



*cutting through complexity*

## Experiential Marketing:

# The Value of Brand Experiences

Webinar

July 8, 2015



## Experiential Marketing

- Exactly what is EM?
- How big is the market?
- Where does funding come from?
- It's not your dad's experiential initiative
  - Significant ANA Survey Results

## Case studies

- Live Nation
- New Balance
- Nintendo

## Experiential Marketing Best Practices

- An agency perspective
- An auditor / consultant perspective

## In Conclusion

## Discussion and questions

## What are we talking about?

- Experiential & Event Marketing can encompass everything from couponing to a national sales conference.
  - For today's discussion we are defining Experiential & Event Marketing as an opportunity provided by a brand for an individual to experience or interact DIRECTLY with that brand.

## Just how big IS the Experiential Marketing business?

- Studies show the spend is increasing 5%+ annually. But 5% of what exactly?
- The Event Marketing Institute publishes an annual study of 600+ companies engaged in event marketing. “EventTrack 2014” findings;
  - 12% cos. each spend >\$50 million on EM annually
  - 32% cos. each spend >\$10 million on EM annually
  - 56% cos. each spend <\$10 million on EM annually
- That is a conservative estimate of \$8 Billion annually



## Where does the budget for Experiential Marketing come from?

- 65% of respondents state budgets are a result of adjustments to the marketing mix. (repurposed existing funds)
- 35% state budgets are assigned by corporate separate and apart from the existing marketing budget. (incremental funds)

## ➤ **THEN: Straightforward and simple:**

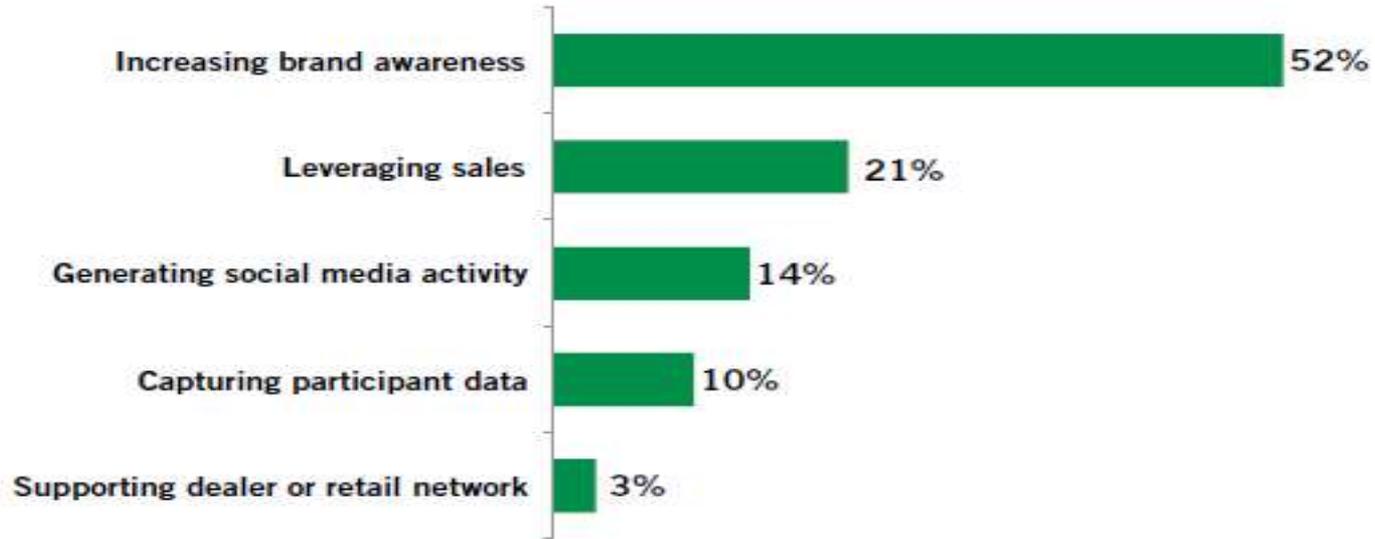
- Produce an event that engages target consumers & increases brand awareness while positively positioning the brand in a cost - effective manner.
- Budget parameters typically defined as an agreed - upon cost per participant.

## ➤ **NOW: Multi-layered and complex:**

- Produce an event that engages target consumers, increases brand awareness, positively positions the brand AND either results in direct sales or brings consumers into the sales funnel, is integrated with overall brand messaging, has a measureable ROI and is, therefore, cost – effective.

## Most Important Goal of Experiential Marketing Event

Base: 88



Q2. Overall, an experiential marketing event is utilized to provide a positive exposure experience of your brand/company/ products to event participants. What is the next most important goal of such an event?

Source: 2013 ANA Experiential Marketing Survey

**Interestingly, 79% of respondents in the EventTrack survey cited the #1 goal of their Experiential Marketing initiatives as – SALES generation / leveraging.**

## **The ANA Survey revealed some Noteworthy Disconnects:**

- While sales generation and social media activity were NOT program goals, over 50% of respondents cited these as top metrics reported to management (# participants was #1)
- While increasing brand awareness was the #1 goal, and 81% said message integration was very / extremely important, only half of respondents have utilized any formal measurement to determine the extent to which these goals are accomplished.
- Only 38% of respondents were satisfied that the metrics they use adequately portray event value or success.
- Less than half of respondents state that brand strategy drives the experiential budget.
- Only 53% believed that experiential was very / extremely valuable to senior management.

## ■ Live Nation

- Specialty is reaching Millennials through music.
- Rejects short term stunts in favor of 360 degree approach.
- Most successful programs require commitment, engagement and investment – from client, marketing & agencies.
- All aspects of digital; including social media are planned and exploited extensively – before, during and after the “event”.
- Robust data capture / reporting metrics are planned and embedded from the start.

## ■ New Balance

- Losing share at an alarming rate. Goal was to create excitement at NYC store opening with sales goals of \$250K per month..
- Challenge was to drive traffic & show they understood urban runners biggest issue – tedium.
- Campaign with 3 goals – competition, mobile entertainment and social media engagement utilizing a smart phone app..
- Created an urban dash which utilized digital tools and delivered \$350K in 1<sup>st</sup> month, higher # purchases at higher price point.

## ■ Nintendo

- Knowing your customers. Repeating what works.
- Stuck in the established process for Invoice reconciliation & management support.
- Where’s the ROI? Focus on the experience to the detriment of measurement and reporting.

## An agency's perspective on getting a bigger bang from your program

Andrew Naylor, director of account services for The Marketing Arm, an Omnicom Group agency ([www.themarketingarm.com](http://www.themarketingarm.com)), offers his keys to executing a successful experiential program.

- **Start with the end in mind.** Understand the goals of senior management and other key stakeholders, and build your program to achieve them. Both the concept and the execution need to fit into your overall marketing strategy.
- **Address all program elements early to maximize efficiency.** Is the program going to integrate with retail? Is there a related promotion? Is there a distribution component? The later these conversations happen, the more expensive it becomes to include them. Just as important, adding unplanned elements to your program late in the process can create an experience that feels disconnected for the consumer rather than feeling like an overall cohesive brand story.
- **Don't go it alone.** A client may submit an RFP to an agency complete with an idea or marketing goals, but it's the agency's job to build a program that delivers a clean, consistent brand message.
- **Briefing is important.** Make sure your agency creates an experiential program that integrates ideas, emotion, and engagement — with a particular focus on the latter.
- **Incorporate social media.** Once an afterthought, social is now an important point of connection and provides the opportunity to extend and expand the conversation beyond the event.
- **Measure success.** Think and plan for measurement at the briefing stage. Monitor activity by using tools that deliver the most value.



# An Auditor / Consultant's Perspective

## ➤ **At some point management really does care:**

- Usually it is when budgets get tight, sales are down, or someone senior questions the value of the experiential spend.
- When that happens you want to have more data than # participants and pretty pictures.
- #1 request beyond auditing for contract compliance – validate or determine ROI.

## ➤ **If all you have is agency supplied data, you've got a problem:**

- NO ONE really believes that the data generated by an account exec with a thumb clicker is actually credible. Too often minimal scrutiny proves it is not.
- Once you submit hard data, it is subject to further analysis. Too often when # participants v total spend data is scrutinized and extrapolated it produces unpleasant results.
- Don't get so wrapped up in "cool" you lose sight of program goals and metrics.
- Make sure you are delivering against management's goals and expectations.

## The Keys to Success in Experiential Marketing

- **Comprehensive PLANNING with sufficient lead time involving all stakeholders is KEY.**
  - *While trite, it is also true. If you fail to plan, you really do plan to fail.*
- **MEASUREMENT that generates the right metrics is KEY.**
  - *Because you really can't effectively manage what you don't measure.*
- **REPORTING that is robust, meaningful and timely is KEY.**
  - *To prove success & identify process improvement opportunities, you need to prove ROI.*

# Thank you!

## Let's discuss

**Bob Siegal**  
Advisory Director  
[rsiegel@kpmg.com](mailto:rsiegel@kpmg.com)  
(818) 402 - 8762





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