

Evolution of Consumption: An Insight into Consumer Derivatives and Marketing Implications

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Abstract

Consumers in the market search for a product/brand or something else? The concept of marketing involves identifying and satisfying customer needs and wants. As the dynamics of marketplace and environmental forces show a swift change, customer needs get redefined. The new marketing paradigm aims at comprehending the evolving customer needs and responds by providing a set of experiences to satisfy customers. Marketers strategise the elements of marketing mix in the realm of remarkable experiences where customers are involved at the cognitive as well as emotional level. The customer derives satisfaction out of the holistic experience and this contentment leads to customer loyalty. In the light of the marketing metamorphosis, the present paper seeks to understand the transformation of consumption into experiences.

Keywords: Postmodernism, Experience, Experiential Marketing, Customer Engagement, Customer Satisfaction, Customer Loyalty

INTRODUCTION

Forces across the world depict radical transformations. Innovations and developments have altered the ways of living. Customer behaviour has become more fragmented and complex. Marketers need to comprehend the changing customer behaviour and devise creative strategies to satisfy advanced customers. Experiences have emerged as a critical tool for marketing in the evolving era. The dictionary meaning of the term 'experience' is participation or involvement. The term 'experiential marketing' has been given by Schmitt (1999, 2003).

The author has proposed a key structure for the concept wherein the drivers of consumer buying have been found to move from logic to emotions. Whereas the modern theorists explained consumer behaviour in terms of rationality, contemporary academicians tend to place the locus of marketing in harnessing customer emotions. This changing phenomenon is interpreted by postmodernist theory. Postmodernism initially got reflections in art and culture (Lyotard, 1984) and thereafter influenced different fields of knowledge. The discipline of marketing has transfigured with the postmodern phenomenon. Postmodern marketing is taking over traditional marketing in terms of apprehending customers' needs and wants. Experiential marketing is one of the outcomes of postmodern marketing.

Customers in present times want new and better solutions to their changing needs. They are not satisfied with mere a good or service, they want more out a product, they want their emotions to be satisfied. Experiential marketing engages and entices potential customers. The fast changing technology has altered shopping behaviours. Customer service needs to be improved in order to keep pace with the evolving customers. Brands become immortal by delivering vital experiences to customers. Experiences are able to deliver emotions and feelings to the customers and establish healthy connections. On the other hand, brand experience that falls short of customers' expectations distort brand image and value.

OBJECTIVES

The landscape of marketing is evolving and marketers need to address specific customers for their specific needs.

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Whereas marketers in India are learning the new modalities of satisfying customers; customers have evolved to a higher stage as compared to the marketers. The DNA of the evolving Indian consumer has to be understood so that the marketers don't crack under the pressure of this changing landscape. The present study aims to decode the consumer consumption in the present day scenario so that marketers can understand these customer derivatives and thereby frame suitable marketing policies to communicate with and satisfy the customers well.

METHODOLOGY

The phenomenon of experience is rapidly spreading as a competent marketing practice. The significance of experiential marketing has been well recognised and practitioners are adapting their marketing components to this product of postmodernism. Experiential marketing serves both the marketers and customers effectively. However, the adoption of experiential marketing requires the marketers to first analyse the changing needs of the customers and then capturing this emerging trend towards experiential marketing by careful designing and thereafter effective administration for delivering maximum customer value and satisfaction. The study is exploratory in nature. Journals, books, thesis, internet have been used to extract pertinent information.

FINDINGS AND DISCUSSION: CUSTOMER DERIVATIVES

Shifting Focus

Marketing practices have grown in terms of what they offer to the customers. Traditionally it was the product which revolutionised the marketplace while services off late emerged as an important aspect impacting customers' life. Later, marketers identified branding as the way to attract and influence customers and invested in developing and maintaining long-term relationships with customers. However, in the present day scenario, "experience" is the powerful way to gain customer loyalty.

Traditionally, marketers focussed on the functional aspects of products to captivate customers grounded on the reasoning of consumer decision making based on tangible

product features. The focus of marketers has now shifted towards those aspects which entice customers' emotions. Product image, brand name and imaginative aspects have been found to fascinate customers at emotional level. As the forces operating in the marketplace change drastically, marketing which was initially defined in terms of four P's is now seen as 4 C's: change, complexity, chaos and contradiction (Addis and Podesta, 2005). The changing dynamics of the society reflected by postmodernism need careful analysis by the marketers (Simmons, 2008).

Marketers in the emerging scenario are confronted with wavering customer needs and compelling market forces; unique ways are needed to engage customers. Marketers go beyond the rationality aspect and focus on designing marketing elements that take customers to a higher order level. Products that are able to deliver unforgettable experience in addition to the functional performance survive in the market. In this dynamic scheme of forces, customer loyalty becomes a consequence of impressive experiences provided by the marketer eliciting feelings of recreation and delectation among customers. Marketers have identified that customer commitment comes from resilient brand impact and therefore they orient consumption in the pursuance of fantasies, feelings and fun (Holbrook and Hrischman, 1982). Marketers strive to move to the farthest ends to provide involving and integrated experiences to customers. As opposed to traditional lopsided marketing communications, experiences are targeted to impregnate peculiar and excitable communications to customers.

Customer Fragmentation

The postmodern consumer can no longer be defined by a singular lifestyle or ideology rather he/she is defined in terms of manifold notions of the self and constantly changing preferences (MacLaran, 2009). While the modern culture placed consumers in static images, the consumer in the postmodern era moves through diverse images. The present day consumer is skeptical about meta-narratives which dictate life; he has evolved from fixed life patterns by seeking variety in consumption. Instead of repudiating to the established dichotomous cultural codes, the postmodern consumer engages in the creation of different images of self to gain social acceptance. The fragmented consumer makes use of consumption to satisfy his urge and desire for freedom. Products/brands

are positioned in the customers’ mindscape. However, the postmodern era reveals disjointedness in customers. On one hand, there are cultural contradictions while on the other there is blending of cultural codes. Thus, mass marketing is getting replaced by individual marketing wherein marketers get to understand fragmentation in customers’ mind and create offerings to meet unique customer needs.

Customer Engagement

Brodie et al., (2011) explores that the genesis of customer engagement comes from the field of relationship marketing (Vargo, 2009; Ashley et al., 2011). Development of relationships with customers involves interacting with customers or engaging customers in the creation of value. Customer engagement is one of the important aspects of experience management as it ensures the participation of customer in the interaction both with mind and heart. Customer engagement entails customer involvement at three levels: cognitive, affective and behavioural in its encounter with the organization (Hollebeek, 2011). Customer engagement involves consistent cognitive and emotional processing which converts customer satisfaction into customer loyalty (Bowden, 2009a). Engaging customers requires customers to be in control of the experiences. Experiences formulated in symphony with customers’ preferences relate with the customers well.

Customer Satisfaction and Loyalty

The progression in customer needs dwells out in the need for an experience. The contemporary approach to

marketing delivers competently to the dynamic customer lifestyle. Experiences transfer pertinent knowledge to the customers and give them opportunity to interact. Experiences satisfy customers’ desire to co-produce the product. This form of customer engagement enhances the value of the brand. A brand that delivers experience gets positioned ahead to the competitive brands in the market. Experiences help feel consumers feel desirably.

As the competitive forces build pressure on marketers, the effective way to succeed is found in customers’ emotions. The critical success factor leading marketers to gain competitive advantage comes from brands associating emotionally with the consumers. Marketing communications are designed to harness customer emotions and connect with customers at a deeper level. These customer associations pave the way for enduring customer relationships. Sensory based brand appeals win over others in the competition. Sensory pleasures lead to memorable brand experiences establishing affinity with the organization and thereby cultivate customer loyalty.

Present economy is termed by academicians as ‘experience economy’ (Pine and Gilmore, 1998). In this economy, customers concern relate to experiences extending beyond functional utility of the product as these experiences accord value to the customers. To satisfy customers in this fiercely competitive scenario, companies work out for shaping and delivering worthwhile experiences to customers. The table below highlights few studies which aimed at examining the influence of experiential marketing on customer satisfaction/ loyalty (table 1).

Table 1 reveals that in all the studies experiential marketing was found to have significant positive

<i>Author/Year/Context</i>	<i>Research Objective</i>	<i>Research Implications</i>
Niehm et al., 2006 (U.S.)	To provide pertinent information to marketers and retailers regarding customers’ perceptions of and receptivity to popup stores as an experiential marketing strategy.	Critical aspects of popup stores to be harnessed for enhancing customer engagement. Consumers perceived benefits get reflected in 3 constructs: product novelty, facilitator of purchase decision and product trial and unique experience.
Chen et al., 2008 (Taiwan)	To investigate the relationship of virtual experiential marketing components on customer browse, purchase intention and loyalty.	Three and two virtual experiential marketing components found to be positively related with browse and purchase intentions respectively. Browse and purchase intentions found to positively effect customer loyalty.

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Bulearea and Tamarjan, 2010 (UK)	To examine the short term and long term benefits accorded by Augmented reality Experiential marketing to companies and brands.	Augmented Reality Experiential marketing positively affects perceived experiential value thereby contributing to customer satisfaction.
Ika and Kustini, 2011 (Surabaya, Indonesia)	To examine the impact of experiential marketing, emotional branding and brand trust towards loyalty for Honda motorcycle products.	Experiential marketing and brand trust found to have significant positive relationship with product loyalty.
Maghnati et al., 2012 (Malaysia)	To assess the relationship between experiential marketing and experiential value among the current smartphone users.	Antecedents: sense experience, feel experience, think experience, act experience and relate experience, were found to have significant positive relationships with experiential value.
Alagoz and Ekici, 2014 (Turkey)	To investigate if Turkish airlines qualify as an experiential brand, assess the effect of experiential marketing activities on airlines position and examine the socio-economic differences in customers' travel experience.	Safety followed by brand image found to be the most significant factors affecting customers' perceptions. Turkish airlines found to meet customers' expectations through value added and experiential services. Income and vacation class found to be significant socio-economic determinants.
Shobeiri et al., 2014 (North America)	To investigate the impact of experiential value on customer involvement for online stores.	Aesthetics, service excellence and customer return on investment found to be capable experiential values enhancing e-retailer's image and customers' involvement in the online store.
Shen, 2014 (Taiwan)	To assess the effects of brand image and experiential marketing on customer satisfaction with the firework festival.	Brand image and experiential marketing found to be significantly correlated with customer satisfaction.
Pham and Huang, 2015 (Vietnam)	To assess experiential marketing and dimensions of experiencing process of hotel industry.	Experiential marketing consists of sense perception, feel perception, think perception. Experiencing marketing along with service quality and service innovation creates experiential value which further leads to customer satisfaction.

influence on customer satisfaction and loyalty. Research studies have found positive effect of experiential value on customer satisfaction (Bulearea and Tamarjan, 2010; Chou, 2009). Researchers agree on the structuring of experiential marketing to produce experiential value. Satisfied customers show positive behavioural intentions in the form of repurchase intentions and positive word of mouth. Customer satisfaction is essential for firms in competition to survive and earn profits as the postmodern customers want much more than mere goods and services and experiences to that effect helps in customer satisfaction.

Experience Management

Experiences are designed in the form of systems wherein senses act as input, processing imbibes customers feelings and emotions and the output is the customer experience (Muthiah and Suja, 2013). Designing of customer experiences requires communication between the consumer and the product leading to an anatomic discern. Experiences link customers' sensory reactions to product characteristics.

Efficient administration of experience providers/product characteristics is fundamental to customer satisfaction.

The consumption as evidenced by the consumer impacts consumer's sensitivity and results in feelings of ecstasy and elation. The potential of experiential marketing utilizes technology and creativity to win customers. Effective experiences mark a place in customers' mind and induce loyalty among customers. Consumption experiences tend to be comprehensive in nature by integrating the diverse aspects of consumption and the socio-cultural environment. For example, retailers in order to live up to the expectations of evolving customers build marketing strategies to engage customers emotionally by providing them with opportunities to connect with the company and the brand (Schmitt, 1999).

MARKETING IMPLICATIONS AND CONCLUSION

Increasing customer scepticism drive the marketers to build innovative and competent strategies. Remarkable customer experiences are becoming the centre of marketers' strategy. Experience enables the establishment of contact between the customer and the brand. The customer-brand interface makes the customer feel attached to the brand and the organization. Experiences associate with the fundamentals of human behaviour. Customers feel satisfied when they are delivered value in harmony with their life basics and thereby experiential marketing creates value for the customers.

Marketers in the current scenario can gain competitive advantage by adopting the experiential approach. As the consumers advance with the dynamic technology, organizations in order to remain consistent in the marketplace need to reorient marketing towards bonding with customers through effective experiences. Competent experience management entails an analysis into consumer insight. Recognising and addressing customer peculiarities results in better understanding of evolving customer behaviour. Also, brands need to harvest new customers. Customised and unforgettable experiences spread positive word of mouth.

Fluidity in the market and seamless customer behaviour can be responded properly by the marketers by delivering brand value across the varied structures. Experiences personalised as per customer profile will leave customers happy and satisfied. Marketing objectives can be accomplished well with the organizational capability in reaching out to the customers with experiences that

strengthens the linkages across various touch points. Concrete as well as abstract marketing components must be embraced to provide a fulfilling experience to the customers. Unique experiences tailored to customers' specific need help an organization to affect customer at the cognitive as well as conative level. An organisation needs to be positioned in customer's mind consistently through the chain of interactions with the customer. These interactions need to be converted into gratifying experiences of interactive and enjoyable communications as they fortify organization's link with the customer. Bonding with the customers is essential for organizations to generate customer loyalty. Notable experiences play a crucial role in shaping customer relationships desirably. The key to success lies in transforming customer consumption into customer experience.

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