

# How to measure experiential marketing

**By Kate Halliday, HPI Research, and Matthew Coles, Cardinal**

Our 'thinkpiece' article on experiential marketing that has appeared in the March edition of Admap. For further enquiries contact the authors or for quantitative applications, Dan Lewis, another HPI Partner.



# How to measure experiential marketing

Kate Halliday, HPI Research, and Matthew Coles, Cardinal, show how to approach realistic measurement of effects of experiential marketing

IT IS WELL documented that today's consumers are bombarded with literally thousands of brand messages in the normal course of a day. Established and less established channels of marketing communication compete for the attention of Joe Public, albeit often for just a nanosecond. The growth of experiential marketing (EM) can be linked to the recognised need to seek ways to stand out from the competition and to cut through this 'clutter'.

Defined as 'a live interaction with consumers, which presents products or ideas within the context of a total brand experience', EM is often touted as the new kid on the block. It supposedly goes further than other communication channels in genuinely engaging target consumers, and winning hearts and minds in the battle for ongoing brand usage and advocacy. Cynics, however, dismiss EM as nothing more than field marketing with 'bells and whistles'. Certainly, research we have undertaken indicates that the jury remains in deliberation as to the value of what is still a relatively new discipline.

## Four marketer mindsets

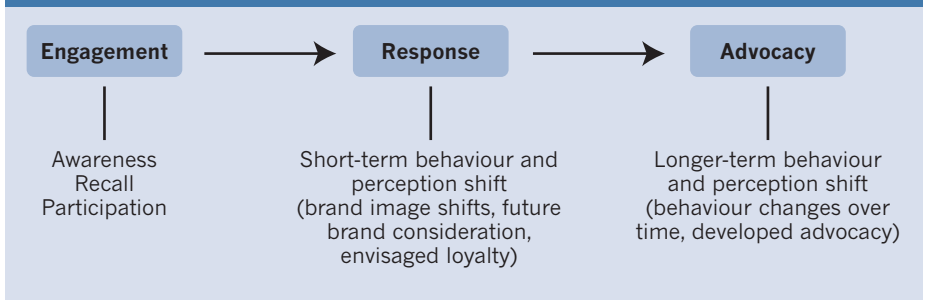
Last year HPI conducted 64 in-depth interviews with senior marketers with responsibility for marketing budgets. This highlighted the existence of four mindsets with regard to EM:

► *Enthusiasts* championed EM for its potential ability to overcome noise from

'It is a reflection of the relative immaturity of the discipline that clients tend to find the setting of KPIs (key performance indicators) extremely difficult'

FIGURE 1

## Measurement components



competing brands, through truly fostering the consumer/brand relationship

► *Embracers* view the growth of EM as an organic trend and recognise its strengths. They are prepared to use it on a horses-for-courses basis

► *Agnostics* are relatively uninterested; as yet, they remain unconvinced as to the real value of EM

► *Cynics* dismiss EM as glorified field marketing with a fancy name, enabling agencies to charge a premium; they are highly sceptical of its ability to create anything more than very short-term brand predisposition.

Clearly, the qualitative nature of the study precludes the opportunity to put volume estimates on these four archetypes. But it was evident from our investigations that EM has some way to go before it can claim widespread endorsement in the marketing community.

Drinks brand owners have been among the most active and positively-disposed organisations in relation to EM. There is a natural coincidence of purchase and consumption in the on-trade, which presents a gift for marketers and EM practitioners in the drinks industry. Beyond this, however, an ever-widening band of clients from across sectors are now looking to EM in order to engage consumers with their product offer in a controlled and stimulating way.

So, overcoming the scepticism voiced by the Agnostics and Cynics will involve education as to what EM actually entails (some confusion was clearly evident) and what its key benefits can be. The latter is easier said than done – it is one thing to

cite a series of advantages, but quite another to provide solid back-up to the arguments being put forward.

## Developing a metric

With this in mind, HPI and its sister agency Cardinal have developed the Brand Engagement Index. This is intended to provide clarity as to the short- and longer-term effects of EM campaigns. Through a combination of hard and soft measures, it provides broad ROI feedback vis-à-vis other communication channels and, in so doing, offers a potential means for addressing the Agnostic and Cynical mindsets.

In developing the index, we have been able to draw on over 40 case studies undertaken by HPI and Cardinal in recent years. These include assessing EM activity for a diverse range of brands including Nokia, Dove, Strongbow, Peugeot, Vodafone, Dunhill, Bacardi, Jack Daniel's and Guinness. Central to our thought process was the belief that EM needs to be assessed at three different levels, as shown in Figure 1.

Measurement of engagement and response is relatively straightforward, with the research usually conducted in two distinct stages: at the event itself, catching consumers before they are exposed as the pre measure, and then after the event. Matched samples of those exposed and not exposed to the activity are interviewed, with the non-exposed group acting as a control.

Control samples in this field are notoriously tricky. The exposed sample is typically more positively disposed to the

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brand to begin with, which explains in part why they are drawn to the event in the first place. It is rarely possible to match brand disposition in the control sample, resulting in the need to apply degrees of weighting in the analysis. This presents a challenge for EM in terms of attracting new consumers and it is important that any measurement tool captures brand relationship as a key variable in analysis.

### Efficiency ...

Questioning among those who have been exposed to the event initially considers what may be termed the 'efficiency' of the activity: whether the subjects were aware of it, whether they noticed it and what they thought about it. Among those who were aware, questions are asked pertaining to specific recall, fit with brand, levels of participation, response to certain elements and overall satisfaction with the activity.

### ... and effectiveness

The next level of questioning relates to 'effectiveness' in terms of what the activity achieved in attitudinal shifts and behavioural change. This requires a period of time to have elapsed between contact and recall, usually one month, to allow changes to have taken place and for the 'event dust' to settle. Analysis at this stage requires careful consideration to avoid the research effects of mixed methods (face-to-face at event and telephone or email re-contact), which always shows responses jump erratically one month on. Control brands are often used to counter this problem.

WOM has become something of a hot topic and is at least regarded as a desirable by-product, if not an end in itself, of EM activity. Important questions are asked in relation to word-of-mouth activity within the Brand Engagement Index – both in terms of the level and the content of what was said to others at the event and post-event.

This element is clearly important in that it can yield a positive ripple effect on the brand in question. For example, when evaluating EM activity for Bacardi, Cardinal encountered a word-of-mouth to

positive participation ratio of 8:1 (i.e. those viewing the event favourably typically went on to spread the word to eight or nine other people). The measurement of WOM remains fairly crude and limited to one level of 'spread': in other words, no one has yet measured whether those who were told went on to tell anyone else. Attrition rates preclude this from most evaluation.

### The longer term

While the above measures can be explored in the short term, longer-term investigation of the effects on purchasing behaviour, brand attitudes, advocacy and so on is more challenging.

From experience, a good approach is to conduct a further wave of enquiry two to three months after the EM event, wherein we are able to track, effectively, any longer-term behaviour and attitudinal shifts among the exposed and non-exposed groups interviewed earlier. In so doing, we can divorce changes brought about by the EM activity from those that could be attributed to other ongoing marketing activity (for example, TV advertising, direct mail campaigns, and so on).

The obvious problem among the exposed group is one of attrition, in that an original sample of 300 could have

been whittled down to, say, 30, claiming some form of short-term shifts in their purchasing behaviour or attitudes towards the brand. Longer-term assessment, by definition, is then only worthwhile among those 30 target consumers. This 'seepage effect' is illustrated in Figure 2.

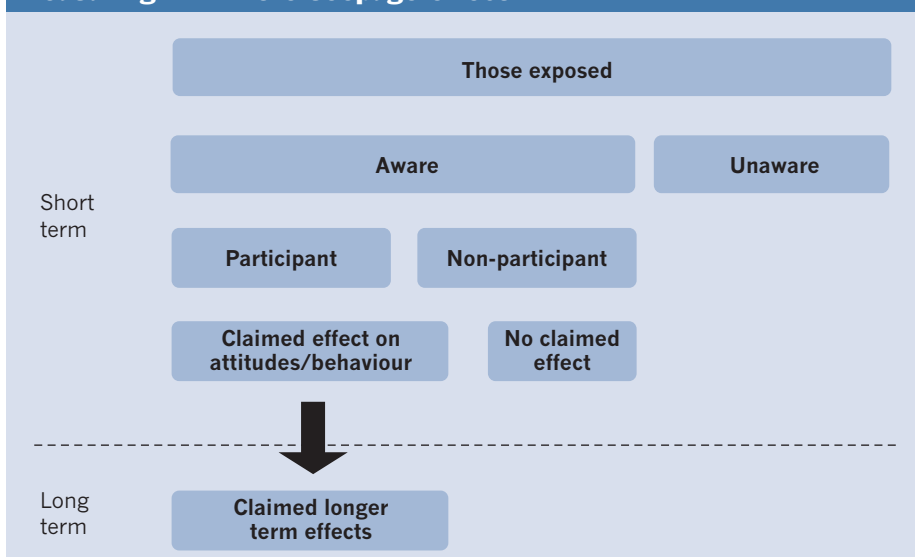
This seepage effect is exacerbated in some cases by unknown quantities of consumers taking part in an event.

Imagine a music festival: take the recent 2007 Leeds Carling festival as an example, at which Cardinal evaluated the Jack Daniel's Saloon area and HPI evaluated the Nokia 'Rock Up and Play' activity. Gaining a pre measure is relatively easy – interviewers capture responses to a series of questions either before consumers enter the area (Jack Daniel's) or while queuing to get in to the festival itself (Nokia). The trick here is to make sure interviewers look a little more rock 'n' roll than usual! Cardinal and HPI's specialist teams are specifically recruited to that end.

Within this approach lies a key issue: the Jack Daniel's example provides a known number of exposed 'participants', whereas the Nokia example cannot guarantee a number of participating consumers. Final sample sizes can be ►

FIGURE 2

### Measuring EM ... the seepage effect



somewhat left to chance and the research method becomes exposed to the success and appeal of the activity.

Cardinal has sought to circumnavigate this problem in its assessment of a national on-trade promotional campaign for a leading spirit brand. By, again, contacting consumers before participation in-outlet (necessary), we have been able to look at previous years' levels of participation, around 30% of all people in a bar. By allowing for typical seepage rates, significant initial contact sample sizes are required. In this case 750 contact interviews are required to achieve 75 participant and 75 non-participant interviews one month on. High base sizes are a rare luxury in the field of EM measurement.

For brand owners, the key aspect of this is going to be cost. The expensive part of measuring EM is the labour-intensive element of field interviewing face-to-face, not the re-contact stage.

## The index

Aggregating the various elements of interrogation, we have thus evolved the Brand Engagement Index. It combines hard numerical data with softer qualitative questioning in nine different territories (see Figure 3).

The importance of a qualitative element in all this can easily be overlooked. Certainly it is useful in applying depth and sensitivity to quantitative findings, which can be rather dry in contrast to the highly engaging (one hopes) event itself. It can be dispiriting for all concerned to present quantitative findings, however nicely laid out the charts are, without the colour of photography, vox pops and quotations that were secured by attendance at the events. This encourages 'buy-in' at

debriefs by holding attention, distracting the audience and adding credibility to the numbers. And all that for very little additional cost, given the presence of a captive audience that requires no pre-recruitment.

Furthermore, the qualitative aspect adds a key element to the analysis. Only by observing first-hand can evaluation agencies genuinely understand how consumers actually interacted with both the event and the stimulus placed in front of them. Briefings of 'what will happen' often do not quite materialise and the execution of the event is somewhat different from that which the research is modelled around. Say it rains, or the position of the stand is away from the traffic flow, things don't turn up or you run out of stock. It always pays to go to events whenever possible to make the Brand Engagement Index make full sense.

## Dangerous norms

In applying the Index, we are conscious that norms are dangerous. The scale and nature of EM (and the product categories in which it is used) vary so much that it would be foolhardy to impose rigorous numerical benchmarks. Instead, our approach centres on agreeing expected and desired outcomes with our clients at the front end of the project and then evaluating the activity against these objectives.

It is a reflection of the relative immaturity of the discipline that clients tend to find the setting of KPIs (key performance indicators) extremely difficult. In part this is because, very often, no previous data exist to allow realistic targets to be set. The reality of EM for many clients is that what can be achieved is not known beforehand, beyond predicted levels of 'contacts' made

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by the promotions agency. This puts the spotlight on a key weakness in traditional measurement, in that it focuses on absolute numbers exposed to a piece of activity, rather than the conversion of those exposed to it.

## Depth of conversion

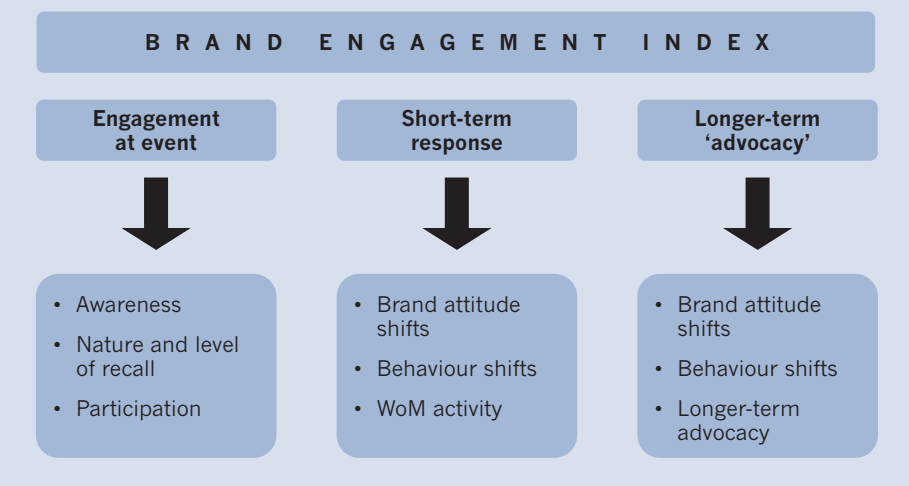
EM is not about breadth of exposure. It is about depth of conversion. Evaluation of EM therefore needs to focus on this by combining the hard and soft measures included within the engagement index.

Does this meet the brief in terms of providing a measurement of ROI? It does, in so far as any measurement of softer brand attitudes can, and if the number of exposed participants to an event is known it can go further still, by measuring the total effect on purchase behaviour post-event in the case of drinks or fmcg. This represents a significant advance on simply telling the client how many people 'received a sample'.

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FIGURE 3

## The nine components



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