

Key findings

- > Experiential marketing drives purchase and consideration across age, gender and ethnicity
- > 70% of consumers say participating in experiential marketing would increase purchase consideration
- > 66% say experiential marketing is extremely/very influential on brand/product opinion
- > 57% say participating in experiential marketing would result in quicker purchase
- > 9 in 10 say the most important thing they want from marketers is to “give me information about the brand/product”
- > Consumers say that seeing/trying through an experience is the most effective way to get that information
- > 8 in 10 consumers who have participated in a marketing experience told others about it
- > 7 in 10 consumers say participating in a live experience would make them more receptive to the brand’s marketing

GENERAL MOTORS
HUMMER H3 BLACK EYED PEAS
CUSTOMER AND PRESS EVENTS



Experiential Marketing

A Survey of Consumer Response

> BY LIZ BIGHAM

As marketers, we live in a time of enormous change. The consumers we want to reach are empowered with more product choices, more sources of information and more ways of receiving—and resisting—marketing messages than ever before.

We can decide that these new realities make our jobs as marketers a lot harder—or we can figure out how to do our jobs as marketers better.

There are two ways we can do our jobs better. First, in an age when the consumer is in control, we can ask consumers how they want to be reached and engaged. Second, we can innovate new marketing solutions that reflect these preferences. It is in this spirit that many leading marketers are investing growing sums in events and live experiences that reach consumers directly, when and where they are most receptive—thereby avoiding the avoidance of mass media that is rife today.

Given the rise in spending on experiential marketing¹ and a desire to provide insights into how to engage consumers in today’s shifting marketing landscape, Jack Morton Worldwide commissioned a consumer survey to gauge response to experiential marketing². Building on Jack Morton’s 2004 Experiential Marketing Survey, the current study also examines the connection between consumer communication preferences, lifestyle and marketing responsiveness. Additionally, it offers a richer view of how response varies among different demographics.

Data was independently gathered by a third-party research partner March 11–21, 2005 via an online survey of 2,574 consumers in the top 25 US markets, equally divided by gender and age (13–17; 18–23; 24–37; 38–49; 50–65). Responses were assessed overall and analyzed for statistically significant differences among gender, age and ethnicity (Caucasian, African-American, Hispanic and Asian-American). Key findings follow.

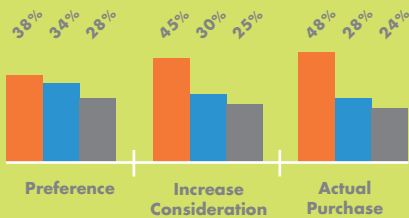
Experiential marketing drives consideration and purchase across groups

Consumers link their brand decisions to experiences. Across gender, age and ethnicity, consumers indicate that experiential marketing is more likely to influence both consideration to purchase and actual purchase than other forms of marketing tested. In a comparative scenario, 50% of all respondents said experiential marketing was more likely to cause them to consider and purchase a cell phone product than a TV ad (33%) or an Internet ad (17%). 50% also said experiential marketing was their preferred method of hearing about the product overall. Purchase influence was even greater in response to other product scenarios: for example, 48% of men and 63% of women said experiential marketing was more likely to lead to actual purchase of a personal care product.

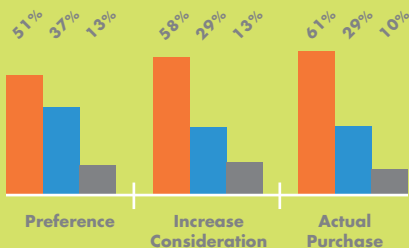
For many demographics, live events are also the preferred medium of communication. Across demographics, 66% say experiential marketing is extremely or very influential on their opinion of brands and products; 70% say participating in experiential marketing would increase purchase consideration; and 57% say it would result in quicker purchase.

Experiential marketing: leading driver of consideration and purchase

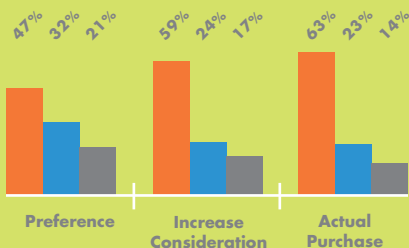
PERSONAL CARE PRODUCT
(Men, 18-65)



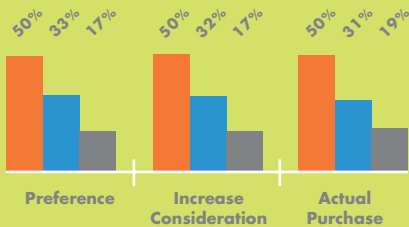
ATHLETIC SHOE
(Men + Women, 13-17)



BEAUTY PRODUCT
(Women, 18-65)



CELL PHONE
(Men + Women, 13-65)



% RANKED #1

Q. Please rank order the scenarios in terms of the preferred method that you would like this company to communicate information to you.
Q. Which of the scenarios is most likely to cause you to consider purchasing this product?
Q. Which of the scenarios is most likely to cause you to actually purchase this product?

Marketers should be confident that experiential initiatives can yield strong response across demographics. However, response is significantly stronger among women (who make and wield significantly greater influence on purchase decisions across categories), younger, 13- to 23-year-old consumers (who are extremely important to future growth) and Hispanic consumers (who represent the fastest-growing ethnic group in the US).

Consumers want marketing to be informative, relevant—and experiential

Since marketers must always balance what they want to tell consumers with what consumers are interested in hearing, we asked consumers: what messages are most important for marketers to communicate to you? Across gender, age and ethnicity, consumers consistently rate three things as most important for brands to communicate: 1) “give me information” (89%); 2) “explain what the product/brand stands for” (75%); and 3) “relate to me through my interests and concerns” (73%).

Interestingly, almost all groups also agree on how brands can best communicate these messages: by giving them a chance to see and experience products and brands for themselves, either at an event or in a store. Almost half of all consumers say that direct, one-on-one interaction such as that provided by experiential marketing is more effective than TV, radio, print, the Internet, mail or hearing from someone they know to give them the information they want, explain what the product or brand stands for and demonstrate its relevance.

Across product categories, consumers want to be engaged

We also asked consumers how they want to be communicated with across product categories. In 11 out of 14 categories, consumers indicate an overwhelming preference for learning about products either by seeing and trying them for themselves at an event or in a store or by hearing from someone they know. Again, they prefer personal engagement over TV, radio, print, the Internet or mail.

It’s not surprising, then, that when asked about the influence of experiential marketing on product or brand opinion, consumers say experiential marketing is extremely

Experiential marketing: most effective medium for marketers' most important messages

MEN	WOMEN	WHAT ARE THE MOST IMPORTANT MESSAGES YOU WANT TO HEAR FROM BRANDS/PRODUCTS? **	→	WHAT ARE THE MOST EFFECTIVE WAYS FOR BRANDS/PRODUCTS TO COMMUNICATE THESE MESSAGES? ***	MEN	WOMEN
73%*	77%	“Explain what the brand stands for”	→	See and try it for myself, at an event or in store	48%*	53%
73%	73%	“Relate to me through my interests”	→	See and try it for myself, at an event or in store	47%*	52%
69%	69%	“Engage me on a personal level”	→	See and try it for myself, at an event or in store	59%	62%
64%*	69%	“Show me how to spend my money wisely”	→	See and try it for myself, at an event or in store	46%	49%
55%*	50%	“Entertain me”	→	Television	75%	74%
36%*	44%	“Show me what’s cool/trendy”	→	Television	46%	49%

*Indicates a statistically significant difference at a 90% confidence level to women.
Indicates extremely/very important. *Indicates most effective medium for communicating message.

or very influential. For men and women, food and beverages, music and entertainment and computers are most influenced by experiential marketing; women are more receptive to experiences related to personal and household products and healthcare, and men more receptive to experiences related to electronic games, cars and banking and financial services.

Impact increases when consumers are in a shopping state of mind

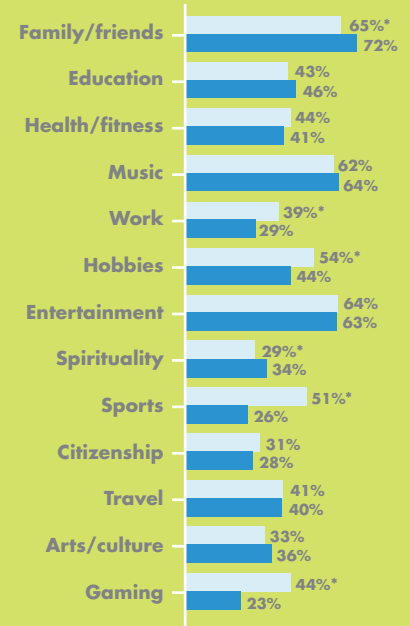
Among today’s pioneering trends is the rise of new retail strategies for connecting with consumers. From “pop-up stores” to interactive and theatrical displays, retail innovations are at the forefront of the experiential economy. Not surprisingly, consumers demonstrate greater receptiveness to experiential marketing when they are already primed to be in a shopping state of mind. 68% of men and 74% of women named retail settings (stores and shopping malls) as their number one location for being engaged by experiential marketing. The majority of men and women would be willing to spend more time there (15 minutes). In a scenario relating to a cell phone product, 76% of men and 80% of women said they would most prefer a live marketing event were they to encounter it “opportunistically” in a store or retail setting versus being invited to attend an event.

Experiential marketing is enhanced by and builds word-of-mouth

Experiential marketing is strongly linked to “word-of-mouth,” a trusted form of marketing among consumers in an age when so many communications are virtual and impersonal. Word-of-mouth is the most effective source of event awareness, with nearly two-thirds of consumers (63% men, 64% women) indicating they would be most likely to participate in an event after hearing about it from someone they know; in contrast, less than a third say that hearing about an event from media would have a similar effect.

More importantly, almost 75% of consumers indicate that after participating in an event they would tell others about the experience, a response that is even higher among women and teens. Indeed, of the consumers who said they had participated in a live event marketing experience in the past, almost 8 out of 10 report they told others about the experience.

Lifestyle interests where consumers would be most receptive to marketing experiences



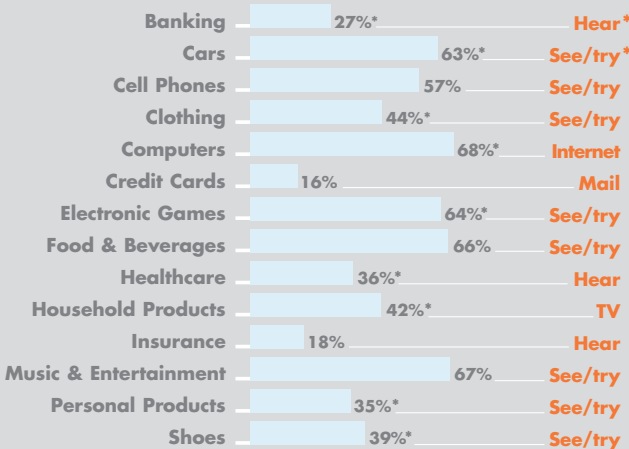
* Indicates a statistically significant difference at a 90% confidence level to women.

Influence of experiential marketing is strong across product categories

MALE

(% EXTREMELY/VERY INFLUENTIAL)

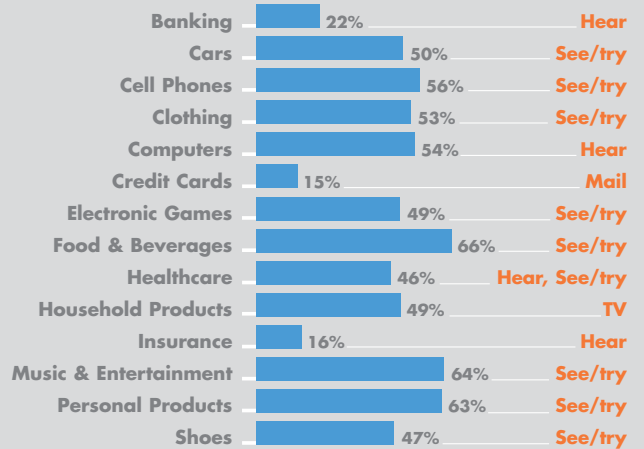
PREFERRED MEANS OF LEARNING ABOUT CATEGORY



FEMALE

(% EXTREMELY/VERY INFLUENTIAL)

PREFERRED MEANS OF LEARNING ABOUT CATEGORY



* Indicates a statistically significant difference at a 90% confidence level to women. ^o See/try = Seeing/experiencing at store/event [^] Hear = Hearing about brand from someone you know

Consumers connect lifestyle to experiential marketing

Associating products and brands with positive lifestyle touchpoints is an effective way to enhance the impact of marketing messages. Indeed, 70% of all consumers say they would be much more likely to try a product or brand after participating in a live event marketing experience associated with something they enjoy. The challenge for marketers is to identify appropriate lifestyle touchpoints for their targets. We asked consumers both what lifestyle interests are most important and how receptive they would be to events associated with these interests. Both men and women agreed that they would be extremely or very interested in marketing events tied to family/friends (68%), music (63%), entertainment (63%) and hobbies (49%). Men significantly more than women cite sports, gaming and work as lifestyle touchpoints where they would be interested in marketing experiences; while women cite spirituality significantly more than men.

Past participation in experiential marketing fueled consideration/purchase

In addition to asking consumers about their likely response to experiential marketing, we also asked: have you actually participated in a live event marketing experience in the past? 27% of all respondents said they had. The majority reported that their experiences were extremely or very positive, with positive ratings highest among teens (76%). 47% of consumers say that the experience led to significant increases in purchase consideration, a figure that rose to 72% among 18–23 year olds. 39% of women reported that the experience led to actual, post-event purchase of the product or brand, and 8 in 10 said they told others about the experience.

Experiential marketing enhances overall marketing effectiveness

Addressing marketers' ongoing struggles to achieve integration, investing in experiential marketing clearly enhances response to other marketing media. 75% of consumers say that participating in experiential marketing for a brand or product would make them more receptive to its advertising; 68% say experiential marketing would make them more receptive to a brand's overall marketing efforts.

Lesson for marketers: "The experience is the marketing"

The ultimate lesson for marketers—to borrow a phrase from the title of an influential essay by Joseph Pine and James Gilmore³—is that "the experience is the marketing." Across demographics and product categories, consumers view experiences that engage them directly as their preferred means of learning about brands and understanding how brands are relevant to their lifestyles. They see experiences as more likely to influence consideration and purchase. And many even see experiences as a preferred marketing medium across the board.

As consumers themselves are saying, there are ample opportunities to reach and engage them through marketing experiences. As marketers, our increasingly experiential landscape provides a rich ground for growing stronger brands, products and consumer relationships.



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ABOUT JACK MORTON

A leading experiential marketing agency with global reach, Jack Morton Worldwide creates experiences that help the world's best companies improve performance, increase sales and build brands. With expertise in internal branding, BtoB marketing, consumer marketing and public events, Jack Morton is an end-to-end partner in conceiving and executing experiential marketing campaigns that integrate live events, branded environments and interactive media. Founded in 1939, Jack Morton has a staff of 600 employees throughout the United States, Europe and Asia-Pacific, and is part of the Interpublic Group of Companies, Inc. (NYSE: IPG).

CONTACT

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1. According to *PROMO*, 2004 spending on experiential marketing was \$166 billion, a 9% increase over the prior year.
2. Data was independently gathered by Sponsorship Research International (SRI). Experiential marketing was defined as "live events where you can see and try a product for yourself or talk about them with a live representative, which might include entertainment elements and other hands-on experiences."
3. "The Experience Is the Marketing—A Special Report," by James H. Gilmore and B. Joseph Pine II.



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