has a big role to play. If delivering a positive brand experience is at the core of your business then all other media becomes a magnifying glass that amplifies your great work and there is no gap.

CL: With 'personal experience' being one of the focal points of experiential marketing, why has the personal experience become a key component for businesses today?

AR: It simply comes down to human behaviour. We are experiential beings and as such it's through experiences that we learn best; it's experiences that we remember most deeply as we share and talk about experiences; and, it's experiences that create the strongest bonds between peers, friends, and loved ones. Leaders such as Rich Teerlink, Dietrich Mateschitz, and Howard Schultz believed in this so deeply that they transformed their successful businesses from manufacturing and retail businesses into businesses that focused on being a host for positive personal experiences. Looking at the bottom line of *Harley-Davidson*, *Red Bull*, and *Starbucks* respectively, one would have to say that their belief in the transformative power of experiences in business is well founded.

CL: Are customers really looking for a personal experience and engagement with the products and services they choose to purchase? And, how has the consumer changed in that experiential marketing has become such a prevalent force within the business marketing formula?

AR: Yes, customers seek out experiences every day. A *Sponsorship Research International* survey found that 85% of consumers want to touch, smell, taste, or hear a product. I think the big change has come about due to the fact that we as people have been over-saturated with messages pushed at us through traditional media and we're simply no longer paying attention. We want a slightly deeper, more engaging, and often more entertaining relationship with the brands we choose to let into our lives.

CL: With New South Wales clubs offering a wide range of different experiences for its members and customers, how can clubs capitalise on and benefit from experiential marketing? And, what can they do to incorporate it?

AR: Experiential marketing, when applied correctly, can deliver clubs increased sales, trial of new services/products, loyalty, and word of mouth recommendation. To do this, it starts with knowing your customers intimately; next you move to mapping the customer journey, both inside and outside of the club. Then you look at the key 'experiential hotspots' that you can leverage to affect the change in behaviour you desire. Like most of the things we do, it's illusively simple, but for long-term success you need to be committed and have the right team on board.

CL: Can experiential marketing provide measurable evidence of achieving objectives as other elements within a marketing strategy can be?

AR: Experiential marketing is not channel specific and as such there are numerous measurements that can be used that both incorporate traditional metrics but that also measure the depth of engagement, propensity to increase purchase intent, customer retention, and so on. An *Experiential Marketing Insights* survey by *Event Magazine* and *Polaroid* measured the change in purchase consideration following an experiential interaction with a brand and found that males had a 90.1% and females a 86.6% increase in purchase consideration for a product/service they were aware of but haven't yet used. For a product that they were not aware of and hadn't used, the results were equally as powerful, males at 82.2% and females at 75.7%.

Some of the measurable strengths of experiential marketing include:

- **Depth of Engagement:** From 3 minutes to 30 minutes and beyond. Brand experience marketing is the most powerful driver of deep and rich engagement with your brand.
- **Depth of Understanding:** Weaving key product benefits into the experience drives an unparalleled understanding of the relevance of the product to your audience's needs.
- **Emotional Connections:** The strongest connections we make in life are through shared experiences. Put your brand in this space and build a base of lifelong brand fans.
- **Brand Trust:** Again it comes back to human nature. We trust more through experiencing than through being told – traditional communications vs. experience led marketing.
- **Word of Mouth Advocacy:** Stories are the simple by-product of great experiences. As social beings we share experiences so all we need to do is create the vehicles to extend the return on experience for your brand.
- **Research:** When you've created an experience that delivers all the above, people are happy to talk to you. One example, *Charmin Rest Rooms* in New York delivered over 300,000 live interviews over an 8-week period as a value add to the brand and business building campaign.
- **Sales:** Most important of all. Purchase consideration, intent, and sales increase when your consumers trust, understand, and connect with your brand.

CL: Finally, there is an insight driving the proposition that taking a positive approach to marketing in an economic downturn is an opportunity too good to miss: Doing so intelligently will lead to a stronger bottom line, as well as increase the profile and credibility of your brand. What role should experiential marketing play in the overall marketing strategy, and is it too an opportunity too good to be missed?

AR: If your strategy is to minimise your exposure and maximise returns then I would suggest most businesses would be looking at customer retention vs. acquisition. This being the case and experiences being a key driver of loyalty and advocacy then yes, experiential marketing is an opportunity too good to be missed. ■