

# Experiential marketing of tourism: an exploratory model

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**Abstract.** *Marketing is a dynamic phenomenon and marketing as a discipline has evolved overtime, the current era of marketing is evolving from the service dominant logic (S-D) as proposed by Vargo & Lusch (2004), to co-creation experiences (Prabalad & Ramaswamy, 2004). Experiential marketing orientation is the most contemporary of marketing discipline (Williams 2006) and is in sync with the service dominant logic. The notion of value has changed and it no more resides in goods or services but in consumer's utility expressed in terms of experience (Prabalad & Ramaswamy, 2004; Ramaswamy, 2011). The organized tourism as we see today started as a bundled array of exotic cultural experiences, supplied to the markets. The end product of tourism industry is experience and the memories of experience; it includes both the instant events and extended events. This paper aims to explore a framework for understanding tourism through the lens of experiential marketing. As experiential marketing is evolving, getting acceptance and seen as a tool for distinguished differentiation from the competitors (Prabalad & Ramaswamy, 2004), the need for understanding the way a consumer experiences a product and the various stages involved in it need to be further explored and empirically tested. The value of experience can be seen as a continuum between the goal directed/economic values to altruistic-hedonic 'end-in-itself' kind of experiences (Holbrook, 2005, 2006). The way experience is defined in the literature varies on the phenomenological perspective taken in past researches. Walls et al. (2011) provide a detail survey of the literature and have found almost twenty different definitions of experience. The experiences associated with various parts of tourism product like lodging, atmospherics, food and services (Walls et al., 2011) have been looked into discretely, but not much research has gone into understanding the holistic tourist experience and how it is recorded in the memory (to cherish!) as an end product, though a few exceptions exist like Walls et al. (2011). The subjective personal introspection and autoethnography has been suggested as a good tool to understand the value of consumption experience to the consumer (Holbrook, 2005, 2006), but how the tourism experience is different from the daily consumption experience, keeping in mind that tourism is seen as an interruption of routine life and away from usual place of inhabitation. Tourism when consumed provides with experiences that can be classified*

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*as Instant events e.g. having a coffee at some restaurant and long episodic memories e.g. planning and execution of the travel. With the support of developments in the field of human autobiographic memory and the existing frameworks of consumption experience (Holbrook 2005, 2006; Walls et al 2011; Schmitt 1999) the authors suggest a conceptual model that proposes the role of emotionally charged, “flashbulb like memories” in enhancing the tourist experience, memorability of tourist experience and thus destination image.*

**Keywords:** *experiential marketing; tourism; destination image.*

## **Introduction**

Starting from simple ‘barter system’ to goods centric approach and then service centric approach; Marketing as a discipline is still evolving. It’s becoming a challenge for companies to attract consumers as the competing products matching on functional characteristics and comparable cost and quality are available to the modern consumers. Marketing discipline has seen the evolution from goods to services and is moving to experience based economy (Schmitt, 1999; Holbrook & Hirschman, 1982); since then more and more firms are focusing on consumption experience rather than only on goods and services.

The focus towards the consumption experience and experiential value was shifted perhaps after the work of Holbrook & Hirschman (1982); they strongly pitched for the experiential aspects of the consumption. They wanted to convey that it’s the time marketers started to seek the purpose of consumption from consumer’s perspective for a successful business. It was argued that the consumers seek for and receive fun, fantasy and feelings through consumption experience. A further push was provided by the work of Pine and Gilmore (1998), who took a step further away from the supplier side dominance paradigm and declared that the future of markets and economic activities will be all based on consumer experiences and the firms which will provide good consumption experience will survive the market competition. During the last decade of the 20<sup>th</sup> century the idea of consumer focus and experience as the next ‘point of differentiation’ was more or less established at the supply side of the market and the companies have already started to orient their businesses around the experiential paradigm.

The practitioners were looking for the answers to the questions like what we can do, how to create and manage the experience, what are the kinds of experiences those are sought by the consumers. These practitioner problems at conceptual level were resolved to a great extent by the experiential modules framework (namely *sense, feel, think, act and relate*) provided by Schmitt (1999). Their work gives a rich description of the evolution of marketing from traditional –functional focus to more holistic branding approach of 90's and explains why a more holistic approach of marketing is necessary.

The experience is conceptualized most often as customer's subjective response to the holistic (including all direct and indirect contacts) with the firm resulting in the consumption and consumption experience (Lemke et al., 2011). In classical psychology the human experience was viewed as something internal and as it has no connection with external reality but later on the theory of action was incorporated and human experience was started to be seen as an outcome of social action Vasilyuk (1991). The understanding of consumer experience is thus more holistic and incorporates the hedonic and subconscious dimension of consumer behavior as well as the physical engagement of consumer.

The question is; what is so unique about experience; what we as a business need to know about human experience to stage successful experiences. Do we need to see our consumers differently, what actually happens that makes a customer say 'Wow!' why do we need to be more careful now . In the coming sections we will explain; what are the ways in which experience is conceptualized in the literature, how can it be practiced, how tourism experience is different from other consumption experiences, and what tourism marketers can do.

### **The Consumption Experience**

Human life is full of consumption experiences; from early morning 'teeth-brushing' ritual to 'retiring for night' we use products and services to create our experiences. Our human life may be seen as a collection of experiences that we live every day. Our consumption experiences include not just individual material but social consumption as well. The human

experiences include the experiences that are somehow shaped by the products and services and other experiences that are beyond the control of marketers and are created by the consumers for themselves.

The idea of experience is very old, it will be worthy to mention that Holbrook (2006) himself mention that even though they started and their work is seen as a benchmark but still the traces about customer experience can be found in some very early writings (e.g. Abbott, 1955). Experience has been used and defined variously in different contexts. Ethnologically and anthropologically speaking, an experience is the way in which culture affects an individual's perception of events; it includes the experiences happening to others, society and the world (Walls et al., 2011). As per economics and marketing perspective the experience is seen as very personal, subjective thing; occurring in response to the response of some stimulation provided by the product usage service settings, and involves the individual through active participation or through observation.

Customer experiences have primarily two dimensions, hedonic and utilitarian. The utilitarian dimension was of primary importance in the traditional marketing literature;, but as per the experiential marketing paradigm, the consumption is seen as a part of day to day human life and seen more as a hedonic experience apart from its utility. The experiential focus of research started by Holbrook and Hirschman (1982) is on the hedonic aspects (*fun, fantasy, feelings*) of consumption and how it contributes to the value in the minds of the consumer in terms of sensory feelings, pleasures and emotions.

There can be various perspectives through which we can conceptualize human experiences like psychological, social, spiritual etc; here in this paper we have restricted our focus to marketing, psychological and tourism perspective of the consumption experience.

### ***Experience as in Marketing & Business literature***

Pepsi saw a growth of 30% in sales in 2002 and a reduced advertising budget after adopting the experiential paradigm (Tsai, 2005); Blue Nile, Starbucks, Café Coffee Day, and Apple Store Experience are some other success examples. It seems holistic customer experience management is

the latest success strategy (Tsai, 2005). There is lot of conceptual literature around consumption experience (Pine & Gilmore, 1998; Holbrook & Hirschman, 1982; Holbrook, 2006; Prahalad & Ramaswamy, 2004; Ramaswamy, 2011) and its ways of packaging for customers into the modules *feel, sense, think, act and relate* (Schmitt, 1999).

The qualitative study by Roederer (2012) seems to be one of its kinds; there is an effort to understand the dimensions of customer experience. In the study the author has analyzed the twenty oral life narratives of consumption experiences of his subjects and summarized the four dimensions of consumption experience as *praxeological, hedonico-sensory, rhetorical, and time-related* dimensions. The Praxeological dimension refers to the action, the individual's participation or behavior on his/her environment; it includes the things done by the individuals and the things done to him/her. The Hedonico-Sensory dimension reflects the agreeableness of the stimulus received to human senses, which are generally referred to as pleasure and displeasure of the experience. It is a state of consumption-evaluation of the hedonistic product/service. The Rhetoric dimension concerns the symbolic meaning associated to the experience or the event by the consumer, how he/she tries to explain the experience story. The Time-related or time dimension is seen as a resource input from the consumers side, if the firm is able to successfully keep the consumer engaged and happy throughout the event/service it should be seen as good utilization his resources and it will most probably result in a satisfied, loyal customer.

The consumer experience is a rather recent focus of academics and it is being tested in different context for its effects, to help further understanding and value of this perspective. The customer experience has a mediating effect on customer satisfaction induced through the social interaction and convenience in store shopping context (Srivastava & Kaul, 2014). The importance of the touch-

points in the service settings as well as in the entire supply chain has been discussed frequently in literature; it has been argued that all the touch-points create the total consumption experience. Using the metaphor of 'journey', Rawson et al. (2013) provided a commentary on the challenges and complexity brought in by more touch-points in the entire supply

chain. They emphasize on the bottom-up flow of the data and top-down flow of the deep understanding of experience expectations of the consumers to create successful consumption experience. There is a need to orient the organizations to experiential perspective of the value. There has been a major shift in the way value is conceptualized in theory and the traditional practitioner mindset has created a gap that need to be filled to create successful businesses in the current business environment. The major difference perhaps between the service dynamic logic of Vargo and Lusch (2004) and the experience economy perspective (Pine & Gilmore, 1998; Prahalad & Ramaswamy, 2004) is the idea about customer value. The customer value no more lies with the organizations rather it's co-created with the consumer. It's no more concentrated in the goods or services but in the experience and semantic meaning created by the consumer. Value is customer's utility and high-quality interactions with the firms that can create unique experience for the consumer is new source of competitive advantage (Prahalad & Ramaswamy, 2004) since the experiences are tough to imitate. The way a product is used and the semantic associations which a customer makes to a particular product and service is not always as thought or understood by the organizations. Roederer (2012) reported time-related dimension of consumption experience; the value co-creation perspective of Ramaswamy (2011) hints on the importance of time as a resource input by the consumer as well as the temporal length of consumption experience. If the experiences are to be classified on the temporal dimension then there will be a continuum of spontaneous/short duration experiences to lingering / long duration episodes of experiences. To better understand this aspect of experience one needs to understand the aspects of human memory and the human senses which gives us capacity to feel, make sense and remember.

### ***Experience as in Neurosciences and Psychology***

The experience is seen as an outcome of sensory feelings. The human body has five major sense; sight, hearing, smell, taste and touch. As the researches on senses and stimuli response have evolved the number of senses human body possess is debated frequently with some of the researchers claiming as much as sixteen different senses. For example say the sense of sight can be distinguished into the sense of color, sense of depth, sense of brightness etc. and sense of touch into sense of pressure, pain, temperature etc. (Pagliano, 2012); but such intricacies are beyond the scope of this study. Historically

speaking, the sense of sight and hearing were seen as superior of other senses, perhaps as these senses provide information from a distance and helps the brain in first hand assessment of the things and environment. Aristotle came up with the list of five senses with an order of superiority. Since then the sense of vision and hearing have gathered the attention of academic understanding as well as the business practices were centered around the satisfaction of these two senses. The third sense of smell has been a recent focus of retail chains and stores to add to the atmospherics of the shopping place.

Why do we need to understand links between the experience and human memory? Let's illustrate with an example of experiential products. Think of the coffee experience or weekend dinner at local restaurant, we do get a good experience we enjoy the ambience, good food and some good private time; but do we remember that experience after couple of hours when we get up in the morning, does that experience keeps us emotionally engaged for long, the answer is negative. Now think of a week long holiday tour you took with friends or family; isn't it more engaging, doesn't it makes you nostalgic. Or take an example of time spent at your graduation college; a meeting with college friend can unwind a whole lot of exciting memories. The tourism experience and the product value don't ends as soon as you are back to your usual place of residence. It is the immediate pleasure as well as the memories that you get after the trip.

The discipline of human psychology categorizes human memory into semantic and episodic memory. The semantic memory is related to our knowledge of world in terms of facts, ideas and concepts (Schwartz, 2011). We are not sure of the source from where we picked up the meanings most of the times yet we know what the things around us are. The episodic memory is associated with autobiographic memories. Our memory processes include encoding, representation and retrieval. Earlier studies established that we store information in the terms of images but soon it was realized that those images are distorted and the constructivism school of thought claims that there are well defined 'Schemas' and 'Scripts' that help in the organization of the memory (Howes, 2006; Schwartz, 2011). Violation of schemas often out to be memorable, the 'Novelty' dimension of servicescape or service quality perhaps is associated with this characteristic dimension of human memory.

The autobiographic memory operates at three levels; event specific memories, general events and lifetime periods. The autobiographic memories are organized as per the common themes that were dominant at particular phase of one's life e.g. memories from school days, college days, time when you lived in particular city etc. The link between strong emotions and memory is established, though some studies report that very intense emotion may actually result in poor details and recall of memory; but the flashbulb memories are found to be significantly accurate. Flashbulb memory is defined as highly confident personal memories of surprising events (Howes, 2006; Schwartz, 2011). The term flashbulb memories was coined by Brown & Kulik in 1977 (Brown & Kulik cited in Howes, 2006) and was associated generally with negative events happened in the past. The generalized understanding of flashbulb memories is that it involves spontaneous-surprising events (Howes, 2006; Schwartz, 2011). The element of surprise has been used by marketers in the past, surprise gifts, flash-mob etc are some examples. We want to make it specific that by flashbulb-like memories we mean the memories that disrupt the regular schema or script of the service, we refrain from including the negative emotions, and rather we are looking at the moderating/catalyzing effects of positive flashbulb events. Like celebrating the birthday/anniversary of a group member of a group tour to make the visit a memorable experience.

Another noteworthy contribution to psychology of experiencing was the concept of 'Flow' (Csikszentmihalyi, 1997). Depending upon the skill level and challenge level of the work various mental states are experienced; they range from anxiety to relaxation. A successful experience occurs when the mental state of flow is achieved. The state of flow is defined as the state when the subject is fully immersed in a feeling of energized focus, full involvement, and enjoyment in the process of the activity. The subjects in the state of arousal and control are most likely to attain the state of flow, he argues that through practice and conscious efforts one can achieve the state of flow and make his/her experiences satisfactory. Later empirical studies proved that the flow is obtained most of the times at workplace rather than at vacations.

The Augmented Reality Experiential Marketing has become popular recently; the big companies like Proctor & Gamble and Wal-Mart have already have already adopted AREM (Bulearca, & Tamarjan, 2010),



the AREM affects consumer satisfaction by enhancing the pre-purchase experience and pre-purchase value of the product (Bulearca, & Tamarjan, 2010). Some of the scholars (Tsai, 2005) see Integrated marketing as the management of holistic of holistic consumer experience, they propose strategic communications and strategic brand management to be maintained through integrated marketing communication; the idea of experiential marketing thus is a part of integrated management of consumer experience

### ***Experience as in Hospitality and Tourism Literature***

The idea of using experiential marketing for tourism can be traced back to 1980 when Krippendorff suggested that the marketing tactics used by many heritage destinations is somewhat a selling of experience (Leighton, 2007). Tourism and theme-parks were the businesses that started selling experiences ahead of other businesses, even Pine and Gilmore (1998), who gave a thrust to the idea of experiential marketing mention, “*Today the concept of selling experiences is spreading beyond theaters and theme parks*”; that much native is the concept of experiential marketing to tourism. But for long, tourism scholars have not explicitly engaged themselves into the theoretical issues involved with experiential marketing (Williams, 2006)

Experiential marketers view consumers as rational and emotional human beings who are concerned with achieving pleasurable experiences (Schmitt, 1999). We are living in a world that has overwhelming complexity and plethora of commodities and utilities. Commoditization of life sustaining goods is easy, but in the cases of services where the emotional involvement of consumers is high as compared to goods in general commoditization has always been a challenge. The end product of most of the services is the service experience co-created with the consumer. For these kinds of experiences the physical environment of the service place plays an important role; not only the consumers but the employees also experience the firm’s facility (Bitner, 1992). The built environment (i.e. the manmade, physical surroundings, equipment etc.) was termed as servicescape by Bitner (1992). It’s noteworthy that Bitner (1992) did not consider natural or social environment in his construct of servicescape but in tourism servicescape inclusion of the natural and social environments along with political environment is indispensable.

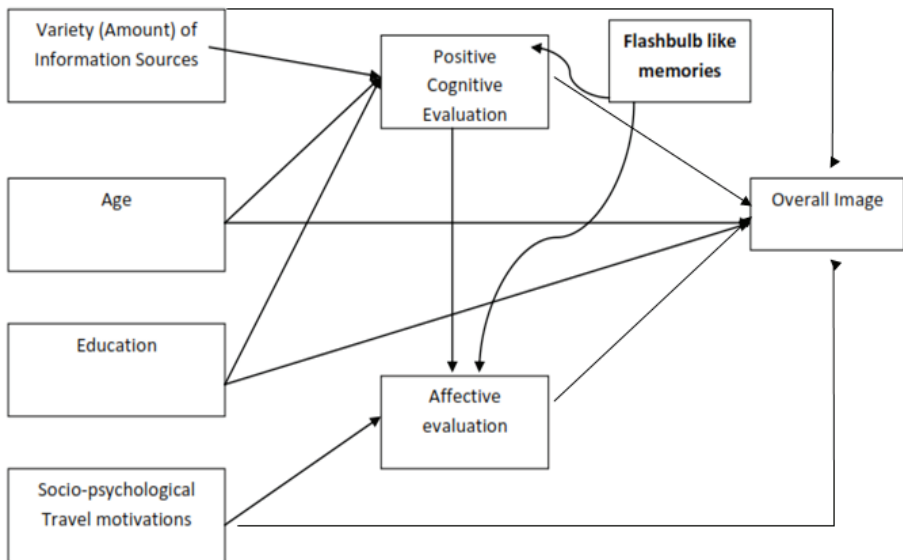
Walls et al. (2011) propose a holistic model explaining experience in tourism and hospitality context; it includes the four components viz. ordinary, extraordinary, cognitive and emotive which are generated and influenced by physical experience elements, human interaction elements, individual characteristics and the situational factors. Ordinary and extraordinary define the range of experiences one can have and cognitive and Emotional describe the internal response to different kind of experiences. Leighton (2007) proposed a framework for experiential marketing in the heritage tourism sector after a detailed industry analysis following the ideas as proposed by Schmitt (1999), he suggests that the firms need to identify their orientations; whether they want to have a supply focus for the benefit of customers seeking scholarship and learning, or they want to have a business that creates experience for the sake of experiential consumption and strong commercialization.

### **The Destination Image**

The destination image has been seen as an important criterion for destination selection. With tourism's increased contribution to national GDP of many countries and increasing competition among destinations, the tourism boards/national tourism organizations are actively engaging in destination image management. Tourism academicians recognized the importance of destination image very early; Pike (2002) have provided a summary of published research that has contributed to the understanding of destination image. The destination image is classified sometimes as primary and secondary destination images. The primary destination images are formed after actual visit to the destination while the secondary image is formed from secondary information sources. A corollary can be drawn between this destination image classification and the concept of episodic and semantic memories. An organic image about a particular destination is formed by the information from various sources which may not directly be related to tourism at that place; the induced image is formed as a result of marketing communications, documentaries and films; the autonomous image is formed on the basis of past experiences and individual characteristics. The destination image is a complex construct (Gallarza et al., 2002) owing to its *complex, multiple, relativistic and dynamic* nature. It is because of its dynamic nature that it can be changed

or improved depending upon the positive or negative information about the destination.

Baloglu and McCleary, (1999) drawing upon the psychology of human memory proposed a model for destination image formation. The core underlying assumptions were the 'Image theory' which suggests that the world is a psychological or distorted representation of objective reality residing and existing in the mind of the individual (Howes, 2006). The environmental factors or atmospherics induces both the cognitive and affective images. The objective evaluation of environment refers to cognitive dimension whereas the feel or the engagement of senses is responsible for affective dimensions. We have preserved most parts of the Baloglu and McCleary, (1999) destination image formation model and have proposed that strong 'flashbulb like memories' induce strong emotions and thus moderates the cognitive and affective evaluation of information inputs.



**Figure 1. Conceptual model for moderating effects of “flashbulb like memories on cognitive and affective evaluation of antecedents of Destination Image**

*Source: adapted from Baloglu & McCleary, 1999*

## Conclusion

Experiential marketing is different from traditional marketing in four different ways (Schmitt 1999), it has focus on consumer experiences, treats consumption as a holistic experience, recognizes both the rational and emotional drivers of consumption, and the methodologies used for study of the situation are eclectic depending upon the objective.

An interesting 'event-experience' cycle operates in the real world; services the events are scripted that creates experience which is used to modify the events and virtual world starts with some form of scripted experience being formulated into events, though in the long run the events leads to experiences and the documented experiences are used to improve on the events.

The proposed model is an improvement over the destination image formation model proposed by Baloglu and McCleary (1999). Here in this paper we conceptualize the role played by 'flashbulb like memories' on cognitive and affective evaluation of the antecedents' of destination image. We propose a positive moderating effect of flashbulb like memories created by spontaneous-surprising events by the tourism management for the tourists.

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