

Brand Impact of Experiential Marketing

Case Studies

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Executive Summary:

Experiential, grass-roots marketing efforts, many times manifested as corporate retail or “museum/factory tour-oriented” attractions, have become major marketing tools for cutting-edge companies such as Nike, LEGO, M&M/Mars, Coca-Cola, and Pepsi. Without question, brand managers and consultants believe these experiential marketing efforts are a key factor in reaching and enhancing relationships with consumers in a way that cannot be done in the increasingly cluttered traditional advertising mediums. When measured by their effectiveness in terms of CPMs, these efforts yield results at a fraction of traditional advertising costs. But it is the one-to-one, extended, hands-on interactive experiences that have resulted in increased sales, increased awareness, improved brand perceptions, and increased brand loyalty beyond what could ever be achieved by traditional advertising at any cost. Some common themes expressed by those familiar with corporate experiential marketing facilities include:

- The sheer amount of advertising that would be required to engage a consumer for the length of time they spend at a corporate attraction is priceless.
- In meeting basic human desires for emotional bonding and learning how things work, they create a strong, memorable, emotional bond with the consumer that improves brand perception and preference over long periods of time.
- The opportunity to expand the brand to new categories is enhanced as consumers better understand what the brand stands for and what its core attributes are.
- Overall sales in other channels are increased in the local media/market area as they provide the consumer with a chance to try the product in a risk free environment.
- Furthermore, the “buzz” created by an attraction transcends the physical location of the particular attraction and can continually be leveraged as new facets of the attraction are added.
- They demonstrate commitment to the brand and brand strength to the consumer, retail/distribution and investment community. These messages are positively received as credibility, confidence, and commitment to delivering on the brand promise.
- There is an opportunity for face-to-face communications with the consumer that are otherwise inhibited by the layers of distribution.
- They provide a consistent and logical venue to present new product introductions, corporate news and thought leadership opportunities.
- They become a symbol of corporate pride contributing to employee satisfaction, excitement, and passion in key areas such as product development, marketing and sales.

Average length of stay in a NikeTown is 45 minutes while Kellogg’s Cereal City averages over 2 ½ hours.

“Sales have been shown to increase by at least 10% overall with the addition of an interactive brand site.” -- Consultant

“They are great way to charge up the salesforce and channels for a brand.” -- Consultant

Research and interviews revealed a common thread among successful experiential marketing facilities. These include:

- Know the brand from both the company's and consumers' perspective to create an experience that may extend and enhance but not offend consumers' expectations.
- Make it educational and entertaining.
- Integrate it in an overall campaign and mix of grass-roots efforts and traditional advertising.
- Locate in an area with a large number of tourists and some amount of affinity with other local attractions or history.
- Make it interesting and refreshed enough to draw repeat local traffic.

These centers have, by far over-performed what companies expected in terms of draw, sales, and other results. Some companies have been forced to charge to limit attendance to overly popular attractions. Others who have not had a corporate museum or factory tour have been forced to develop one in response to consumer demand. Only a few failures were sited in the area of experiential marketing.

M&M's World, Crayola Factory, and Robert Mondovi Winery are examples of facilities that have needed to charge to limit attendance.

- Viacom Flagship Store – consumers had no relationship with the corporate brand of MTV and Nickelodean.
- Sponsorships where brand personality and consumer did not match event personality and consumer such as Snapple sponsorship of motocross racing.

Background:

Trends in Branding

Brands establish an identity by association with meaningful ideas and values and a quality position that people can readily understand. Traditionally, they were built on unique selling propositions or features that translated into immediate benefits for the consumer. These ideas and positions differentiated a brand from competitors. A marketer would equate the brand with a value or a promise, sear the brand into memory through monologue-oriented advertising, and then put it on as many products and outlets as possible. The successfulness of the traditional format in the past is exemplified by our memories of jingles, commercials, and icons such as Tony the Tiger, the Pillsbury Doughboy, and Mikie that remain long after the impression was made.

However, today there are increased challenges for developing and maintaining a brand. Advertising, as the traditional medium to build brand, has become increasingly less effective. Advertisers must cut through the over \$160 billion in advertising spending¹ clutter that

“With rates soaring and audience shares plummeting, only the cream of the advertising crop makes an impression on TV these day.” -- Luanne Calvert Yahoo!

¹ Eating the Big Fish, Adam Morgan, John Wiley & Sons, Inc. 1999

Over 39% of consumers switch channels while 19% mute commercials, up 25% and 10% respectively since 1985. – Roper Starch

bombards consumers with over a 3000 messages per day. On top of that, this is an age of public skepticism and heightened sensitivity to advertising of any form. The traditional selling proposition based on product claims has fallen victim to jaded consumers² while sustained differentiation is becoming more difficult than ever with overnight competitors appearing from the Internet and the brand extensions of other powerful brands. Brand loyalty has suffered accordingly, only 43% of consumers report being brand loyal – down 11% in just two years.³

This increasing difficulty getting a sustained brand message to consumers is coming at the same time that brands are taking on even more importance to consumers. People are living in more uncertain times and can no longer trust businesses, political figures, financial institutions, or job/financial security. Furthermore there has been the fall of the traditional touchstones of church, state, and community. This has launched many brands with strong and clear identities into cultural touchstones. These brands help consumers define themselves, reassure consumers of who they are and define what the consumer stands for – people have formed emotional attachments to brands that have a clear sense of who they are and exhibit this self-confidence to the consumer⁴. Even greater than providing a consumer with identity, some brands actually can enhance a person’s self-image as in the case of Starbuck’s where consumers go for a moment of sophistication instead of a cup of coffee. This emotional attachment allows the brand to be extended into seemingly unrelated products and services as the brand becomes more important than the individual product or service capabilities.

Brands such as Nike, Apple Macintosh or Harley-Davidson help consumers define their identity, values and aspirations.

So how does a brand build itself into a cultural icon at a time when getting a message to the consumer is increasingly difficult? The answer for many cutting-edge brands is to bring the brand to life and to connect in a personal and memorable way -- exciting and motivating the consumer and associating the brand with satisfaction, pleasure, new experiences, personal style, or causes. These brands connect with consumers as humans,

“We are increasingly convinced that we need to be out in the world in people’s communities with a physical, experiential demonstration of what our brand is all about.” – Discovery Communications/ The Discovery Store

not as product users, in an experiential, personal way using common human denominators of the senses, intellect, and emotion.

This so-called brand experience is the process of taking the values of the brand and extrapolating them into an environment where the consumer becomes immersed, surrounded by colors, shapes, sounds and sensations which embody what the brand is about. A brand must appeal to all these factors to heighten the brand image and awareness and secure the memorable experiences that will influence on-going

² Adweek, “Art & Commerce: Two-Way Street” 8/30/99

³ The Roper Reports 2000 Annual Presentation “Kinneted The Movement to Connection: Technology, Relations, Brands”

⁴ Eating the Big Fish, Adam Morgan, John Wiley & Sons, Inc. 1999

word-of-mouth enthusiasts and loyalty. These experiences “create fanatics and apostles in the user base⁵.”

There are other experiences that can bring increasingly disenfranchised consumers back to a brand and create a greater degree of relevance and a closer relationship with the brand. As Ben & Jerry’s has seen, the blending of social values can also add experience to the brand. 83% of consumers have a positive image about the like-minded cause-oriented brands⁶. Brands also engage with consumers by promoting consumer-to-consumer interaction, bringing together like-minded individuals. This is done through sponsorship of grass-roots events such as touring exhibits, concerts or sporting events. Brands communicate with audiences at these events at a moment when the consumer is interested in what the brand has to say. It’s a way to surround the consumer with entertainment, education or information and allow them to test drive a product. All “brand experiences” must consistently reflect and reinforce the brand as every contact with the company represents an interaction with the brand.

Coca-Cola will be spending only 25% of its communications budget on traditional advertising, spending the rest on sponsorship, experiential marketing, and grass-roots activities. -- Charles Frenette, Chief Marketing Officer

No longer do consumers want to just consume a brand. And with these brand experiences they can dive into their favorite brand world and live their favorite brand. This takes the product further into a consumer’s psyche and opens up new areas of association and engagement for the consumer. Companies around the world are successfully engaging consumers through experience by: plant tours and their more recent incarnation, corporate theme parks/attractions, such as General Motors’ theme park, Opel Live, with a tour, car simulators, a ride and cinema; education/academic centers such as Robert Mondavi; interactive brand mega-stores such as Virgin Megastores that has added vibrating floors instead of just listening stations; event marketing such as Pepsi’s Joy of Cola Tour; and sponsorships such as Tommy Hilfiger’s concert series that showcases opinion leaders wearing the brand.

It is clear that not only is the popularity of plant tours and corporate attractions/events at an all-time high, but also the impact of a well executed strategy brings increased sales and brand awareness. These firms that offer distinctive and positive experiences have created fanatically loyal consumers.⁷ Besides those measurements, ad equivalents are also an important measurement of the value of these events. Entertaining retail, while not specific to a brand, also offers some interesting insights into the impact of experience on sales and loyalty. The disparate case studies provided below all offer some insights into the powerful positive effects of experiential marketing on brands and sales.

⁵ IBID

⁶ Roper Reports 2000 Annual Presentation, “*Kinnected* The Movement to Connection: Technology, Relations, Brands”

⁷ *Entrepreneur Magazine*, “Dare to Be different”, September 1999

Case Studies:

Corporate Attractions/Theme Parks

Corporate museums, re-creations of the factory tours of old that have since been cancelled due to proprietary and safety concerns, have become tourist destinations. Consumers planning vacations around corporate attractions are driving attendance: up 20% at Binney & Smith; 5% at World of Coca-Cola; 3% at Hershey's Chocolate World; and 10% at Peavey's Electronics Corp. These attractions, which are a cross between a theme park and factory tour, are designed to develop "alpha consumers," the most loyal consumers that remember experiences in their purchasing behavior and generate extensive word-of-mouth advertising⁸. The impact to a brand is substantial because these experiences stay with consumers for life. According to travel-book author Karen Axelrod, "People really remember factory tours they went on when they were kids. Whether it was learning how a fortune gets in a fortune cookie or toothpaste gets into a tube, everyone's eyes get bigger when they see they way things work. Everyone becomes a five-year-old."⁹

And it is not just the way things work -- just as film-star fans want to know more about their favorite actor, there is a rising trend of people having a built in curiosity about their favorite products. The decades of brand building mystique has launched many of the most powerful brands into cultural touchstones that help consumers define themselves, reassure consumers of who they are and define what the consumer stands for – people have formed emotional attachments to brands. Corporate attractions do not just attract these loyal followers. According to one consultant, "Consumers attribute a stronger sense of brand validity, pervasiveness and reach when they see a corporation willing to spend money to invest in an attraction." These actually attract consumers who want to find out what the buzz is about and learn more about a brand that demands and can sustain such an investment.

Hence the overwhelming popularity of corporate attractions that are many times the biggest tourist attractions in a given city. While understandable in such places a Battle Creek, Michigan (Kellogg's) and Hershey, Pennsylvania, where Hershey's chocolate World gets more visitors per year than the White House – this is also true in Atlanta where the World of Coca-Cola pulls in over a million paid admissions per year making it the city's largest indoor attraction.

Some tours, such as Hershey's, were developed decades ago to encourage consumer trial and became so successful that they became attractions in themselves. Others, such as Coca-Cola's, came out of unsolicited consumer demand for a way to touch and feel the product.¹⁰ Many attractions have developed as a

Motorola, which had a center dedicated to employees and their families, had so many unsolicited tourists that they increased staff from 12 to 31 and "could triple attendance even more if they wanted".

⁸ *Investor's Business Daily*, "Consultant Micheal J. Wolf on the Entertainment Economy", April 9, 1999

⁹ *The Boston Herald*, "Factory Facts Show Heart, Soul of America", January 29, 1998

¹⁰ *The Toronto Star*, "Brands with Power", October 4, 1999

replacement to factory tours that have been increasingly abandoned for liability reasons. Kellogg's, which stopped its factory tours in 1986 for safety reasons, found public interest did not end and a visitors' center was built by the city of Battle Creek in 1998 to address the need.

While most brands stay local to increase historical context as well as tourism, other brands such as Ocean Spray's Cranberry World in Las Vegas have ventured to tourist meccas to capture this important base of replenishable visitors.

Most brand centers stay close to home both to encourage tourism and add to the sense of history that is many times a critical component to the experience. For example, the Binney & Smith Crayola Museum draws 500,000 to a town of 26,000 while Battle Creek's Kellogg's Cereal City has drawn an estimated 300,000 visitors to a town of 54,000. Deere & Company is the largest tourist attraction in Western Illinois with 300,000 visitors per year. Austin, Minnesota's Spamtown draws 60,000 per year.

Ethel M/M&M's World

M&M's and Ethel M, part of Mars, Inc. have developed a 26,000 square-foot part academy, part factory tour, part history, and part retailing experience in Las Vegas. The original intent of site had been to develop a retail store that would be a flagship or showcase for Ethel M, Mars Inc.'s premium brand of chocolates, which would create brand awareness. The decision to locate the Ethel M store in Las Vegas was to be near the plant built in Henderson, NV that manufactured Ethel M, and special Snickers and Dove products.

"It's a much simpler, fun version of what goes into making M&M's."

Mars originally acquired the Forum property with the intention of only showcasing the Ethel M brand. However, once they realized they could leverage the traffic generated by Sega Game Works, the All Star Café and Coca Cola World, they decided to add M&M's. The visitors are drawn to M&M's World with one of Las Vegas' most animated and unique signs that is three-dimensional and 40 foot long showcasing the M&M's characters in a neon show.

"M&M's World is a great way for people around the world to connect with their favorite candy and their favorite characters, Red, Yellow, Green, and Blue."

Visitors enter through the Ethel M shop. The M&M's tour includes M&M's manufacturing, personalized M&Ms, line extensions, and a broad range of M&M's products and merchandise. The tour is targeted to families, as "M&M's are loved by kids and adults". The tour became "hugely" popular, much greater than Mars had anticipated, and Mars began to charge admissions to limit attendance to capacity. While the private company does not disclose specifics, "the site is making money on the admissions and the sales of more than 3000 items of logo merchandise."

The goals of the attraction are to provide a corporate showcase and an opportunity to showcase sponsorships and corporate priorities. Because visitors enter through the Ethel

M store and exit through the Ethel M ice cream shop, the center is expected to also impact the awareness of that brand.

LEGOLAND

The LEGO Company, started in 1932 in Denmark, began importing its blocks into the U.S. in 1961. While LEGO products have proliferated into themes, new colors and configurations, apparel, accessories, multimedia publications, and interactive games – they remain an icon of American toys. Parents and kids both like them because they help kids learn and grow: they are fun, creative and educational.

LEGO, with 80% share in its building sets toy category, has embarked on a brand building campaign to become the Number One most recognizable brand by families, adults and children by 2005. As a result of becoming better known than Disney and Coca-Cola, the company expects to triple sales. Key to this strategy is alternative venues.

The first of a number of LEGO stores are now in destination centers such as the Mall of the Americas in Minnesota and more recently in London's Bluewater Park. These carry the full range of products along with many surprising interactive and hands-on features for the enjoyment of both parents and children. LEGO sees retail as a way to secure consumer access to the LEGO brand values in a sustainable commercial way. The stores are "a total brand expression, showing families a much broader range of what the LEGO brand is and what it can do." Furthermore, the store in Minneapolis has increased overall sales of the brand in the region.

An even greater extension of LEGO's brand are through LEGO's three parks in Billund, Denmark (1968), Windsor, Great Britain (1996) and a newly opened one in Carlsbad California (1999). The two newest parks were justified on a very modest return on investment for the parks as standalone investment with the expectation of a larger, non-quantifiable return in consumer goodwill and brand image and awareness. Each park's location was based on availability of a suitable site, the expected attendance and economics. While each of these parks is designed with a local flavor, they are all designed around experience – doing things, not being hurtled through space at breakneck speeds. The parks are less rushed, less pizzazz-filled, with elements more likely found in a science museum.

"We're focused on where the family wants to be, which is together."

The Legoland Parks have realized the tremendous potential in offering consumers experiences that endear their brands to them. As one of the U.K.'s and Denmark's most prominent leisure facilities, they have drawn over 1.5 million and 1.4 million visitors respectively. The Legoland in California has had to close the gates and use a reservation system to control attendance into the park. They expect to draw 1.8 million visitors to the park. The success of the park, in terms of brand, is demonstrated by the U.K. where sales of LEGO products increased 13% after the opening of the Windsor Park¹¹. In California "souvenirs are flying off the shelves" providing on-going reminders of the experience and

¹¹ *Discount Store News*, "LEGOLAND Retail Theme Park Strives for 'Big' Brand Image", April 5, 1999

human billboards for the LEGO products and park. Furthermore, LEGO is looking to expand the concept and open a fourth park in the near future.

With its aggressive goal of becoming the number one brand, LEGO is also developing other brand building attractions including a traveling LEGO Ocean Adventure Museum currently on display at the Brooklyn's Children's Museum and a playroom at the Oakland A's stadium. They are also working with the Red Sox to develop a permanent display and promotional tie-in with the Red Sox.

Anheuser Busch – Busch Gardens

The enduring value of a corporate-sponsored theme park is shown by Busch Gardens Parks in Tampa Bay, Florida and Colonial Williamsburg, Virginia. The park is branded Busch and everyone in the park is treated to a tour and tasting of Anheuser Busch beers along with the other park attractions. According to theme park expert Harrison Price in recognizing Anheuser Busch, "They have achieved mass attendance, long stay and visitor satisfaction in a continuing operation. They got credit for being a good host and in doing so dramatically increased their share of the beer business in these two market areas, particularly Florida."¹² Not only are the parks profitable and generating healthy ROI returns, they show that a park, as a secondary business, can be run well – many times better than competitors who focus on the industry.

Education/Learning Centers

Education and learning centers facilitate a company in becoming a thought leader in their industry. These opinion leaders and influencers get increased brand recognition beyond their category as brands with similar psychographics and demographics seek them out for support and industry and mass media journalists seek them out as the expert in a category. These centers are also of value to the corporation because they provide a consistently branded venue for corporate announcements, public relations events and new product announcements.

Robert Mondavi

Mondavi has always viewed that brand loyalty comes from inviting people in, educating them, showing hospitality and communicating with them over an extended period. Mondavi has been at the forefront of this by being the first California winery to open its doors to the public. The winery currently receives 300,000 visitors per year even though the winery has instituted a charge for the tour to discourage the casual tourist. Mondavi uses the visit to screen consumers into serious wine buyers, casual wine buyers, and interested but not frequent buyers categories. The winery then develops a database and collects data to tailor communications such as recommendations to them. Once in the database the winery has several levels of communications, each becoming more personalized, and measures consumer loyalty. They have found just visiting the winery

¹² Harrison Price Company, "Measuring the Economic Impact of Events", March 29, 1988

increases loyalty (share of purchases) and brand awareness and that loyalty goes up each year as a function of time and amount and level of personalization of the communication.

In order to reach more consumers to begin educating, entertaining, and communicating with them, Mondavi must reach consumers that are two tiers removed given the wholesale/distributor and retail structure of the channel. Hence, Mondavi's plans to create a wine country experience as part of Disney's 55-acre California Adventure theme park. The wine complex will offer an educational and entertaining introduction to premium California wines to millions of expected visitors.

"We couldn't buy the advertising to generate that kind of qualified traffic to our winery or Internet site."

The sensory and entertaining experience will introduce visitors to California's wine history and Robert Mondavi's role in it through a vineyard, film, tasting areas and dining rooms including a 5-star restaurant modeled after the winery's restaurant. This experience is expected to enhance Robert Mondavi's reputation globally for high quality wine and for helping to create an American wine culture through education. As with the winery, the areas will be segmented with some reserved for more serious, in-depth food and wine tasting experiences as well as mass-market experiences. Consumers who select the option will be entered into the Mondavi database for future communications.

Good Housekeeping Institute

The *Good Housekeeping* Magazine realized that it had under-leveraged its Good Housekeeping Seal of Approval and the Good Housekeeping Institute, a "torture chamber" on the top floor of Hearst Building that tests 2000 items per year, assets.

In a world of immense product churn and a blizzard of product claims, knowing that there was a guarantee of quality was as important to a Good Housekeeping reader as hipness was to an MTV junkie.

While 92% of women continued to recognize the Good Housekeeping Seal more often than any other consumer emblem¹³, research by Siegel & Gale determined awareness was high but knowledge of what it represented was fairly poor. Research also showed that the Number One value that people place in *Good Housekeeping* is trust and the Number One problem people have in the marketplace is trusting products they buy. The company realized that, with education, the Good Housekeeping Seal could likely be applied to even more categories of products and services.

With key goals of awareness and education about the seal and restoring relevance to it, the Company embarked on an advertising and PR campaign timed to coincide with its 100th birthday including: the *Home Shopping Network's* "Good Housekeeping Show"; *Prime Time Live's* "Good Housekeeping Report" (7 episodes per year for which they are paid by ABC); spots on CBS radio; and a weekly newspaper column. The Good Housekeeping Institute is always prominently featured – a star showcase with "virtually" 100% of those going through it coming out "amazed" and favorably impressed by the brand. Good Housekeeping Institute also increased its categories by including Dr. Joyce

¹³ *Advertising Age*, "Good Housekeeping Seal", June 29, 1998

Brothers, Heloise, Peggy Post, Jane Bryant Quinn, and Dr. Nancy Snyderman, all of which have weekly columns and interactive sessions on line.

As expected, Good Housekeeping was able to expand into new categories. Through joint ventures they created a comparison-shopping guide (brandwise.com) and an online shopping guide with women.com. Advertisers say the appeal of this program is the halo effect the *Good Housekeeping* name brings. “Being tied to such a strong name as *Good Housekeeping* made me very interested in it. There’s something magical about the name *Good Housekeeping* and for a lot of women thinking about shopping online, that might help them get past the hurdle of security issues” according to Rich Burke director of Spiegel Internet Media¹⁴. Good Housekeeping has also developed its own branded products that must pass the Seal of Approval test.

The awareness generated and the increased understanding of the Institute has resulted in a larger revenue stream for the Good Housekeeping magazine. The number of products holding the seal has increased 41% generating fee revenue, while there has also been an 11% increase in newsstand sales and a 10.4% ad dollar increase¹⁵.

According to Good Housekeeping circulation, Good Housekeeping is not only the largest magazine in its category but readers spend an average of 46% more for each copy.

Retail Mega-Stores

The ever-increasing branded-product showcase stores serve more as brand-building devices than they do as revenue generators. Selling brand image is as important as selling merchandise. They have become giant billboards and monuments for the brand getting more extravagant all the time. They are big 3D brand commercials, lifestyle statements, museums, theatres, and happening tourist destinations. However, the objective is not just image and entertainment as brand education, product education and an element of “play before you pay” or “try before you buy” are also important in securing ongoing sales and loyalty. People go there to find out what they want instead of, as with most stores, to get what they want. These stores allow consumers to eye the merchandise without obligation or human contact.

Brands such as Nike, REI, and American Girl have seen the impacts of these stores on sales and loyalty. By mixing merchandise with an entertaining experience they are able to make a much stronger advertising impression on the consumer that will make them more likely to buy that brand elsewhere. Kurt Barnard, of *Barnard’s Retail Trend Report*, believes “Brand builders provide real help in sustaining sales momentum as they reinforce the presence in the market place and brand equity”¹⁶. Furthermore, a well-thought out store with an entertainment formant sells 60% more per square foot than a

¹⁴ *Advertising Age*, “GH, Women.com Roll Holiday Shopping Guide: Reliability Test a Requirement for Advertisers”, June 28, 1999

¹⁵ *Advertising Age*, “Magazine Stick Their Label On All”, June 15, 1999

¹⁶ *Discount Store News*, “Exploiting the Equity of a Name”, May 11, 1998

similar-sized traditional store¹⁷. The key is not just entertainment but something that reinforces what the brand stands for and sets it apart from the competition. The stores are more about building an emotional bond with the consumer than about buying. While the stores may not make a profit, they will increase the amount spent on the retail brand through all channels by 10% or better according to most consultants.

American Girl

Pleasant Company was founded in 1985 by Pleasant T. Rowland in Middleton, Wisconsin as a line of dolls, books and related products designed to educate and entertain girls with high quality products and experiences that build self-esteem and reinforce positive social and moral values. Popular from the start, the Company was constrained by manufacturing capacity and limited distribution of the dolls through what became the Number One toy catalog. They have built a magazine subscription base of 750,000. They have also created an educational curriculum for teaching the subjects related to the dolls.

In 15 years they achieved over 90% brand recognition among 7 to 12 year-old girls. This brand recognition came even though American Girl had never advertised – launching a first-ever fall 1999 campaign to support the launch of its e-commerce site.

The Founder’s dream had always been to build a retail store that would provide the ability to feel and touch the products that is not possible through the printed page. She also wanted to develop a destination for girls, where their intelligence and curiosity would be respected and where she could foster a relationship with girls and their mothers.

“We’re giving girls a sense of their own identity and specialness.”

American Girls opened the 35,000 square foot store in Chicago in November of 1998 to showcase everything from the American Girl Collection and ancillary product lines. Everything in the store is branded American Girl. The store is described as offering a complete experience, part museum, church and store. Education, always a tenet of the brand, was a necessary component of the store. “It’s a place where girls can come with their families to learn about history.”

It includes a themed theatrical performance for \$25 and an American Girl Café. “There are so few restaurants appropriate for girls and their guests to spend quality time together – it’s less about food and more about time. It’s a gift of time, and it’s about creating magical memories and experience. It’s a bonding experience.” Creating the level of customer service and face-to-face contact that would be comfortable for girls was a unique challenge for American Girl and required a significant amount of learning and employee training.

The store is expected to do \$25 million of the expected \$300 million in total American Girl sales for 1999. Sales are \$700 per square foot compared with \$400 for a top-performing Gap. Part of this is due to the time in the store, “We have a tremendously

¹⁷ *About Women & Marketing*, “Add Fun to the Retail Experience”, April 1998

loyal consumer. We have people who stay in here longer than anywhere I ever seen in retailing. For them it's the experience of a lifetime."

By May, the store had already drawn 500,000 consumers with 65% from out of town, including many that make trips to Chicago just for the experience of American Girl. Reservations are filled out weeks in advance for the restaurant and theatrical performances. Furthermore, the catalog sales have "increased a lot" as a result of the buzz created by the store.

"The message gets out beyond Chicago because of the 'buzz' and awareness created by the media attention as camera crews are in the store all the time."

They haven't measured brand impact per se – American Girl believes the parents and kids say it best. The kids go home talking about their day at American Girl place for months. A typical comment, "It's different than I thought it would be... it's better." Parents love it and don't mind spending the money as long as there's a learning aspect.

Levi Strauss & Co.

Part of Levi's strategy was to change their image with the younger demographic that no longer found the brand relevant. This goal was key to the design and implementation of the Levi's new 24,000 square foot multi-sensory shopping experience in San Francisco. Levi's wanted visitors to remember the experience and affect a change in attitude long after they left the shop. "It's about brand image and the brand image is young, 15 to 19 year olds. It's about being cool. Individuality is very big with youth." Keys to this strategy included an experiential store enhanced by technology and merchandise. As part of this they did a joint venture with Spundae Reckords, a hip Haight Street record store, to put a listening station and DJ pumping 70,000 watts of digital sound into the store. They have "created an environment where fashion, music and art converge to further individual expression and attitude." It's an atmosphere that spawns energy and encourages creativity.

Besides the only selection of Levi's product from all over the world, the store includes a vintage clothing line and a section for consumers to not only personalize their jeans to fit, but also with beads, rhinestones, embroidery, and laser etchings that appeal to youth. For the perfect fit, there are two options: a computerized scanning system that measures the body for fit and a hot tub where shoppers can soak in their jeans for a perfect fit. Technology was also a key driver to the experience. A fingerprint system designed to be fun for the consumer and to give Levi's important information about how consumers shopped in the store. There are periscope cameras where consumers can spy on different areas within the store and an image catcher booth where consumers can get their image taken in front of San Francisco landmarks made irreverent. On the outside, an image wall of nine 16X9 foot screens draws people's attention to the store by giving it a big drive-in theatre look. "It's all about the consumer coming in here and having an experience."

Levi's is interested in this concept as a brand showcase and to change the attitudes towards Levi's with a key demographic group. In its first few months it has already become the top selling store. They feel the impact of the store goes beyond San Francisco with the brand buzz created by magazine and media attention. They have already gotten calls from "kids" around the country asking about the store.

For those who have actually visited the store, the majority had an improved impression of the brand. To both keep this store fresh and add potential new stores, they will use the learning from this store, both the shopping pattern data and focus groups, to duplicate the elements that work, evolve some of the others and add new unique features.

REI

The original intent of the Seattle REI was as a typical 100,000 square foot flagship store in their hometown. It quickly became Seattle's top tourist attraction, attracting 2 million visitors per year. The human element of the experience was designed to be more important than anything the consumer could buy or REI could build through other vehicles. These stores appeal to the emotional part of why a consumer buys. "People climb the wall and realize, wow, I can do this!" The interactive experience made the Seattle store "hugely profitable."¹⁸ The store met its five-year goal in just two years. Sales are double to triple the chain's traditional stores.

"We're selling experience – we're selling the romance and adventure that's behind the product. We want consumers to explore, learn and purchase."

The concept was so successful that it has been expanded to Minneapolis, Minnesota and most recently to Denver, Colorado. Furthermore, the traditional concept stores are being revamped to add elements of the flagship store, predominantly the "rock." The flagship stores have several common interactive areas such as hiking and ski test trails and those targeted at the sports specific to the area: Denver has sub-zero testing and kayaking; while the Minnesota store allows for testing of cross-country skis.

REI after having put in its flagship stores and "rocks" in traditional format stores has seen a "huge" increase in brand recognition. Based on market research, brand preference and top of mind outdoor retailer has been positively influenced. The impact is more pronounced in regions where they have flagship or upgraded stores. In the south where they do not have a lot of these upgraded stores, there has been less of an impact. In cities where there are "rocks" consumers have a higher unaided awareness of REI and REI is mentioned first when associated with climbing. Sales have increased in the categories in which REI has interactive displays overall. These do not necessarily accrue to the REI branded merchandise. "Sales per square-foot came in much higher than expected which is likely the product of the one to two hours consumers spend in the stores."

¹⁸ *The New York Times*, "The Teach and Sell School of Retailing", February 28, 1998

Nike

***BOREDOM IS CHASING
YOU! OUTFRAN IT!***

The sign at the entrance of the NikeTown in London sums up Nike's goals for the store. It is to bring the brand to life and to further their goal to create consumers like fans: "nobody roots for a product".¹⁹ It makes a clear sports connection to the brand and enriches the consumer experience in a way that television advertising can't. It's a place where people can come and experience the brand first hand and a showcase of Nike innovation that includes 47,000 pairs of shoes and 135,000 pieces of clothing.

The idea is not for consumers to walk in, make a purchase and leave but rather to learn about things they would not if you were shopping for Nike products elsewhere. "We want to grab people, make them feel alive and inspired, and challenge their thinking. We're trying to move people." To pull this off in the stores Nike goes through extensive screening around a passion for Nike and sports, hiring only 6% of applicants and requiring 240 hours of training around the Nike culture, innovations, product, and history. The staff is the face of the brand the public sees. Each store is designed around the sports heritage of the local community and employees are expected to be up on the local sports scene.

"NikeTown is where people come for inspiration, to learn that life is a verb, it's about going out there, it's about the joy of play. You are a child for the ages... an athlete for life... you are..."

Nike also uses its stores for grass roots brand-building and loyalty efforts. They increase loyalty and the sense of community by forming running clubs. Special events that include running, basketball and other clinics held by pro athletes and coaches increase the frequency of visits to the stores. This year they also held fashion shows at 12 NikeTowns. The Nike-sponsored U.S. Women's World Cup team capped off its victory rally in front of a NikeTown kicking Nike soccer balls into a crowd of 3000. Furthermore, Nike has instituted a clienteling program to enter consumer information at the point of purchase for notification of future promotions and events.

While Nike retail outlets generally don't make much money, they are a success by several measures. They are one of the top tourist destinations of the cities in which they are located including being the top destination in Chicago and New York City's fourth biggest attraction. A number of consumers leave without buying which is okay with Nike as they expect the increased knowledge and awareness will lead to future sales. According to Nike, 60% of consumers who visit a Nike store and fail to make a purchase buy one of its products somewhere else within 6 months.²⁰ Nike points out that its stores make a positive contribution to the sales of licensed product far exceeding any sales loss to other retailers.

"The stores have definitely increased demand for the product" -- Stefani Carlson Marketing Director for Nike US Retail."

¹⁹ Eating the Big Fish, Adam Morgan, John Wiley & Sons, Inc.1999

²⁰ Discount Store News, "Exploiting the Equity of a Name", May 11, 1998

“And the average 45 minutes in store time per consumer – you can’t put a price on that kind of advertising.”

Nike’s brand strength in Europe, and especially the U.K., has benefited from the excitement around the newest NikeTown in London. The brand strength in the U.S. was gaining strength and NikeTown traffic counts are up in the back to school period, accounting for 20%

of the year’s sales, primarily because of the back-to-school fashion shows held at NikeTowns in 12 cities in the United States.

Sony Metreon

The Metreon idea grew out of the successful theatres at Lincoln Center in New York. Sony noticed a significant amount of the dining and other entertainment spending centered around a movie experience was going to businesses near Sony. Furthermore, Sony’s concept store in Chicago had become one of Chicago’s largest tourist and local destinations even though it didn’t sell anything. With no advertising, the buzz around the Chicago store offered both tourists and locals the opportunity to be the first to see and interact with Sony’s new technologies.

Sony’s goal in the development of the Sony Metreon was two-fold: strengthen Sony’s image as a cool cutting-edge company and to make money by merging these kinds of entertainment, technology, and eating establishments into a profitable one-stop entertainment shopping experience. From a brand perspective, Sony hopes to redefine the definition of entertainment by taking advantage of Sony hardware and content. Sony will be showcasing its commercial and consumer technologies to educate and demonstrate products for consumers for future sales.

Sony hopes to define its brand and “physical face” through Metreon.

Microsoft’s first store, Playstation, IMAX, Discovery Store, The Way Things Work, Where the Wild Things Are and restaurants and movie theatres are housed within the complex. It is a 350,000 square-foot department store for entertainment costing \$85 million. Sony, as a brand, was deliberately understated with the center itself simply being called the Metreon.

The center has been an early success as it received 150,000 visitors in first five days. Annualized, Sony is estimating an average of 22,000 visitors per day and 5-7 million on an annual basis. Even with the understated name, Metreon seems cool and unique enough to build Sony’s image.

“Metreon visitors will be more likely to buy Sony products just as there is an impact when people go to Footlocker after they have visited a NikeTown” -- Pat Esgate of Esgate and Associates

Two more Metreons will open by the end of year in Berlin and Tokyo. And at least 5 more are planned. Locations were chosen by their fit with the Sony image. “We looked at ourselves as an urban brand, hip and leading edge, and wanted to go into a city that reflected these core principles.” The San Francisco Metreon is estimated to be profitable in 7 years based on what looks to be a conservative estimate of 5-7 million visitors per

year. Sony’s stock is hitting record high believed, at least partially, to be a result of this aggressive branding and support effort.

Mont Blanc De-Acceleration Studio

The unique de-acceleration studio at Mont Blanc’s flagship store on Manhattan’s Madison Avenue meets several goals for the Company. First it gives the Company a way to define its brand and make it relevant in today’s fast-paced world where hand written letters are fast becoming perceived as a dinosaur. Located at the top of a flight of stairs in which one is assaulted by the images and sounds of violence, war, concentration camps, and pornography – is a space that offers respite from everyday life. “Here a visitor can sip tea, listen to classical music, and read a newspaper or rare book.” An art exhibit focuses on the theme of time. On-going events such as readings, concerts, and tastings are planned for the studio.

The studio and Mont Blanc represent “an experience of elusive luxury in today’s fast-paced world. Time. Time to slow down. Time to read. Time to reflect. Time for things which really matter.”

The studio also serves as a corporate showcase where meetings of executives and clients from all over the world are held. Furthermore, it is an area where sales of the more exclusive and custom items can be made in comfort and private. Lastly, it is a place to

The combination of the store’s full line of Mont Blanc products: writing instruments, jewelry, eyewear, stationary, leather-goods, and watches, and the studio has really changed and improved “virtually all” consumers perceptions about Mont Blanc.

reward key consumers with a place to “hang out” in peace or have their own off-site meetings. The justification of the project was in creating a physical representation of the brand and providing a special place to experience the values of the brand for internal and external stakeholders.

Initial results are encouraging. High-level executives from around New York have begun to use the room for respite and off-site meetings. This is not only repeating traffic, but it also brings in new traffic from the target market so Mont Blanc can redefine/improve the brand image for them as well.

Event Sponsorship/Grass-Roots Marketing

Effective advertising -- finding people where they live, physically and psychographically, befriending them, and speaking to them in a language they understand -- increasingly means going outside traditional advertising and promotional vehicles and taking to the streets²¹.

Doing something unique for the brand at the street level causes “buzz” or cocktail chatter among targeted users.

Yahoo!, who devotes a substantial amount of the budget to non-traditional vehicles, has found the CPM is way below a TV buy especially when the unexpected, memorable aspects are counted. They measure rough CPMs based on people exposed to the event,

²¹ Brandweek, “Guerilla Marketers of the Year” 9/27/99

word of mouth advertising and publicity pick-up.²² Touring exhibits have been found by such companies as Pepsi and Turner to be remarkably efficient at delivering the experiential marketing that breaks through the clutter on TV and in print. Programs with an element of entertainment, education or information will engage a consumer for over 10 – 15 minutes as opposed to the 15-60 seconds of a commercial.²³

Music, NASCAR racing and sporting events have long provided event sponsorship opportunities. These types of events tend to delineate fans by age, lifestyle choices and mindset. Sponsors can gain authenticity or credibility from event sponsorships from the followers when the target markets and brand values match.

One example is how Tommy Hilfiger used music sponsorship. Coming onto the crowded fashion jean scene, he knew he could not just get well-known models and compete. He realized selling jeans was not about the clothes, but being cool. To target the rebellious, young and hip, he sponsored rap stars and events. After establishing himself there, he has moved on to almost every niche including – pop star Sheryl Crow, the Rolling Stones and Lenny Kravitz. Ten years after he started his company he has become ranked one of the “five coolest brands” by coveted 12 to 19 year olds; this at a time when Levi’s image has plummeted with this age group.

Promoting image, “authenticity and credibility” with the target market is the reason to sponsor extreme events. Extreme sport companies such as Quiksilver and Billabong spend up to 30% of their marketing budgets and 5% of their operating budgets on events and training seminars. These events include athletes from the sport that become role models, influencers, trainers, and inspirations for the target market. According to Quiksilver, “we use the teamriders as our focus group to keep us authentic in our core market and to provide a link to our consumers; our teamriders keep us real.²⁴” O’Neill, after having its athletes tour beaches and filming and developing clips for a lifestyle video that was played in surf shops, has seen its athletes turn into cult heroes, brand awareness increase and sales triple.

Events

Pepsi

Pepsi believes that sodas are predominantly undistinguished in terms of taste and price. What sells the brand is image, an emotional relationship with the brand. It is these attitudes towards a brand that is the foundation of consumers preference between Coke and Pepsi. Pepsi has found that consumers prefer their brand for emotional reasons such as remembering drinking Pepsi with their grandfather.

In order to reach the Generation Y (and other mall walker) consumers and create a positive experience associated with Pepsi – a Pepsi-branded Joy of Cola mall tour was established that included music, games, sweepstakes, and tasting of Pepsi in a “Joy of

²² IBID

²³ *Daily Variety*, “Pepsi, Scooby Doo Sign Up for Mall Net”, 3/23/98

²⁴ *Daily News Record*, “Teaming Up For Success; Pairing Apparel Companies and Extreme Athletes is a Win-Win Relationship”, 7/26/99

Tasting” drink zone. 500,000 consumers are expected to taste Pepsi during the course of the 29-city tour. There were no retail aspects to the tour except for coupons good for purchase of Pepsi.

“The event has been an unqualified success for Pepsi.”

They were measuring the effectiveness of the tour but had not tallied final results because it did not end until the end of November. They are tracking the number of samples, online votes, and sweepstake entries to identify how many consumers the tour reached. They are also doing pre/post market research in the malls before the event and several days after the event to identify attitudes towards Pepsi, brand preferences and changes. Through matching focus group participants with sweepstakes entries, they can identify those changes that are due to actual participation in the event and those changes that are due to “buzz” generated from the event.

To date the unofficial results in changes in brand preference and attitudes have been “amazing.” The onsite enthusiasm has been “phenomenal.” “We’re finding that reaching people through place-based media and entertainment gives us a chance to make the product come alive, which is harder to do in TV and print advertising.”

Vans

Vans, originally started as a store where “simple” shoes could be sold direct to the public, launched a major new strategic initiative to become a leading lifestyle, retail and entertainment-based company targeting 10-24 year old consumers through sponsorship of core sports and major entertainment events and venues. As part of this initiative, Vans founded its first Vans Skatepark in Orange County, California. The success has led to plans for four more Skateparks including a second one that opened at Ontario Mills, California on November 5, 1999. The Ontario Mills Skatepark is expected to attract 18 million visitors, more than Disneyland, Universal Studios and Knotts Berry Farms.

The result: the company has started to meld a cool image, a vibrant experience and a line of shoes that have long appealed to youths. Since the start of the Skatepark sales have increased 17.6% to record levels, at a time when other athletic shoe and apparel companies have been faltering including NIKE, whose sales fell 8.1% in the same period. According to Vans, “Everyday we receive more positive feedback regarding the Skateparks – in terms of our participation at the facility, media attention, and overall enthusiasm from the general public and developers alike – that further convinces us of the viability of this concept.”

This is the ultimate “be like Mike” Nike campaign come true as the kids can see what the best skaters are wearing and go into the store and buy it right then.

Muscadet Sur Lie

Muscadet Sur Lie, a representative of French white wines from the Loire region uses two ships that dock at ports around the world for day-long events that include VIP tastings, food delicacies, open air cafes and impressionist art. There are real-life demonstrations of French culture with winemakers, musicians, dancers, and actors. The Nantes Wine Bureau has found these high-profile events get the same results as a high-profile advertising campaign at 1/20th of the cost.²⁵ It provides the ability to communicate images and messages through direct experience to consumers and trade professionals in an atmosphere of fun, simplicity, and conviviality.

A consumer Chocolate Show had similar results. According to the organizer, "People are really looking for a way to experience products within an environment, and being near real chefs, real winemakers and real chocolatiers enhances their brand experience."

Sponsorships

Sponsorships of teams and stadiums have also been an effective way to increase brand awareness. To be effective, a company must make sure there is alignment between the brand and sponsor on a number levels: brand attributes; the target market; that the sponsorship can be leveraged into increased trials or sales; and results can/must be measured. Furthermore, the company should plan to spend a 3:1 ratio in advertising and events to leverage the sponsorship to the amount of dollars it is spending on the sponsorship. Examples of successful sponsorships include:

- Sears with its sponsorship of the WNBA. It paid \$22 million for the rights and leveraged the sponsorship in everything from advertising to in-store promotions. The results included increased brand awareness, higher sales among women 25-54 (Sears target group) and enhanced brand image²⁶.
- Edison International renamed Anaheim Stadium to Edison Field after doing extensive renovations. A survey after the first season showed that over 60% of respondents were more favorably disposed to the Edison brand as a result of the stadium sponsorship.
- Staples Inc. sponsored the future home of the Los Angeles Lakers and Kings through a 20-year, \$100 million contract. For this, 400,000 motorists per day will see their sign; they will have television exposure at hundreds of events per year; and exposure at the event site. While results are not yet in, Staples, who spends more than \$125 million a year in advertising, said they "have done the exercise and think the money invested is a reasonable trade-off."
- Not only did MasterCard, which sponsored the 1996 World Cup, find that brand awareness among soccer fans jumped from 19 to 38% after the sponsorship; it also found value from internal morale improvement, greater card usage, merchant

²⁵ *Advertising Age*, "'Muscadet Casks Off: Ship Unloads French Wine, Impressionist Atmosphere'", 7/26/99

²⁶ *Strategy*, "'A Successful Sponsorship Starts with Some Tough Questions'", 7/19/99

acceptance, and brand loyalty.²⁷ MasterCard's sponsorship of stock car racing in the U.S. "virtually guarantees card brand loyalty."

Philips Electronics N.V. /Atlanta Hawks' Arena

Philips, a Dutch company hoping to rebrand its acquired Magnavox line while establishing brand awareness and global leadership for its TVs, consumer electronics, video products, audio equipment, phones, pagers, and computer peripherals, has spent \$100 million per year in advertising in the United States. They have achieved 40% unaided and 80% aided brand awareness. To take branding to the next level, Philips signed a \$200 million, 20-year, deal to name the Atlanta Hawks arena.

Not only does Philips get a 50-foot tall and a 150 foot wide sign on a prominent Atlanta corner offering millions of impressions, they will get to showcase all of their products. The stadium itself will use Philips' giant TVs, video, products, speakers, lighting, and multimedia sound systems demonstrating these products to thousands of people at more than 200 annual events. Furthermore, the deal also includes a 10,000 foot "Thrashers Nest" area for fans to interact with Philips products. The area will have interactive displays for all Philips products including TVs, a 60-foot video totem, and a virtual reality hockey game with 3D capability.

Philips research has proved consumers are more likely to buy a product they have sampled or experienced it and the arena provides a friendly environment for consumers to try products. "Experiential marketing is a very effective way to develop brand loyalty and build a brand."²⁸ The stadium sponsorship is also expected to be effective at reaching all age groups. The success of this deal, which starts this year, has yet to be measured. However, Philips estimates that "gradually" the company's brand awareness and sales will grow as a response. "We've calculated how many eyeballs there are going to be. A lot of arithmetic has been done."

Retail Entertainment

56% of consumers say they do not have enough leisure time and they don't want to spend it shopping, something increasingly viewed as a chore. Shopping experiences have become increasingly pre-determined and targeted as minutes of shopping per dollar spent has decreased 25% between 1990 and 1997²⁹. Combined with the advent of the Internet, many futurists believe retailers will have to start offering entertainment to compete. "Stores of the future will have to offer convenience or experience in order to survive; larger stores will need

People are eating out less because they don't want to cook and more because they can get interesting food, celebrate or have an experience with friends and family. – Roper Starch

²⁷ *Retail Banker International*, "MasterCard a Major Player at World Cup", 5/28/98

²⁸ *Atlanta Business Chronicle*, "Great Way to Hawk Products", 9/17/99

²⁹ *Brandweek*, "Brands Should Be Shopping the Malls for Deals", 9/28/98

to become destinations – offering experience, excitement and entertainment³⁰. Traditional retail, and restaurants, have focused on “have to” merchandising that favors fair pricing and fast easy access for such segments like food. But stores and restaurants that have turned “have to” retailing into “want to” retailing are really “kicking butt.”³¹

El Segundo, California based New Bristol Farms Inc. sells kitchen staples for higher prices by using an upscale themed décor to create a unique identity brand and an entertaining atmosphere. New Bristol Farms calls it a good investment. “All I know is that image matters, and consumers sense the difference.”

Armory Center

Armory Center is Armory Automotive’s way of reacting to the threat of the Internet to car dealerships. This Albany, New York auto dealership, in business since 1918, has added to its distinction as the world’s largest indoor showroom by developing a \$6 million 85,000 square-foot mall with an auto service bay, gas station, car wash, restaurant, gift shops, farmers market, and manicurist to build a relationship with consumers. The 22 profit centers offer not only convenience for a consumer getting a car serviced but are now becoming destinations. New car sales have climbed 22% since the mall opened and there has been a 21% jump in total dollar revenues³². Furthermore, a traveling White House exhibit drew 13,600 people in three weeks. The car center has not only been a realization of the owners’ dream of being in the entertainment business but also a way to build a loyal consumer base and attract new business.

“Once you’re a consumer, we want you coming back every week.”

Jordan’s Furniture

Another example of entertainment and retailing is the Jordan’s Furniture chain based in Avon, New Hampshire that was just recently purchased by Warren Buffett. Furniture stores are generally places that people dread visiting because of the image of the fast talking salesmen. The J-Team, Jordan’s employees, are trained to be a consumers’ guide – they suggest, only when called by a consumer. Furthermore, the stores are fun. They include a 48-seat flight simulator in which admissions proceeds go to charity, silly commercials that spoof other ads, florescent pink lines painted in the parking lot, laser light shows, homemade cookies, and themed presentations of furniture that include props and music. The consumer relaxes, has fun, and goes home happy after eating a hot dog in the pick up area.

“We want families to be running to this place.”

The bottom line for Jordan’s is that fun sells. Average sales of \$900 per square foot are more than 6 times the industry average while inventory turns are 5 times the industry

³⁰ *Marketing*, “Traditional Retailers Face Their High Noon”, 9/16/99
³¹ *Los Angeles Times*, “There’s A Line Around the Block for Themed Retailing” 12/3/98
³² *Automotive News*, “Cars? What Cars?” 8/30/99

average.³³ The awareness created by the Jordan's environment enables them to spend just 2% of revenues on advertising instead of the normal 7-10%.³⁴

Key Success Factors:

EduTainment

A sense of history, education and technology are key components of attracting and engaging visitors. Parents are looking for opportunities to have fun with their kids. They want to de-stress, have fun and be with their family. The education value makes the parents feel good while the kids have fun. Schools are looking for these kinds of experiences as interactive learning excursions. Besides filling these needs, Edutainment creates the opportunity for younger consumers to have a positive and fun experience with the brand at an age when they are still open to branding messages. That is the reason Reebok gives for replacing athlete sponsorships with soccer clinics and basketball camps. "We want to make a consistent image that allows us to build up some equity overtime."

Interactive/Sensory Experiences

The more senses engaged and the more active the participation, the more memorable the experience³⁵. Not only does participation and interactivity increase how memorable the experience is – it also stimulates sales. A cooking demonstration in Macy's Cellar stimulates a crowd into buying. Do-it-yourself demonstrations at Home Depot draws crowds from miles around. Sporting goods stores have put in basketball courts, putting greens and batting cages to increase sales. Even in vending machine sales, an interactive vending machine with an activity tested by a major soft drink company produced much higher per machine sales than similarly located machines that were not interactive.

Quality, Refreshable Content and Refreshable Consumers

It's important to locate the brand attraction where there is tourist trade and where it has affinities to other local attractions, the geography or the history of the area. Themed restaurants are an example of over saturation in markets that did not necessarily offer replenishable visitors while paying little attention to quality and experience. In one newspaper poll, three out of four respondents were tired of themed restaurants³⁶. This is because there were not only too many and the idea was no longer exclusive, but also once experienced, few locals will return for high-priced mediocre food. Both the lack of quality and changing experience has been cited for issues at Planet Hollywood and the Rain Forest Café. The Rain Forest Café also suffered from expanding into locations without significant tourist trade. The more the site relies on local population versus a refreshable tourist population, the more attention that must be put to refreshing the experience and the maintaining quality.

³³ *The Boston Herald*, "Buffett Is Sold On Jordan's", October 12, 1999

³⁴ *Home Furnishing Network (HFN)*, "Jordan's Bad Boys Score Again", April 20, 1998

³⁵ *Harvard Business Review*, "Welcome to the Experience Economy", July-August 1998

³⁶ *Marketing Tools*, "That's Entertainment", June 1998

A Place People Want to Linger

Experience and sales are a function of time spent at a site. The 45 minutes spent at NikeTown and over an hour at REI leads not only to sales but also to a chance to communicate directly with a consumer about the brand and products for an unheard amount of time with any other medium such as advertising. Barnes & Noble and Borders have added comfy chairs and couches, food, and lectures to get people to linger. Their sales are up 17.5% and 13.6% versus 4.4% for the entire industry.³⁷

Experience Contains Something New or Fresh, Not Just the Product

Levi's hot tub shrinking station and other customization technologies are critical components to the store. "Consumers can go buy jeans at the Gap – they can only do this here." NikeTown's foot measuring system, REI's water testing system and Mont Blanc's de-acceleration studio are examples of new, novel concepts that draw in customer traffic. These experiences must also drive at providing a benefit or solving a problem if they will truly connect with the consumer.

Well-Known Brand Name, At Least Among a Select Audience

A brand must be well known to a consumer and an experience designed to be consistent with the consumer's expectations, relationship and value placed in the brand. A brand can expect to extend and enhance the consumer's expectations but not significantly create/recreate the relationship. Viacom is an example of a brand that has little consumer franchise even though it is the owner of MTV, Nickelodeon, and Paramount. The Chicago store that was developed as a Viacom store failed because people had no relationship with the brand. This while Spam, John Deere and Good Year could draw in visitors.

***"Conglomerates
don't make good
brands."***

Leverage and Co-Op Opportunities

Advertising and public relations must be the last link in an overall communications and experiential marketing campaign to effectively leverage any sponsorship, event, or corporate attraction. Some corporate attractions have logical sponsor brands that can enhance the experience and help defray some of the costs.

³⁷ Entertainment Economy, Michael J. Wolf, Times Books, 1999