Chapter 7

Experiential Marketing: Strategies for the Leisure Industry

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ABSTRACT

Customers no longer seek a product just for its features or benefits, rather they look for unique experiences. This is provided by experiential marketing where experiences broadly are divided into five categories that include consumer, product & service, off-line & online, consumption and brand experiences. Most of the previous research in this area has focused on consumer experiences. However, nowadays product and services too are aligned according to multisensory environments. One of the upcoming industries that focuses on the experiential marketing is the leisure industry or leisure services. These services include businesses focused on recreation, entertainment, sports and tourism which include theme parks, adventure parks, adventure sports, concerts, etc. Some of the examples of the leisure services in top cities of the country include Adlabs Imagica in Mumbai, Kingdom of Dreams in Gurugram, Worlds of Wonder in Noida, and Aquatica in Kolkata. The chapter aims to study the growth of this sector in an experiential economy along with strategies used by the leisure industry.

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INTRODUCTION

Experience as a concept has different meanings in philosophy and psychology. But experience as a term in marketing was used for the first time in Holbrook and Hirschman’s (1982) article titled “The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun.” Their experiential view emphasized on subconscious processes, symbolic meanings and non-verbal cues that resulted from consumption. The consumption phenomena involved playful leisure activities, sensory pleasures, emotional responses and aesthetic enjoyment. The experiences broadly are divided into five categories that include consumer, product & service, off-line & online, consumption and brand experiences. Most of the previous research in this area has focused on consumer experiences. However, nowadays product and services too are aligned according to multisensory environments. These multisensory environments are provided is several services which include retail, hospitality and tourism among others.

In a book titled *Experiential Marketing*, Schmitt (1999) compared traditional marketing having a product-oriented focus to experiential marketing having a customer-oriented focus on experiences. Experience marketing is usually broadly defined as any form of customer-focused marketing activity that creates a connection to customers. Lasalle and Britton (2002, p. 30) define it as “an interaction, or series of interactions, between a customer and a product, a company or its representative that lead to a reaction.” Schmitt (1999) presented five types of experience marketing approaches, referred to as “strategic experiential modules (SEM):” “sense,” “feel,” “think,” “act,” and “relate.” The key distinguishing feature in experiential marketing is that it provides an extraordinary experience by the application of all these approaches. There are various touchpoints at which the customer can gather experiences which include pre-purchase, purchase and post-purchase stages. The greatest interaction between customer and product is at the purchase touchpoint where there is direct contact. This includes for example the atmospherics at a retail outlet or the in-store environment. Various other industries also make use of experience marketing to the best of their advantage.

One of the upcoming industries that focuses on the experiential marketing is the leisure industry or leisure services. These services include businesses focused on recreation, entertainment, sports and tourism which include theme parks, adventure parks, adventure sports, concerts etc. Thus, it can be said that leisure industry has five key components that is, sports & physical recreation, arts & entertainment, countryside recreation, home-based leisure and play & activity-based leisure. There is a vast scope for the growth of this industry as people have increased leisure times with paid holidays. The disposable income has increased whether it is a developed economy or developing, both economies have more money that they can spend on leisure activities. Leisure services are experiential as well as intense and thus require high level of involvement and engagement of the customers. These services attract the attention of customers according to the 4E framework of entertainment, education, escapist and esthetic experiences. In an entertainment experience consumer passively observes an activity and derives pleasure from it. In an educational experience the customer actively participates in the activity and is thoroughly engaged in it. In an escapist experience the customer is immersed in a real or virtual environment. Lastly, in an esthetic experience the consumer just enjoys being present in a sensory environment.

The leisure industry (amusement and theme parks) in India is only about two decades old and is quite new in comparison to its origin in Europe and USA. At present it is growing with more and more developments all across the country. The business is estimated to be around Rs 4000 crores and is ex-