

Chapter 10

Technology–Enabled Experiential Marketing: Promotional Strategies Towards New Service Opportunities

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ABSTRACT

In recent years, there has been an increased interest from both academia and practitioners in the topic of customer experience. Companies nowadays are transforming their attention and endeavour to focus on memorable or customer experiences rather than premium prices or superior quality of products and services. Importantly, the value generated by unique customer experiences has a significant impact upon business performance in terms of customer commitment and customer loyalty. Along with the rapid and continuous development of ICT, the travel experience is no longer limited to services encounters on-site but is extended and dynamically created in both physical and virtual experience spaces. With the continuous proliferation of smart technology, travel industry has seen a radical transformation from product and service orientation to a customer-experience driven approach.

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INTRODUCTION

In recent years, there has been an increased interest from both academia and practitioners in the topic of customer experience. In fact, the emergence of experience economy is not accidental but rather an inevitable trend (Zhang, 2010). The services has inherent nature of being intangible are so are not seen or felt but only experienced with. Thus companies nowadays are transforming their attention and endeavour to focus on memorable or customer experiences rather than premium prices or superior quality of products and services. Importantly, the value generated by unique customer experiences has a significant impact upon business performance in terms of customer commitment and customer loyalty (Lemke, Clark and Wilson, 2011; Ferreira and Teixeira, 2013). This thinking has led to the creation of a new marketing management area, which is commonly referred to as “experiential marketing” (Schmitt and Zarantonello, 2013, p.26).

Defining the Concept of Experiential Marketing

The rise of experiential marketing during last decade shed some light on academic literature. It is noted that the rise of the concept has turned the understanding of consumption experience into a hot topic for market scholars and researchers (Caru and Cova, 2008). Many scholars from different scientific disciplines have defined experiential marketing from different angles, and various definitions are referred to in the academic literature. In the 1990s, the concept of experiential marketing is described as a process wherein experiences are generated for customers (Schmitt, 1999). Smilansky (2009, p.33) further defines experiential marketing as “the process of identifying and satisfying customer needs and aspirations profitably, engaging them through two-way communications that bring brand personalities to life and add value to the target audience”. Similarly, Hauser (2011) advocates that experiential marketing is regarded as authentic experience customers possess which drive sales through brand images and awareness. “Experiential Marketing can be seen as a marketing tactic designed by a business to stage the entire physical environment and the operational processes for its customers to experience” (Yuan and Wu, 2008, p.388). Also from a strategic marketing perspective, You-Ming (2010, p.190) defines experiential marketing as “a marketing tactic designed as a kind of face-to-face communication method, which mainly raises customers’ physical and emotional feelings, thereby making customers feel and experience wholehearted”. In the same vein, Snakers and Zajdman (2010) view experiential marketing as a novel way by making the customers living an experience through creation of their emotional experiences. In other words, experiential marketing plays a key role of creating emotions which leads to the enjoyment of the brand from customers. It

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