



# EXPERIENCE IS EVERYTHING

*2019 Trends in Experiential Marketing*

Inspira

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## EXPERIENCE IS EVERYTHING

In the past decade, there has been a massive shift in consumer behavior. Instead of buying things, consumers are increasingly choosing to invest in experiences. If there's any doubt, just think about the massive popularity of engagements like Refinery 29's "29 Rooms" or the Museum of Ice Cream.

Marketers are also embracing brand experiences. In fact, 41% consider live events to be the most effective marketing channel to achieve business goals and 63% of marketers plan to invest more of their budget in experiential strategies in 2019.

Successful experiential marketing strategies start by taking the time to understand how the target consumer thinks and feels before leveraging those insights to design experiences that authentically connect that audience with the brand.

What experiences will drive these connections? Here, we explore the experiential marketing trends that will engage consumers in 2019.

## I. REFRAMING RETAIL

Retailers have come to terms with the fact that consumers don't just want to buy something, they want to do something. Brands like Sephora, Lululemon, Nordstrom, and Bass Pro are all thriving thanks to their innovative retail strategies that allow consumers to get up close and personal with the brand in an immersive environment, letting consumers discover why – and how – the brand is relevant to their lives, and then replicating the experience across all touchpoints and channels.

Sure, every brand is executing its own unique strategy, but there are common threads woven throughout:

1. Immerse the consumer in the brand experience at every touchpoint and every platform. Whether it's at a retail store or on Instagram, successful brands offer deeply immersive, highly curated experiences.
2. Connect with consumers through their passions. Discover what your customer cares about – beauty, food, music, or the great outdoors – and put those interests at the center of the experience.
3. Make it easy to learn, shop, try, and buy. Today's retail experience isn't transactional; it's about discovery and play. Give consumers the opportunity to touch and try products in a retail environment that creates a two-way conversation between brand ambassadors and consumers, making sure that it extends seamlessly across digital platforms.
4. Partner with like-minded brands. While some brands may be concerned about losing share of voice, partnering with a like-minded brand can build exponential awareness among consumers with a similar mindset.
5. Create an inclusive, not exclusive, community around your brand. Think beyond loyalty programs to build communities through in-store events, pop-ups, online forums, and social media. There's no better way to establish loyalty than to invite consumers to become part of your brand and allow them to become your most trustworthy, authentic, and engaging brand advocates.







## II. WELLNESS IN PRACTICE, NOT JUST PRODUCTS

Self-care of both the mind and body have come to the forefront in a society that is very stressed. Whether it's due to a technology overload, a lack of sleep, poor eating habits, or an inability to make it to the gym, there has been a true shift in consumer behavior, and, as always, brands have to adjust accordingly or face the consequences.

How are brands responding? Specifically, those in the field of beauty, fashion, fitness, food, and beverage have developed products that align with changing consumer tastes. However, these discerning consumers are able to tell whether a brand's efforts are genuine or not, as many will research brand values, where ingredients or materials are sourced, and how they are ultimately produced. In this way, brand ethics serve as a proxy for wellness.

Companies such as Everlane provide a blueprint for others to follow. The direct-to-consumer clothing brand has added a great deal of transparency to garment manufacturing, offering consumers a glance at their factories via social media and providing a readily available, detailed price breakdown of products. As we move forward, brands have a responsibility to offer affordable and accessible wellness choices that allow the greatest number of consumers to live a balanced life in mind, body, and spirit.

Source: Adweek How Wellness Culture Has Altered Marketing for both Agencies and Brands

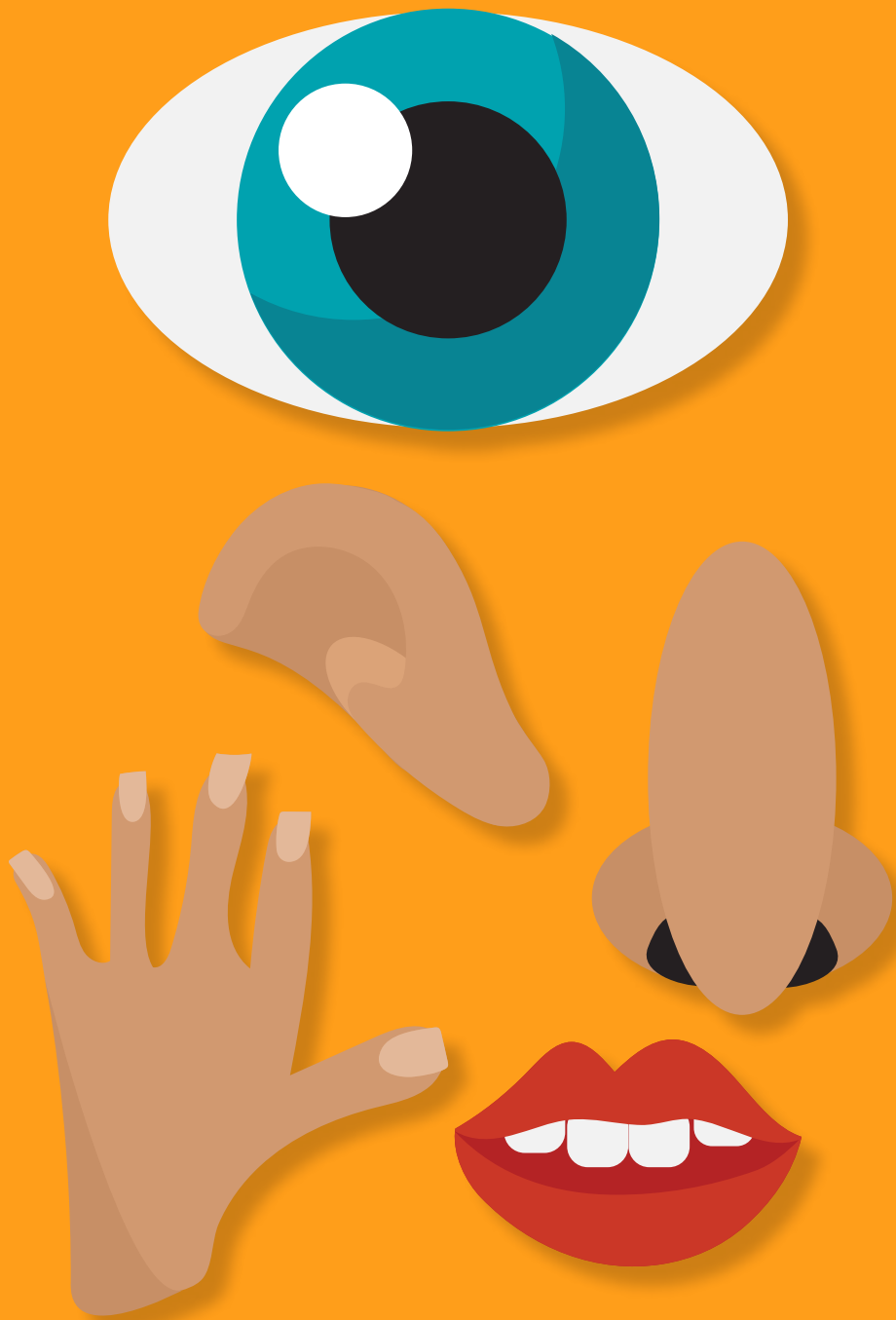
### III. GATHERING DATA & INSIGHTS

For brands and marketers alike, data collection has become an essential piece of the puzzle. After all, the more we know about our consumers – whether it’s age, geography, likes, or dislikes – the more we are able to cater our message to them and achieve better business results. However, data collection must be done delicately. In the wake of 2018’s Facebook-Cambridge Analytica scandal, consumers have become more careful about the data they share publicly, and polling results reflect this. According to PwC, 69% of consumers believe that businesses don’t take customer data protection seriously, while 48% do not understand where and how organizations typically use their personal data.

As experiential marketers, we have the unique opportunity to get closest to consumers and understand their mindset via one-to-one engagements. Through these interactions and in-person surveying, we are able to discern valuable insights that continue to inform our marketing. Going forward, though, marketers must be careful to disclose to consumers when and where their data is being collected – or risk alienating them altogether.

Source: PSFK Ethics of Artificial Intelligence 2018





## IV. ENGAGING THE SENSES

As consumers have grown less receptive to traditional forms of marketing such as banner advertisements or television commercials, marketers have recognized an opportunity to bring their brands to life in the form of imaginative, sensory experiences. Today, the key to creating those immersive, brand-building experiences is by engaging the five senses. That's right – sight, sound, touch, taste, and smell.

After all, our senses are the medium through which we take in experiences; whether it's the smell of freshly baked cookies, the crackling sound of a roaring fire, the sight of a decorated Christmas tree, the taste of a savory pizza, or the feeling of a soft blanket, these elements work together to tell a story. And, when you manage to combine the senses together for a live event, the result is a more immersive, more impactful, and more memorable consumer experience. In 2019, look for the brands that engage consumers with multisensory experiences to see the best results.

## V. CONTENT CREATION

In order to amplify the reach of live events beyond those in attendance, brands expend a great deal of energy trying to get consumers to share their experiences on social media. Of course, there are many ways to create a brand experience that's so incredible consumers can't wait to let other people know, but keeping these tips in mind will go a long way towards extending the reach of your activation:

1. Think beyond the boomerang: Don't rely on a single photo engagement. Instead, the entire activation must be share-worthy and envy-inducing, with content creation built into multiple touchpoints throughout the experience.
2. Consider why consumers share. Consumers are selective when it comes to the content they share. For an activation to be deemed share-worthy, it must resonate emotionally, be eye-popping, and align with something the consumer is passionate about.
3. Let the consumer be the story. A consumer's experience with your product is more powerful than any marketing message a brand can craft. For the most impact, give consumers the experiential tools to allow them to tell their story in their own voice.
4. Don't be afraid to double-dip. Brands can use experiential activations to create their own video or photo content for marketing material – thus creating a spending efficiency. For one of our clients, Sara Lee, we hosted an experiential activation in Arizona that was subsequently turned into a viral YouTube video that generated nearly 1.4 million views!





## VI. THE RISE OF GENERATION Z

Born between 1996 and 2010, Generation Z has never known the world without the internet, mobile technology, or opinion-influencing peers. They are unapologetically themselves, endeavor to stand out rather than fit in, and are much more sophisticated in their relationships with brands. And, by 2020, this generation is predicted to account for more than 40% of all U.S. consumers. Here are four ways in which marketers can tailor their approach to win over this emerging group:

### **Be Real**

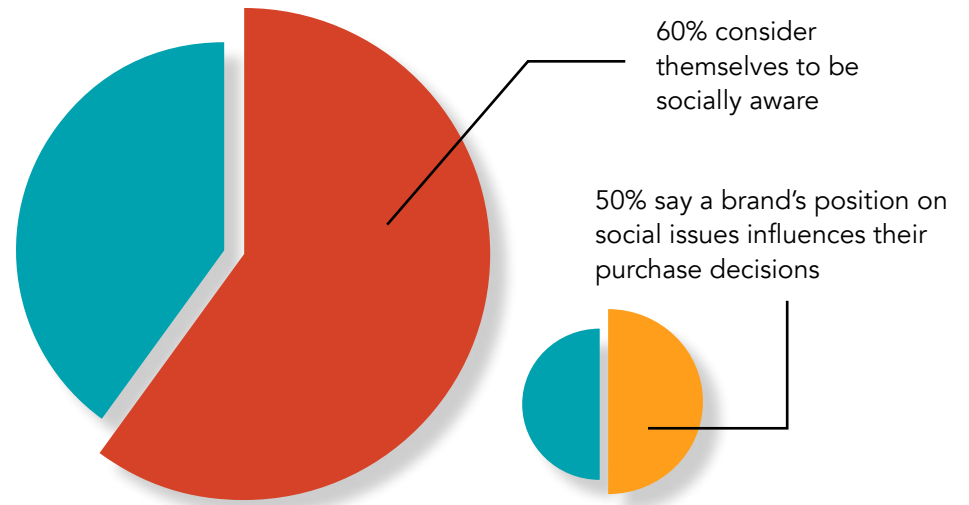
This generation wants to connect with brands that reflect who they are as individuals and they are quick to call out inauthentic brand messaging. Brands have to prove their value beyond the product and communicate in an authentic, engaging, and highly personalized way.

### **Have a Social Conscience**

This generation has a highly developed collective social conscience, with almost 60% considering themselves to be socially aware. They are natural activists who take strong personal stances on the things they are for or against. And, they expect the same from brands, with 50% saying that a brand's position on social issues influences their purchase decisions.

### **Appearance Matters**

We often refer to members of this demographic as "Image Architects" because they are constantly curating their own personal brand on social media. Aesthetic is critical to this generation and researchers found it's the number one thing



this consumer looks for when they buy. In fact, fashionable design matters to 67% of these shoppers, more than any other generation.

### **Every Experience is Unique and Ownable**

Although they have grown up in a digital world, this generation craves tactile experiences. Eighty percent of them say they love to go shopping, with top factors for visiting a retail store including cool store design, unique merchandise, interactive displays that show how to use products, and the ability to try products. While digital plays a critical role in the purchase journey, the experiential aspects of product discovery and trial are equally important.

Sources: EY Gen Z is Connected, Informed, and Ready for Business; Bloomberg Gen Z is Set to Outnumber Millennials Within a Year August 2018; VisionCritical Gen Z Statistics Report on Values, Attitudes, and Behaviors of the Post-Millennials, Criteo Gen Z Report 2018; Adweek Understand the New Generation of Audiences May 2018

## VII. THE CASE FOR CAUSE

Today, brands are increasingly embracing social – and even political causes – to build emotional connections with consumers. While aligning with a cause or issue can be a great way to connect with consumers, marketers must choose their cause or issue carefully to ensure that it is authentic to the brand – or risk coming across as insincere, or worse, trying to profit from a cause.

### ***What You Say Matters, What You Do Matters More***

A recent study revealed that 55% of consumers believe that rather than just selling products and services, brands should be a force for good in the world. In fact, 57% of Millennials agree that marketers should use the brand's voice to raise awareness of social or ethical issues. Similarly, 55% of Generation Z consumers say they choose brands that are eco-friendly and socially responsible.

### ***How to Choose the Right Cause for Your Brand***

Brands interested in aligning with a cause need to understand why they're doing it. Is it out of a genuine desire to make the world a better place, or just because it's the trendy thing to do? Consumers can immediately tell if a brand's message is authentic, so it's essential that marketers take the time to do some soul-searching before embarking on a cause-marketing platform. By understanding what your brand is passionate about and how it engages with the world, you'll be able to find a cause that feels right for your brand.

Sources: Campaign U.S. Young People Still Have a Big Appetite for Purpose-Driven Brands, Survey Finds 2018; National Retail Federation Gen Z Brand Relationships Authenticity Matters



## VII. INSTAGRAMMABLE INSTALLATIONS

While other social media platforms may be losing users (we're looking at you, Facebook and Twitter), Instagram is in high-growth mode. By 2020, Instagram is expected to grow its user base by almost 7% to reach 95 million users in the United States alone. Moreover, researchers found that Instagram users are more engaged and actively follow brands on the platform.

Even more impactful than brand content on Instagram, though, is user-generated content. Seventy-seven percent of consumers say they value user-generated photos over brand-created content when making purchase decisions, meaning it's all the more imperative for brands to get you to post on their behalf. With that, brands have been out in full force in 2018 creating Instagrammable pop-ups. From the Color Factory and Candytopia in NYC to the Museum of Selfies in LA, these installations are designed so that the entirety of the footprint is one big photo opportunity rather than the single-photo engagement of activations past.



## IX. EMERGING TECHNOLOGY

Today, we are integrating technology into everything that we do. Want proof? Look no further than the explosion in popularity of smart speakers such as the Amazon Echo and Google Home. In 2018, 32% of U.S. households with internet reported having one of the aforementioned devices in their home, while 50% claimed they planned on having one in the calendar year. Whether it's asking Alexa for the news, turning to Waze for traffic reports, swiping on Bumble to find love, making a dinner reservation via OpenTable, or hailing a ride via Uber, technology is everywhere.

Going forward, we should expect more brands to follow suit, but what makes for a successful use of technology? Put simply, brands that innovate with technology to create a better customer experience are the ones seeing the greatest results. In the world of food, Domino's has become the most valuable pizza chain due largely to its embrace of digital services that make ordering food a piece of cake – or should I say pie? Likewise, Uber Eats' explosive growth has made it such that we can order anything we want in just a few taps of the thumb. As we look towards the future, it's the brands who lean into Artificial Intelligence (AI) and the Internet of Things (IoT) that stand the most to gain.

Source: Brandz Top 100 Most Valuable Brands 2019

## X. ESPORTS

Today, the gaming industry continues to see explosive growth, and nowhere is it more evident than in the business of eSports. What once seemed like a niche is barreling towards mainstream adoption, with professional leagues bringing in millions of fans and millions of dollars from brands. Though profitability is a challenge for many businesses at the heart of the eSports economy, it's clear that professional gaming is here to stay. Here, we take a look at a few key trends to monitor as we look to the future.

### ***A Matter of When, Not If***

In its 2018 eSports Market Report, Newzoo estimates that 165 million consumers watch professional eSports more than once a month, representing 15.2% year-over-year growth. Even more encouraging is that the industry transcends international borders, too, with the UK, France, Germany, and Japan experiencing even faster growth than the U.S. in terms of new fans in the last year.

### ***Brands Making Big Bets***

The global eSports Economy is expected to grow to \$906 million this year – a YoY growth of 38.2%. The vast majority of that money comes from brands; between sponsorship, advertising, and media rights, brands spent \$694 million in 2018, with that number projected to balloon to \$1.3 billion by 2021.

### ***Taking After Traditional Sports***

Wisely taking a cue from traditional sports, the eSports industry has started implementing a franchising system.



In the past, these leagues relegated teams that performed poorly, thus losing fanbases and existing rivalries between teams. By changing to the franchising format, the league keeps its fanbases and also allows teams to invest in their talent without fear of the team disbanding – just like traditional sports leagues.

### ***Media Competition is Heating Up***

Though Amazon-owned Twitch remains the market-leading platform in eSports, YouTube, Facebook, and Twitter are all seeking a piece of the pie. These platforms are vying to become exclusive rights-holders for the most lucrative sections of the streaming space. Due to this competition and the expected entry of telecom giants into the space, the value of streaming rights for each league will only continue to grow in the coming years.

Sources: Newzoo 2018 Global Esports Market Report; Nielsen Sports Top 5 Industry Trends 2018