

UNDERCOVER MARKETING

SELLING AN EXPERIENCE

Craig Silverman



Twenty-five years ago, Max Lenderman, his sister, mother and father, left the USSR and made their way to the United States. At first, he barely spoke any English, ate cabbage sandwiches for lunch and had no real friends. By the time he went to university, Lenderman was a varsity soccer player, and well on his way to becoming the social chair of his fraternity.

All this to say, he's good at identifying and adapting to his surroundings (if you ignore the three times he caught malaria while serving in the Peace Corps). So, when a boxy car pulls in front of the vehicle he's driving, Lenderman doesn't miss a beat. "That's a Scion," says Lenderman, the 32-year-old vice president and creative director of Gearwerx, a Montreal-based alternative marketing firm.

Of course, it's not the car itself that he cares about—it's what the car represents. Scion, a brand of car aimed at the 18- to 25-year-old U.S. car buyer (there are currently no plans to bring it to Canada), was launched by Toyota using one of the strangest marketing strategies ever developed for a car.

Scion employed the new rules of marketing, which is to say it broke almost all of the old rules: no TV or print ads and no sales reps waiting to sell you one at a dealership. In fact, for months, they only had one Scion to show people.

What Scion did instead was to stage events with up-and-coming and established DJs, create sampler CDs and sponsor art exhibitions. The cars (or rather, car) would be parked out front of the event, but no one from Scion would be trying to sell it. The Scion team would occasionally pull up outside a store or restaurant and offer a free test drive with no pressure to buy. Anyone who took them up on the offer would then receive a gift certificate for the store or restaurant they were already patronizing. The idea was to have potential buyers experience the car in their everyday lives, not to force it on them through mass media and sales tactics.

"If we were serious about getting their business, we had to change more than the cars," says Brian Bolain, the national sales promotions manager for Scion. "We changed the way we do business: on the Internet, in dealerships and in our marketing. It was a very holistic approach to starting a new auto brand."

For marketers like Lenderman, the Scion campaign has become a clarion call for a new way of dealing with consumers. "The overwhelming ethos behind Scion was that they do everything non-traditional in terms of the way they were going to seed the car, sponsor the parties and be involved in the community before a single ad was bought," says Lenderman. "We are only hearing about this now, but they have been seeding this car for more than a year."

For a major carmaker to launch a new brand without any mass media advertising or a huge launch at the Detroit Auto Show would have been considered suicide only a few years ago. But, as Lenderman will happily tell you, the face of marketing is changing. And this, in turn, means that the way products and services are presented to you is changing.

The goal is no longer simply to have you buy a product, but rather have it become a part of your lifestyle. The old adage "you are what you eat" is, for marketers, becoming "you eat what you are." Everything you consume and purchase is now aimed at

appealing to, and defining, your lifestyle. Young and upwardly mobile? Drive a Mini, listen to an iPod, carry a camera phone. Health-conscious and athletic? Drink "enhanced" waters, eat power bars, wear New Balance shoes.

Marketers want to create an emotional attachment between you and what they are selling. They want you to see a Scion at great parties and start associating it with the things you care about: music, art and your community of friends. They want to offer you an experience, not just goods or services. And that means jumping off of the pages of magazines, out of the screen of your television and into your neighbourhood. It's called "experiential marketing" and it's slowly changing the way you encounter products and services in your everyday life.

"There's this running theory right now that Western economies have gone from commodities to goods to services," says Lenderman. "And at end of services, we are moving into experience: the experience economy." Two Harvard economists, B. Joseph Pine II and James Gilmore, in their 1999 book, *The Experience Economy*, developed this theory.

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Pine and Gilmore wrote that, "The next competitive battleground lies in staging experiences. An experience is not an amorphous construct; it is as real an offering as any service, product or commodity. In today's service economy, many companies simply wrap experiences around their traditional offerings to sell them better. To realize the full benefit of staging experiences, however, businesses must deliberately design engaging experiences that command a fee."

This theory has given rise to experiential marketing (XM), the discipline that Lenderman now finds himself writing a book of his own about. His working title is *The Experience is the Message*; another book, *Experiential Marketing* has already been published by someone else (Bernd H. Schmitt).

In a section from his book, due out next year, Lenderman writes about how "mainstream marketers—those rooted in Madison Avenue boardrooms, those with black-rimmed glasses and a penchant for Cannes trophies, and those who actually look forward to Wal-Mart corporate retreats and sales conferences—are not keeping pace" with the changing world.

"*The Experience is the Message* is a call to arms for 'prosumers.' It is a long-awaited message to the corporate structures and their mass media lackeys to shutter their one-way dialogue and engage in true dialogue with an increasingly sophisticated consumer," he writes. (For a definition of "prosumer," see our sidebar "XM at a Glance.")

Lenderman and I are seated on the grass at the Molson Indy in Montreal. He brought me here so I could watch the theory being put into practice. Around us are giant tents and trucks from motorbike and car companies, airlines and sauce makers. They crowd the pathway to the paddock, and each company has its own gimmick to attract passersby. Jetsgo, the company that Lenderman's agency is working for today, has opted to put its representatives on Segways and have them scoot around and try to get people to sign up for its frequent flyer program. The idea is to create a relationship between one cool form of transportation (Segways) and another (Jetsgo). People will see the Segways, the theory goes, and then remember how cool they were and therefore remember Jetsgo in the process.

"The bottom line isn't to talk about a product, it's to get people to remember it and have an unbelievably positive association with the memory that lasts and sparks word of mouth years after the campaign is over," he says.

Of course, it's not as simple as renting a few Segways and finding competent ambassadors for the brand to ride them. While the crowd at the race may occasionally pool around one of the Segways and then move on, there are people within the discipline who don't give you the option to avoid the message—people like Ron Bensimhon.

You might not recognize his name, but you probably know his torso. Bensimhon is the tutu-wearing Canadian who belly-flopped off a diving board at the Athens Olympics with an advertisement for a Quebec-based on-line casino painted on him. His branded torso also made an appearance at the World Figure Skating Championships earlier in the year.

Bensimhon's exploits have created a memory in the minds of millions of people, and most likely even spurred a few of them to visit the casino at GoldenPalace.com. But this type of marketing, which would seem to fall under the XM banner, drives someone like Lenderman crazy. In fact, he calls it "terrorist marketing." Lenderman feels so strongly about it because he realizes that these stunts give his discipline a bad name.

"Terrorist marketing just wants to get a big rise, get blip on the radar screen and provoke in an unintelligent way," he says. "How many times are you gonna streak and still be taken seriously? I'm sure they'll say what cost them \$50,000 to do would cost Visa or Nike millions in advertising. And they've got a good point. But how has the consumer benefited? It does nothing but provoke needless attention."

Practitioners of XM must walk the line of being present and memorable without being in your face. If Scion had parked 10 cars in front of a restaurant and screamed for people to get in the car and test it, they likely would have turned off targeted consumers. But park one or two and just hang... well, that's cool.

The difference is not evident to everyone, and so, a group of leading XM marketers in North America and Europe created the International Experiential Marketing Association (IXMA), a trade group to help set standards of conduct for the industry.

"If you have 12 companies on a street corner it's not good," says Erik Hauser, the director of IXMA and creative director of Swivel Media in San Francisco. "It gives us a negative rap and presents a bad image."

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IXMA is also about raising the profile of this nascent practice, and Hauser is quick to say that traditional marketing just doesn't compare. "Experiential marketing offers a higher quality impression," he says. "What's better—an ad in a newspaper or an invitation to an exclusive test program in a non-sales atmosphere where you get to take a car for a 24-hour test drive? They don't even match up."

Another area where XM and traditional mass marketing don't match up is in terms of measurement. When an ad is purchased in a newspaper or magazine, there are a guaranteed number of readers who will be presented with that ad. Spots on radio or television offer equal forms of measurement, both of audience and response. If a radio ad for a product appears in one market and suddenly the sales in that area spike, it's not hard to see the cause and effect.

Results are not as clear with experiential campaigns, which often aim to create intangibles, such as word of mouth or an "experience." Because of this difference, the XM crowd has created their own form of measurement: return on experience (RoE).

"An impression for [XM] can mean only one thing: a personal interaction with the consumer and brand to create a memorable and relevant experience that is nothing less than impressive," writes Lenderman in a column he regularly pens for Canadian marketing trade magazine *Strategy*. "Watching television—and the ads—is a passive experience. But [XM] makes a connection with the consumer that hasn't been achievable with traditional marketing. It's not about reach, it's about depth."

This somewhat nebulous shift away from hard numbers would seem to be a deterrent for large brands that have to justify return on investment to their board and shareholders. But XM is slowly creeping its way up the marketing ladder.

Lenderman's firm counts Procter & Gamble, Telus, Jetsgo and other big Canadian brands among its clients, and Hauser can rattle off his own list of biggies. Large advertising agencies are also following suit by creating their own boutique XM groups. Saatchi & Saatchi, a major American agency, has created Saatchi & Saatchi X to play in the space. Major brands are also moving toward more experiential messages.

“McDonald’s is now less about the golden arches and more about ‘I’m lovin’ it’—the feeling,” says Hauser. “The brand is an experience; it has to evoke an emotion.”

Canada’s Showcase channel now makes experiential campaigns a regular part of its marketing strategy. Jamie Schoula, the marketing manager for Showcase, says that XM helps them create buzz on the street surrounding new shows, and points to its recent campaign for the show *Six Feet Under* as a particularly successful one.

“We created a vehicle where we knocked out all the metallic walls of a cube van and replaced them with glass on all sides, like the Popemobile or an aquarium,” he says. “We filled it three-quarters with dirt and created a ground-level effect on top. On both sides we buried 52-inch plasma screens that played clips of the show.”

Working with Gearwerx, they also had teams of people dressed in dark suits who would hand out material about the show when the van was parked in high traffic areas of Toronto. “It became a huge talking piece and traffic stopper on the street,” says Schoula. “People are used to flipping through ads but it’s a different kind of experience when you are on the street and see this vehicle. It becomes a community effect.”

Back at the race, Lenderman and I get up from the grass and go visit some of the booths. One of the largest belongs to Frank’s RedHot sauces. It has a giant branded truck, a smoking barbecue with a young guy serving up burgers and hot dogs, and an area to play Xbox and foosball. It’s clearly meant to be a guy’s paradise experience and we decide to test it out.



Jetsgo used Segways to sign people up for their frequent flyer program.

We sit down in two director’s chairs and fire up the Xbox, only to find the glare of the sun makes the car racing game virtually unplayable. We walk over to the barbecue to have a burger, but the young man working the pit looks at us and begins apologizing profusely.

“The food is only for contest winners,” he says and points at a pass around his neck that is the key to free food.

“I’d love to give you guys something, but I can’t risk running out of food,” he says, motioning to the back of a truck filled with supplies. As a consolation, he offers us some free nacho chips and Frank’s RedHot sauce to dip them in. We place our empty plates and buns on top of a pile of other burgerless bread left by other refuseniks and leave. It’s an experience I won’t soon forget.

XM at a Glance

Experiential marketers say the consumer doesn’t exist anymore. In this age, we are all “prosumers,” which the International Experiential Marketing Association (IXMA) describes as “the enlightened and empowered consumer... who no longer responds to a media-propelled ‘brand essence.’”

“Most current advertising still relies on obsessive proliferation of the brand through mass media that seeks economies of scale—the more eyeballs, the better,” reads IXMA literature. “But consumers want more than mass messages sent to eyeballs. They want respect, recognition and relevant communication, and they’ve indicated that the best way to give it to them is through experiences that are personally relevant, memorable, sensory, emotional and meaningful.”

To this end, IXMA has adopted a 10-point manifesto:

1. EXPERIENTIAL MARKETING must be predicated on one-on-one personal interaction between a marketer and a consumer.
2. EXPERIENTIAL MARKETING will be conducted when the consumer chooses.
3. EXPERIENTIAL MARKETING campaigns should clearly deliver a meaningful benefit to the consumer.
4. EXPERIENTIAL MARKETING is based on engaging people.
5. EXPERIENTIAL MARKETING must be based on individual experiences.
6. EXPERIENTIAL MARKETING’s goal is to succeed using innovative approaches and tactics to reach out to consumers in creative, compelling ways.
7. EXPERIENTIAL MARKETING is idealistic enough to empower the individual consumer and street-savvy enough to unleash the power of grassroots activation.
8. EXPERIENTIAL MARKETING is about authenticity.
9. EXPERIENTIAL MARKETING assumes that the entire world is media, and the entire universe is the consumer base.
10. EXPERIENTIAL MARKETERS exhibit curiosity about the world, each other and, well, just about everything.