### **Commentary**

# The current state and future of brand experience

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ABSTRACT The authors discuss the current state and future scenarios of brand experience – a new concept that they contributed to the brand management literature. Specifically, they present three research and practical trends, and marketing challenges: (i) the proliferation of settings and media that evoke brand experiences; (ii) the role of brands in consumption experiences; and (iii) the need of brand experiences to reach positive psychological outcomes.

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### INTRODUCTION

Fifteen years ago, at the turn of the millennium, a couple of trade books appeared that proposed that experiences were at the center of a 'new economy' and a new way of marketing. In *The Experience Economy*, Pine and Gilmore (1999) argued that economic value at a societal level had progressed through stages, from a commodity stage before the Industrial Revolution, to a manufacturing stage as a result of the Industrial Revolution and into the service economy of the

Correspondence: Bernd H. Schmitt, Columbia Business School, 3022 Broadway, Uris Hall Office 510, New York, NY 10027, USA twentieth century. With the 'new economy', as it was called at the time, the economy was now entering a fourth stage, which they dubbed 'the experience economy.' In the experience economy, the highest-value economic offerings would no longer be products or services but experiences that are entertaining and educational in nature.

In Experiential Marketing, one of us (Schmitt, 1999) proposed that marketing activities of major companies had moved from 'functional-features and benefits marketing' toward 'marketing experiences'. He attributed this development to three marketing trends at the turn of the new millennium: the omnipresence of information technology, the supremacy of the brand and the ubiquity of communications and entertainment. Customers, he wrote, would 'take functional features and benefits, product quality and a positive brand image as a given. What they want is products, communications, and marketing campaigns that dazzle their senses, touch their hearts, and stimulate their minds. They want products, communications and campaigns that they can relate to and that they can incorporate into their lifestyles. They want products, communications and marketing campaigns to deliver an experience' (p. 22). He concluded that experiences would determine whether a brand will be successful in the global marketplace of the new millennium.

Fifteen years into the new millennium, the 'new economy' is very much with us. And the descriptions of the 'experience' authors seem largely accurate. The economy is increasingly dominated by information technologies and has become largely a digital one. Businesses have digitized their operations, and more and more goods are offered as digital products and services, and lifestyle products. Many of the new online brands are entertainment brands and, broadly speaking, educational in nature (for example, think of the prominent online brands YouTube, Google, Wikipedia, to name but a few). Many connect people through social media.

The next few years, however, are likely to launch yet another round of dramatic changes. The digital world will be (re)connected with the physical; that is, 'bits' and 'atoms', to use Negroponte's (1995) metaphor, will combine as part of an 'Internet of things'. The future world and economy may be creating virtual realities. Increasingly, people may be interacting with machines (such as robots and drones). Experiences old and new; individual and communal; real and imagined – will be at the center of these developments. They will be the glue that holds together a brand and define a brand in this new world. Thus, the question arises what these developments will do to brand management and how the concept of 'brand experience' might change.

In this article, as part of the commemorative special issue in celebration of '21 years of the *Journal of Brand Management*', we will reflect on this question and on current and future trends, changes and challenges regarding 'brand experience'. We will discuss, in particular, three research and practical trends and challenges: (i) the proliferation of settings and media that evoke brand experiences; (ii) the role of brands in consumption experiences; and (iii) the need of brand experiences to reach positive psychological outcomes (like happiness).

Before we turn to these issues, we first briefly define the concept of 'brand experience' that the authors introduced and conceptualized in the branding literature.

### WHAT IS BRAND EXPERIENCE?

Brakus *et al* (2009) conceptualized brand experience as 'subjective, internal consumer responses (sensations, feelings and cognitions) as well as behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications and environments' (p. 53). This definition implied a new role for the brand: from being an identifier (such as an image or memory trace in people's heads linked to a name and messages) to a provider of experiences. Moreover, it called for research and frameworks on the systematic management of those 'brand-related stimuli' – the nomenclature of a brand in names and slogans; the visual identity in colors and shapes; mascots and brand characters; and other verbal, visual and otherwise sensory stimuli.

Brakus et al (2009) showed that brand experience is conceptually and empirically related to, but different from, other brand concepts, such as brand attitudes, brand attachment, brand personality, brand involvement and customer delight. Moreover, following Schmitt (1999), they delineated different dimensions of experience and distinguished four types of brand experiences: sensory, affective, intellectual and behavioral. Finally, they showed that having a stronger and more intense experience of a brand is in and of itself predictive of positive brand outcomes. That is, the valence of a brand experience does not have to be known for brand experience to function successfully as a predictor of brand satisfaction and loyalty. The strength of the brand experience alone could affect customer satisfaction and loyalty. This result is important because, as Phillips and McQuarrie (2010) wrote, 'it breaks the link between valence and outcomes that has been a staple of persuasion research for decades; specifically, the brand experience literature indicates that positively valenced evaluative judgments are not required to achieve positive outcomes for the brand. Intensity of experience provides an alternative route' (p. 370).

# SETTINGS AND MEDIA OF BRAND EXPERIENCES

Brand experiences occur in a variety of settings and as a result of exposure to different

media. They can result from a direct interaction with a product, sometimes referred to as product experience (for example, Hoch, 2002). They occur during store visits or shopping encounters, for example, when a consumer experiences the atmosphere of the physical environment or interacts with the staff (Hui and Bateson, 1991; Kerin et al, 1992; Boulding et al, 1993; Jones, 1999; Arnould et al, 2002; Grace and O'Cass, 2004; Ofir and Simonson, 2007). Other important brand-related stimuli to trigger brand experiences include communications tools, both traditional communications, such as advertising and more innovative, below-the line tools, such as public relations and event marketing. (Note that sometimes the term event marketing, inappropriately, is used as a synonym for experiential marketing.)

In our own work, we have studied some of these settings and media. For example, Zarantonello and Schmitt (2013) investigated brand experience in the context of event marketing. The concept is particularly relevant for events because, in contrast to traditional forms of communications, consumers encounter brands directly and interactively (Whelan and Wohlfeil, 2006; Wohlfeil and Whelan, 2006). We found that attending an event can positively affect brand experience, and, in turn, brand equity. And we found the effect for any type of event we studied: sponsored events, trade shows, street events and pop-up stores. Moreover, the study indicated that brand experience is more important than brand attitudes in building brand equity. Nysveen et al (2013) investigated brand experience in service settings. They validated our four brand experience dimensions - sensory, affective, intellectual and behavioral - but also showed that, for service brands, a fifth dimensions is relevant as well - relational. Interestingly, the relational dimension had been originally proposed by Schmitt (1999), but did not find empirical support in the

Brakus et al (2009) study. However, relational experiences in the form of customercustomer-customer interactions brand. about the brand, or brand communities, may become increasingly important in the future as digital social media and networks as well as the 'sharing economy' are growing. Finally, Brakus et al (2008, 2014) investigated how consumers process experiential attributes contained in the products or in the environment in which the products are placed. One experiment showed that the experience evoked by experiential product attributes affects positively consumer preferences when contextual cues - incidentally present in the environment in which the product is shown - prime those experiential attributes. Following processing fluency theory (Schwarz and Clore, 1996), when consumers attend to experiential attributes (sensory or affective), they process them fluently (that is, spontaneously and with little effort).

Thus, by now there are several studies that show how brand experiences work in different settings. But now and in the future, brand experience will arise frequently in various digital as well as mobile environments (Morgan-Thomas and Veloutsou, 2013). A key research and management question is how these settings and media differ in terms of the process and impact on experiences. For example, are certain digital and mobile settings and media particularly appropriate for evoking certain experience dimensions? Advertising agencies often argue that traditional ads are ideal for 'emotional branding' and that digital media require more rational, intellectual appeals? Is this the case, or could brand emotions also occur in digital and social media? Is it true that the Internet and e-commerce site is ideal for creating 'intellectual experiences?' Moreover, as stores will be changing and be digitized, what will this mean for experience management?

We believe that in the new media landscape, marketers and brand owners must use a large variety of settings and media to create brand experiences and understand which setting and media are best to create which experience. Another issue will be integration, as phenomena, such as 'show rooming' (visiting and examining products in a store but buying online) illustrate. As they become more prominent, which experiences should be created in the store and which online, or, conversely, how should store and online settings be designed and integrated to deliver certain types of experiences?

# BRAND EXPERIENCE AND CONSUMPTION

Consumption is critical for understanding brand experiences. The experiences that occur during the usage and consumption of branded goods are arguably the strongest stimuli for repurchase and word-of-mouth as well as online recommendations.

Historically, the concept of 'experience' and consumption has been tied closely together. The pioneering 1982 article on experience, by Morris Holbrook and Beth Hirschman, was titled 'The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun'. The article pitched the 'experiential aspects of consumption' as a complementary approach to the 'hegemony' of the information-processing paradigm. To quote the authors, 'By focusing single mindedly on the consumer as information processor, recent consumer research has tended to neglect the equally important aspects of consumption, experiential thereby limiting our understanding of consumer behavior. Future research should work toward redressing this imbalance by broadening our area of study to include some consideration of consumer fantasies, feelings, and fun' (p. 139).

For them, consumer fantasies, feelings and fun included playful leisure activities, sensory pleasures, daydreams, aesthetic enjoyment and a full range of emotions (such as love, hate, fear, joy, boredom, anxiety, pride, anger, lust and guilt). Subsequent empirical work focused on analyzing consumption activities and how they evoke experiences (Holbrook et al, 1984). Alternative approaches inspired by ethnography, hermeneutics and literary criticism were used to study the experience of river rafters (Arnould and Price, 1993), sky divers (Loeffler, 2004) and Harley Davidson motorcyclists (Schouten and McAlexander, 1995).

Consumption experiences (rather than experience-evoking communications that occur pre-purchase or during purchase) are important for brand experiences. Interpretative and ethnographic methodologies are certainly useful here because they can provide an in-depth view of such experiences. Yet, more than 30 years after the publication of the seminal article by Holbrook and Hirschman (1982), marketing and branding are still largely focused on pre-consumption studies. In part, this is because of the fact that authors that advocate the 'consumption point of view' focused on activities - like river rafting, skydiving and motorcycling rather than on the importance of brands as part of such consumption activities. We believe that research that integrates brands into consumption studies is critical because brands are increasingly lifestyles, and lifestyles constitute themselves as shared, symbolic consumptions (Fournier, 1998; Escalas and Bettman, 2005; Aggarwal and McGill, 2012).

# BRAND EXPERIENCE AND HAPPINESS

Past and current research in experiential marketing has demonstrated the positive

effects of brand experiences on consumer judgment (satisfaction), behavior (loyalty) and brand equity (for example, Chang and Chieng, 2006; Brakus et al, 2009; Nysveen, Pedersen, and Skard, 2013; Zarantonello and Schmitt, 2013). But in a world of broader social concerns, where companies are being held accountable not only for creating shareholder value but also for contributing to society at large, we believe that brands also should have a broader societal goal: to contribute to people's happiness. We believe that brands can do so through experiences. The experience concept therefore needs to be related to 'positive psychology', a movement focused on optimal experiences and happiness, started around 2000 by a group of prominent psychologists including Seligman and Csikszentmihalyi (2000).

In this vein, a research program by social psychologist Gilovich and his colleagues on materialism versus experientialism has become relevant in marketing and business (for an overview see Gilovich *et al*, 2014). On the basis of their consistent finding that people derive more satisfaction from experiential purchases than material purchases, Gilovich and colleagues have presented a broad based critique of consumerist society, recommending that individuals should shift their consumption from material goods toward experiences. They also recommend that communities and governments encourage experiential pursuits (Gilovich *et al*, 2014).

However, if consumers seek happiness and they get happiness primarily from *immaterial* experiences, why are consumers also lured by brands, an ultimate expression of materialism (Holt, 1995; Kozinets and Handelman, 2004)? To address this question, it is necessary to relate Gilovich and colleagues' theory to 'brand experiences'.

Consumer and branding research has found that *consumption* (of products and 7services) evokes experiences (Holbrook and Hirschman, 1982). Moreover, marketers can create experiences, and brands themselves evoke strong, multidimensional experiences (Pine and Gilmore, 1999; Brakus et al, 2009). Thus, it seems that we cannot simply dismiss brands as mere symbols of materialism (Holt, 1995). Consumers establish deep, meaningful relationships with brands (Fournier, 1998), become emotionally attached to them (Thomson et al, 2005), use them to express their personality (Vanitha et al, 2009) and to construct their social self (Escalas and Bettman, 2005). Once a brand disappoints a consumer, the breakup of the relationship could resemble a messy divorce (Aaker et al, 2004; Johnson et al, 2011) and end in negative feelings toward the brand (Romani et al, 2012). Thus, we propose that brands as material possessions can boost people's well-being.

Moreover, future research should delineate how specific types of brand experiences can lead to different types of happiness. Positive psychologists broadly distinguish two paths to happiness: a hedonic approach claiming that happiness is, subjectively, pleasure, and an eudaimonic approach when individuals pursue and reach meaningful goals (Ryan and Deci, 2000). That is, we recommend empirical investigation regarding how brand experiences affect the two routes to happiness. Moreover, we expect that the experiences evoked by experiential consumption may be more predictive of personal fulfillment while the experiences evoked by materialistic consumption may be more predictive of subjective pleasure.

### CONCLUSION

As the digital world will gain prominence, and be (re)connected with the physical, and as we may encounter virtual realities and interact with machines in the future, experiences will change. First, we predict that the settings and media will expand, and researchers and managers alike need to understand how to create experiences in these new environments. Consumption experiences will increase in importance relative to purchase and pre-purchase experiences (for example, through distant communications). Finally, brand experiences will not just be marketing tools but essential devices for making customers happy.

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