

Experiential Marketing and Advertising Efficiency – a Marketing Experiment

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Abstract

The present paper describes a marketing experiment which studied the influence of music on advertising. It was shown that with the help of music, ads can be viewed for longer periods, demonstrating once again that humans are rational beings, as well as emotional and hedonistic, in the sense that they make choices and take decisions according to their feelings. People choose a brand as per the values that the brand represents, if it matches the customer's personality and based on the experience the brand has to offer. Considering that preferences ease the process that allows the brand to be permanently encrypted in the mind of consumers, the hypothesis of the present research states that the more a person associates the brand with individual preferences, such as musical ones, the more he will watch the ads playing that specific music. The methodology used throughout the experiment sought to observe changes in consumer behavior when they are subjected to different musical genres while watching an ad playlist. The ad playlists were created by the authors of this paper, choosing only ads featuring products from the perfume industry. To simplify the research, there was only one music style investigated, namely alternative rock, and the participants included in the experiment were only people who considered this music genre as their favorite music style. The playlists were used to observe the differences in time spent watching the selected ads with their favorite music playing, in comparison to the ads playing a generic music. There was a particular focus on the behavior of individuals who watched the ads when listening to their favorite music. In this study, the authors demonstrate that music preference directly affects the consumer time investment and attitude towards brands in advertising. With enormous amount of information that the Internet holds about online users, companies can use these results to target customer intentions.

Keywords: experiential marketing, music, advertising, marketing experiment, brand preference.

JEL classification: M31

1. Introduction

As new technologies are being developed for highly targeted advertising, companies are forced to keep the pace and adapt to the new consumer demands. We can say that we are in the midst of a marketing revolution that focuses on reforming traditional marketing principles and models and changing the relationship of companies approach to their market. A revolution that will replace traditional marketing features through experience and sensory marketing.

Recently, companies started to no longer ignore sensory marketing and implement it in their businesses and strategies. The present research paper focuses on the ways companies can go into the direction of standing out and making a difference in the industries they are operating in. For example, companies like Spotify, iHeartMedia and Pandora are already implementing strategies like musical-targeted advertising and online user personalized experiences. The current digital environment offers the opportunity to reach the consumer in a fast way and helps the user to benefit from a very personalized experience according to his needs and preferences. Most people have a virtual profile from which companies can learn from and deliver

customized products and services, taking all information they need through cookies or cache folders.

Bringing this opportunity forward, the present experiment has tested how music preferences impact consumer behavior and how do these preferences influence advertising efficiency. The results of the present research experiment can be used in various companies and industries, and using these results can have significant effects on consumer behavior. They can also be used as a solution to keep up with the digitization era which we are currently facing. It is known worldwide that Google, YouTube and social networks own a lot of information about us all, that can be further communicated to various businesses. It is up to every company to wisely and ethically use this information in the best interest of consumers and users.

2. Experiential Marketing

Experiential marketing can be defined as a marketing strategy that involves individual and direct consumer interaction and encourages them to participate in the development and evolution of a brand. Rather than treating clients simply as passive recipients of a message, the company that uses such a strategy has a strong focus on innovation and actively stimulates the consumer to co-create the relationship with the brand. According to Brad Nierenberg, experiential marketing is live, real-time and involves one-to-one interactions from both directions – client and company (McCole, 2004).

The Experimental Marketing Concept was derived from the concept of "The Economy of Experiences" proposed by Pine and Gilmore (1998). According to the authors, experience marketing has become a marketing management principle based on real-time bilateral interaction between the company and the consumer. According to the marketing director of the global financial services company, American Express, "We have evolved from having a monologue to have a dialogue with our customers." (French et al., 2011)

The 'connected consumer' no longer experiences the brand only through certain media and channels or solely through brand communication, but rather as the result of a comprehensive communication and product experience (Bader, 2015). With the digital transformation, marketing is facing a paradigm shift and is being replaced by the customer experience, which impresses customers with experiences with Storyscape models and offers them the opportunity to buy experiences. In the future, the customer experience will be the "decisive" benchmark for successful marketing and will fundamentally change it. Marketing managers today and in the future face the challenge of creating a positive brand experience on every touchpoint with users and engaging in dialogues with consumers. More than ever before, companies and their agencies will have to offer the consumer content and added value that are important to him at every stage of the brand contact (Bader, 2015).

The experience with a brand can result in a stronger and deeper connection between the brand and the consumer. These experiences usually consist of events that allow consumers to experience and feel the benefits of products or services through interactive and sensory activities, and eventually form a sensory brand image. Based on this concept, experiencing a product or a brand through one's senses, it will further develop one's emotions. Starting with emotions, attitudes are further developed, and studies show that attitudes towards the brand and the company in general, whether positive or negative, are necessary to create brand notoriety and familiarity. Companies like Starbucks and Disney are examples from the business world that successfully implement this strategy and have impressive results.

Considering the above-mentioned arguments, it is important for a communication strategy to include customer experiences with brands. However, these experiences are not considered as important by all companies, and some do not take them into account at all. In addition, it is

important to create a separate strategy and not interfere with other channels of communication, as it can be seen in Figure 1.

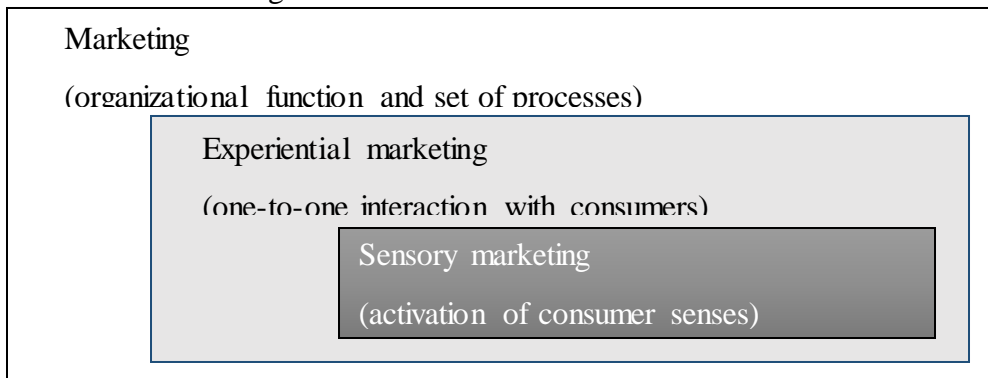


Figure 1. Relation of interdependence between marketing, experiential marketing and sensory marketing (relationship determined by the authors based on the definitions of McCole, 2004 and Keefe, 2004)

3. Music in advertising

As early as the '80s, there were researchers investigating the influence of music in advertising and consumer behavior. An example is the paper of Gerald Gorn (1982), who studied the effects of music in advertising on choice behavior, in a classical conditioning approach. His experiment suggested that hearing liked or disliked music while being exposed to a product can directly affect product preferences.

Allan (2006) examines the effects of popular music in advertising, in order to determine its influence on processing of advertising messages and decisions regarding the design of more effective advertisements. The author conducted an experiment that tested the effects of three integrations of popular music in advertising: original lyrics, altered lyrics, and instrumentals (plus a control treatment with unpopular music) on attention and memory. The results indicated that song vocals, either original or altered, are more effective stimuli of advertising effects than instrumentals or unpopular music.

A study by Alpert, Alpert and Maltz (2005) provides empirical support for the notion that when music is used to evoke emotions congruent with the symbolic meaning of product purchase, the likelihood of purchasing is enhanced.

There are also detailed researches in terms of variables for the relationship between music and advertising. Such a research is the one conducted by Steve Oakes, who identified 10 original definitions of music/advertising congruity (score, mood, repetition, association, valence, semantic, genre, image, tempo, and timbre). This highlights the emergence of a coherent pattern in which increased music/advertising congruity contributes synergistically to communications effectiveness by enhancing purchase intent, brand attitude, recall facilitation, and affective response (Oakes, 2007).

A study by the University of the Basque Country, led by Patrick Hartmann (2011), analyzed the effects of music used in radio advertising on memories and emotional responses. The study has shown that in the case of radio commercials, people have different emotional responses depending on the music that accompanies the advertising of the product, as well as the voiceover tone of the person who announces it. The study investigated especially jazz, swing or classical music. The conclusion of the study was that jingle is, to a large extent (along with associated memories and emotions), one of the most important aspects that creates notoriety in the mind of the buyer.

In a study published by the Journal of Consumer Research, authors Elder and Krishna (2009) show that multisensory advertising that describes the taste, smell, texture, visual appearance and sound of TV commercials can improve consumer perceptions of product taste. However,

the results suggest that advertising should include more sensory attributes of products because it has a significant impact on product perceptions. These findings are particularly relevant to the food industry, including bars or restaurants, as they continue to spend considerable amounts of money in advertising, just describing the taste of food, one of the most enjoyable human experiences.

One of the few brands targeted to provide a complete multi-sensory experience in stores and which has been very successful for years is Abercrombie & Fitch. The American retailer demonstrates the importance of a music strategy inside a store: "The music in Abercrombie & Fitch stores constitutes of famous songs that have been combined to create the right atmosphere for the store's ambiance. Strong bass is the main characteristic of each song, which is started at a very loud volume, giving the impression of a nightclub. There are no breaks between the songs and therefore the tempo and the sound are constant in the store. Customers like the music and many dance in the store. Even the employees are dancing, which gives a relaxed feeling of party and youth" (Spence et al., 2014).

4. Research methodology

Having the existing literature on music-advertising relationship as a base, we designed a research that would test the influence of favorite consumer music on advertising efficiency. The modern ways of interaction with the potential consumer allows companies to adapt the message as much as possible in order to convey with the consumer preferences and thus, to make them more open to marketing communication. In this context, an ad with their favorite music may have more exposure from the individual's point of view, thus increasing the chances of brand awareness and communication efficiency.

In order to test this hypothesis, the research had the following objectives:

- Measure the time spent on an ad containing the favorite music versus an ad containing general music
- Measure brand remembrance for the brands featured in the visualized ads
- Test the degree of acknowledgement for the music included in the ads
- Analyze consumer's opinion regarding the influence of music in advertising.

These objectives were addressed through a marketing experiment which investigated ads from one specific industry. We have chosen the perfume industry, first of all because music plays an important role in perfume advertising and, secondly, because consumer involvement in the purchasing act is more emotional, favoring attention to details. Using a total of 10 ads featuring women perfumes, we have overlapped on 5 of them the favorite music and on the remaining 5 we have used the actual music from the commercial of each brand.

In order to have a correct experiment, we had to control a lot of variables. For this reason, we used only one genre to analyze as favorite music (alternative rock), thus in the selection process people had to pass this preliminary filter. The research sample was composed of 20 women that represent potential clients for the perfume industry and have alternative rock as top musical preference.

As presented in the bellow figure, the experiment had a control group, meaning that those ads that for the experimental group played with the favorite music, for the controlled one had the actual TV commercial music and vice versa.

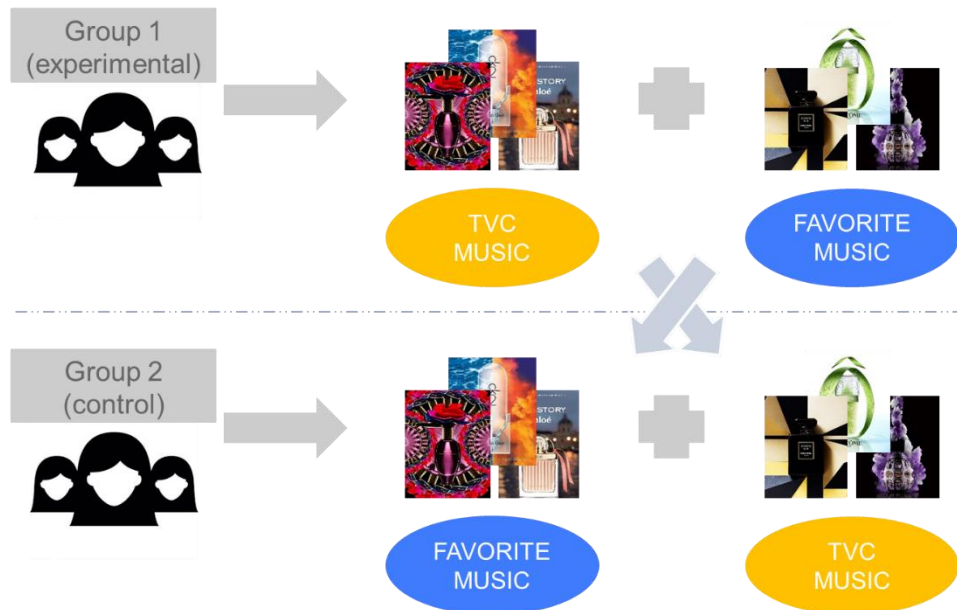


Figure 2. Experiment design

In the experiment, each participant was presented with a block of 10 ads and was asked to look at them as he would normally do, meaning that whenever he feels the need to skip to the next ad, he can do that. Each ad was 30 seconds long, in order to have a common base of comparison in terms of watching time. For every participant the ads rolled in a different order, thus avoiding what is called in research theory “order effect” (some items obtaining higher scores due to the fact that they were the first ones seen by the participants).

5. Research results

The main hypothesis of our research was validated by the research results. As it can be seen in Figure 3, the average time of watching an ad containing the favorite music is 23 seconds, while for general music the average time decreases to 17 seconds.

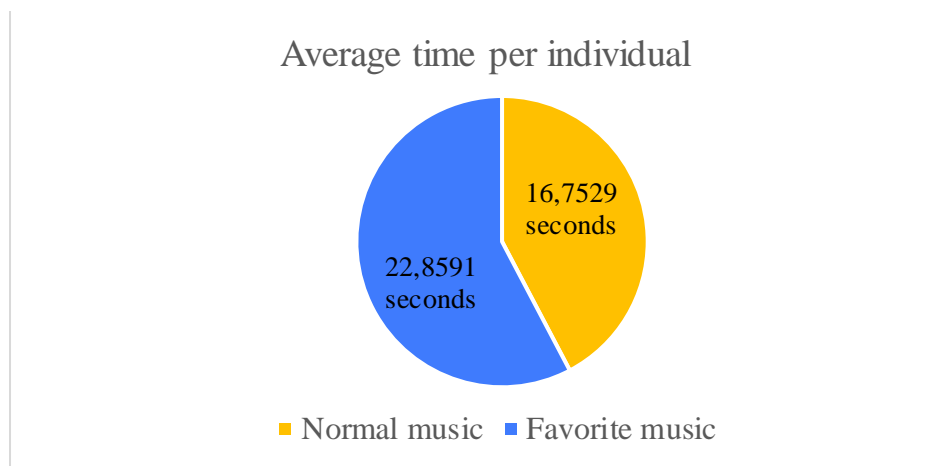


Figure 3. Average time spent on ads with favorite music versus ads with general music

Figure 4 presents the results for each of the ten ads included in the experiment and we can observe that for nine of them the blue bar, indicating the time spent when favorite music is playing is longer than the bar for general music. The only exception to this rule is for ad E,

which actually represents a low awareness brand for the Romanian market, thus when people were watching the ad, maybe they were paying more attention to the new product's features.

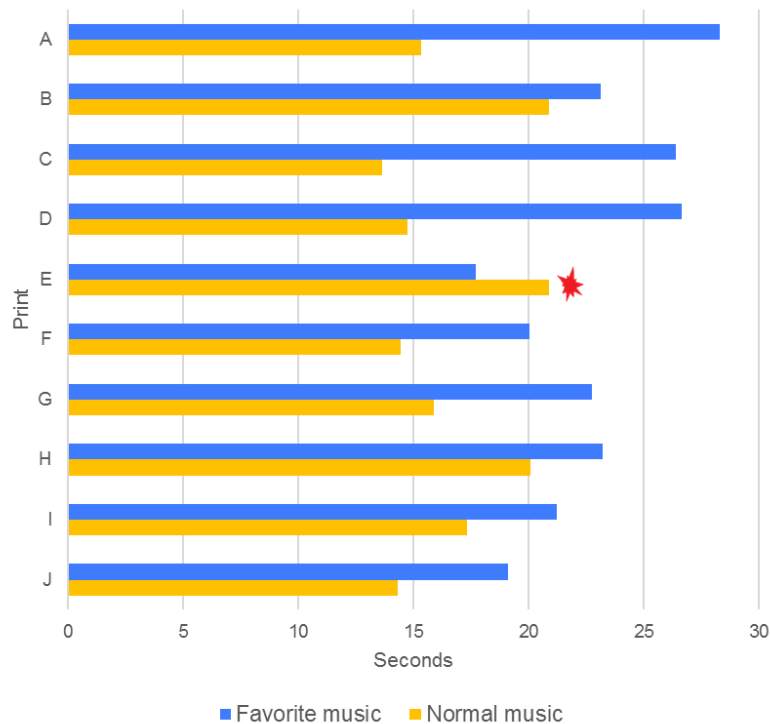


Figure 4. Difference in time spent for each ad: blue line – when favorite music is playing, yellow line – when general music is playing

In order to determine if the difference is statistically significant, we used Fisher test (Cătoiu et.al., 2002).

First, we tested the *time difference at individual's level*, meaning that we wanted to see if for each participant there is a significant difference between the time he spends watching ads with the favorite music versus those with the general music. We start by calculating the sum of square deviations (SS_T), that is the total variance.

$$SS_T = \sum_{j=1}^r \sum_{i=1}^n x_{ij}^2 - \frac{T^2}{rn} = 18428.2145 - 15691.11 = 2737.109064$$

The total variance has two components:

- a) the total of square deviations due to the experimental factor (SS_{Tr})

$$SS_{Tr} = \sum_{j=1}^r \frac{T_j^2}{n} - \frac{T^2}{rn} = 16063.96222 - 15691.11 = 372.8567844$$

- b) the total of square deviations due to experimental error (SS_E)

$$SS_E = SS_T - SS_{Tr} = 2737.109064 - 372.8567844 = 2364.25228$$

We use all this information in order to determine the F value:

$$F_{r-1, rn-r} = \frac{SS_{Tr}}{r-1} : \frac{SS_E}{rn-r} = 372.8568:62.21716525 = 5.992828231$$

The end of the experiment requires a comparison between F calculated and F theoretical (which is extracted from a statistical table for r-1 and rn-1 degrees of liberty). Using a confidence level of 95%, the theoretical level for F is 4.08.

As F calculated > F theoretical, we can state that the hypothesis is accepted and the difference between time allocated to favorite music ads compared to general music ads is statistically significant.

Fisher test was also used in order to determine if the differences are statistically significant *at commercial's level*. Applying the same reasoning as before, we have obtained 18.49 for the value of F calculated, which was bigger than F theoretical (4.35), thus we have accepted also the hypothesis that there is also significant difference for the same ad, viewed first with the favorite music and then with the general one. This is a very important finding, as we can now state that for the almost same conditions (considering that the ad was the same), the difference in attitude was due to the change of music genre.

This difference in behavior is also acknowledged by the consumer, as he states the fact that he spends more time watching commercials that play good music. The association presented in Table 1 highlights the fact that there is a direct correlation between declared and actual behavior towards ads playing consumers' favorite music.

Score average * (on a scale from -2 to +2, where +2 means total agreement)	Average difference time between ads with favourite music and ads with TVC music
1.4	10 seconds
In total agreement	
1.1	2 seconds
In agreement	

* "I spend more time watching a commercial which plays my favorite music"

Table 1. Correlation between declared and actual behavior towards ads using favorite music

Another relevant information for a research on advertising efficiency concerns brand remembrance. The hypothesis was that people will remember more those brands that used in their ads the right type of music. However, the experiment showed us that the average number of brands remembered is 5 out of 10, both for the category with favorite music and that with general music. Thus, we can draw the conclusion that only one exposure to an ad is not sufficient, especially when consumers are not familiar with the brands. Although they watched the ad for longer time, when the brand is new for consumers, they will have problems at first memorizing it.

6. Conclusions and future research

Companies try to implement new solutions to gain competitive advantage in the markets they operate in and they started concentrating more on building new differentiating factors which can help them stand out in front of competitors. For a company to differentiate and survive in

a world dominated by fierce competition and pressed by too much communication, which primarily addresses the vision and hearing senses, a new dimension is needed to get encrypted into the minds of consumers and to convince them to give a chance to the products or services that companies offer.

The present experiment proposes sensorial marketing as that new dimension that will help companies in this respect. The reason behind the proposal of sensory marketing as a competitive advantage is that the brand experience creates a very strong and profound connection of the company with the consumer. Experience can be used to subconsciously trigger consumer perceptions about abstract product ideas, such as the degree of sophistication of products. Thus, it is important that sensory marketing is integrated into the communication strategy of any company. There are also different synesthetic connections between the senses that need to be considered when building products, delivering services or creating experiences for consumers.

The influence of music in advertising has been herby demonstrated and it has been shown how some companies from the international environment are already implementing and benefiting from the effects of music experiences and individualized consumer interaction. It is important for business experts to be aware of the effects of advertising music so that, when companies are faced with making decisions in this respect, they also take into account these possible effects, of course depending on the objectives pursued. Music can influence the mood, behavior or preferences of a consumer.

The present marketing experiment which studied the influence of music on advertising shows that with the help of music, commercials can be viewed for longer, demonstrating once again that humans are rational beings, but they are also beings emotional and hedonistic, in the sense that they make choices according to their feelings. They can choose a brand according to their personality, the values they represent and the experience they offer. This allows the brand to be encrypted in the minds of consumers. The hypothesis demonstrated in this paper shows that the more a person associates the brand together with individual preferences, such as musical preferences, the longer they spend time on the commercials.

The current digital environment offers the opportunity to reach the consumer in a fast way and helps him to benefit from a very personalized experience for his needs and preferences. The results of this research can be used in various industries and companies, and can have significant effects on consumer behavior.

Future research would be necessary to test where are the people actually looking while viewing the ads. This would help us understand if the brand is looked at or if the people get distracted by listening to their favorite music. This would be done in further research by using an eye tracker. Moreover, it would be necessary to investigate what is the best method to help companies receive the copyrights of the songs that they would like to use in their music targeted advertising.

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