

A woman wearing a purple turban and a dark blue shirt is smiling and holding a glass of orange-colored drink. She is in a bar or restaurant setting with shelves of bottles in the background. The image is overlaid with a large, semi-transparent purple and yellow diagonal graphic.

**set creative.**

**The Value Of Experience Report**

# Foreword

Unsurprisingly and quite rightly, we're constantly challenged by our clients to justify why a physical experience is a more effective form of communication than other methods. More traditional channels—print, TV, the internet, and radio—have well-established metrics against which success can be judged so that wise investments can be made.

But it's different for our work. While common sense dictates that you're more likely to remember something you physically experience than something you see, hear, or read, there's no real data available that directly compares the effectiveness of these four channels. So, we decided to try and gather some of our own.

We conducted a two-part research programme to learn more about the effectiveness of experience against more conventional marketing methods. The research consisted of a nationally representative US and UK consumer survey, a subsequent series of practical tests, and short follow-up interviews, all designed to find out what people felt about brand experiences to help demonstrate the effectiveness and value of experiential marketing.

The work was undertaken by independent research and consulting business, Synergy Research and Consulting, who partnered with DRG to carry out the fieldwork for the practical test, and Cint's online exchange platform for the national consumer survey fieldwork.



# The Challenge

A media channel is defined as “all modes of advertisement that are used to reach out to a consumer.” As such, it is evident that Experiential Marketing should be included in the mix. However, convincing the C-suite this is the case can often prove difficult.

One of the key challenges that marketing professionals face is they often don’t have the tools at their disposal to make a compelling case when it comes to return on investment, especially when weighed against other media channels such as print, TV, the internet, and radio.

Lacking the same empirical measurement as other forms of media leaves the discipline of Experiential Marketing at a distinct disadvantage. This is despite evidence from the latest IPA Bellweather report, which indicates that budgets are shifting away from traditional forms of marketing and towards live events.

The aim of this research project is to help demonstrate the effectiveness and value of Experiential Marketing. It seeks to convince the C-suite that it is an important part of the media mix, and that, when done in a fun, engaging, and educational way, it can significantly influence purchasing decisions.

In order to help ease the burden of proof for marketers, we surveyed over 1,000 people in the UK and US to find out what makes them tick when it comes to memorable experiences, how they interact with the contemporary media landscape, and how a brand can secure cut-through in a world where our senses are bombarded from every direction.

To complement this, we created our own cocktail brand, called Sevillian, and invited 300 people to take part in a series of practical tests across TV, radio, print, and experiential channels. We measured a whole host of sentiments, feelings and reactions to our brand, with a particularly focus on its shareability, likelihood of recommendations, and—crucially for marketers—the likelihood to purchase.



# Part 1: Consumer Survey

We conducted an online survey among a nationally representative sample of 1,006 US and UK consumers between February 28th to March 1st, 2019 to find out what they think and feel about brand experiences.

## ***“Remember when...” moments***

Our research shows that the most memorable experiences among people in the UK and US vary from special family moments (24%) to unforgettable trips (24%), attending live events (17%), and education or work-related achievements (11%). These amazing moments are very shareable, with 91% claiming to have shared their most memorable experience with others.

*“I played a key role in the Queen’s Carriage during her birthday celebration.”*

*“I researched sea turtles in Costa Rica.”*

*“I graduated from nursing school in my forties. I’ll never forget the pride I felt and how proud everyone was of me.”*

*“I performed the lead roles in two plays at the Edinburgh Fringe Festival in 2015 while also working as a producer for another play.”*

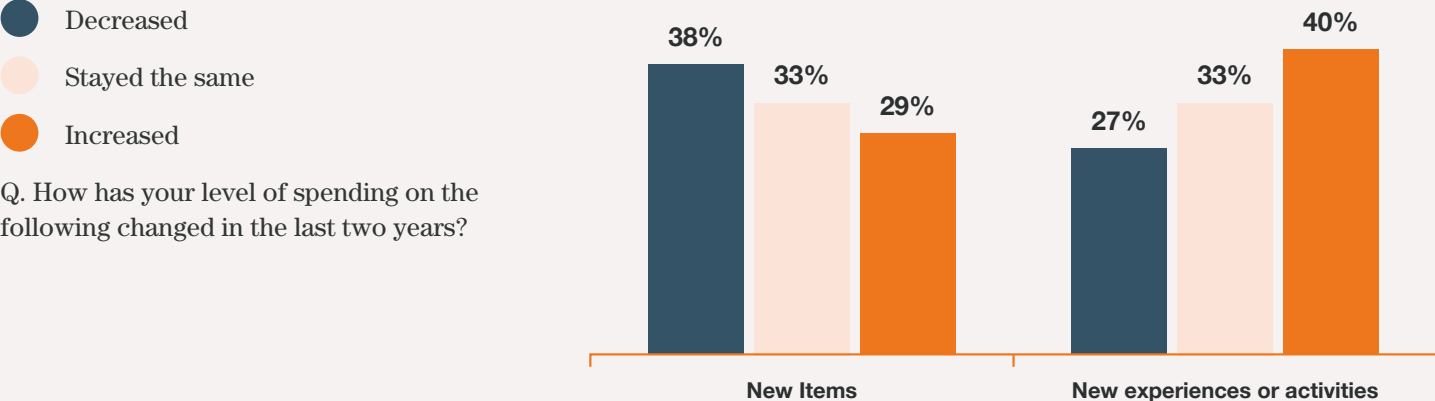
# To have or to do?

80% of UK and US consumers believe that “physical experiences create more lasting memories than physical products,” which explains why only 7% of people mentioned purchasing a new product as their most memorable event. Consumers are becoming less concerned with having things, than with doing things.

Over three quarters of UK and US adults would rather spend their money on new experiences compared to less than a quarter on new items: “Today’s consumer can relate more to experiences than facts about a product.” And it doesn’t stop there. It’s a trend that’s ever on the rise as 40% of UK and US consumers have increased spend on new experiences in the last two years, climbing to 62% among affluent millennials (aged under 35, income £35K/\$45K+), an attractive audience for many brands.

In contrast, only 29% of all UK and US consumers have increased spending on new items in the last two years (see figure 1), with a much higher proportion claiming to decrease spending on new items (38%).

**Figure 1: Expenditure shifts on new items and experiences in last two years**



Q. How has your level of spending on the following changed in the last two years?



## *Shifting media preference*

Consumers are increasingly seeking out new and enjoyable ways to spend their time. 71% of UK and US consumers would “prefer to be involved in a new experience or activity rather than reading about it, watching a video, or hearing about it on the radio.”

Experiential is becoming the disruptive channel to communicate with the general public, as people consume less traditional methods of media. In the UK, ABC November 2018 stats show continued year-on-year decline for newspapers, with all national dailies and Sundays registering a downturn. Decline is also evident for traditional TV. In the US, eMarketer reported 22million adults cut cords in 2017 and this is forecast to reach 48 million in 2020.

The amount of time they devote to experiences is also growing compared to other media. 44% of UK and US adults claim to have “increased” their time spent on attending live events or new experiences in the last two years, a higher proportion than for social media (43%), TV (36%), radio (28%), newspapers (13%), and magazines (12%).

Those increasing the amount of time spent attending live events or new experiences is higher among millennials (57%), and even higher among affluent millennials (64%).

Brands are responding to this trend by increasing their Experiential Marketing investment. The Bellwether Q4 2018 report shows that despite the flattening of marketing budgets in the UK, investment in events are one of the few areas of marketing that continues to grow, while TV and print sees further decline.

## ***In experiences we trust***

According to the Edelman Trust Barometer 2019, less than half the US population (48%) trust the media and only 37% trust the media in the UK. Building trust among consumers is hugely important for brands, with constant headlines of fake news, misinformation, and brand safety issues making this task even more challenging.

Our research shows that being involved in a new experience or activity brings a brand to life and gives it an essential level of authenticity.

***83% of people in the UK and US agreeing that the best way to build trust in a brand is to experience it first-hand.***

A photograph of two women sitting at a dining table. The woman on the left is looking down at something in her hands, while the woman on the right is laughing. The table is set with a white plate of food, a glass of wine, and a glass of water. A large, semi-transparent pink diamond shape is overlaid on the image, containing two lines of text.

*“I think it’s necessary these days to experience things in reality rather than “the unreal” which is often portrayed on social media.”*

*“Experiences create memories and people are learning to tune out video ads and things on TV.”*



## ***Brand engagement advantage***

In addition to growing interest and investment in experiences over material things, we are also seeing an increase in people's involvement in brand experiences. A quarter of UK and US adults claim to have been involved in a brand experience, increasing to 34% among millennials and 45% of affluent millennials.

As brand marketers are increasingly exploring brand experience solutions, understanding their physical and emotional impact on the consumer is an important consideration. If consumers enjoy the experience or activity they are involved in, they are more likely to respond to it positively.

***82% of UK and US adults want brands to create experiences that “entertain, engage, and educate.”***

People like to have fun and enjoy life, and if brands can inject fun into a brand experience in an enjoyable and exciting way, they are more likely to influence brand appeal, shareability, recommendation, and purchase.

The results from the consumer survey highlight that in an era of declining trust in traditional forms of media, there are significant opportunities on offer to those brands who fully embrace the potential of experiential marketing.

Key to this is to develop experiences that are not only entertaining but also connect on an emotional level in order to build authenticity, resulting in a consumer base that is more likely to share, recommend and, purchase from your brand.

# Part 2: Practical Test

So now we know what consumers think and feel about brand experiences, we wanted to put these findings to the test.

We carried out a series of practical tests and face-to-face interviews among 300 respondents, ABC1 representative, within a controlled environment of a cocktail bar. Each respondent took part in one of four activities (reading, listening, watching and participating in a live demonstration) themed around “making a new mocktail” and the launch of a fictitious orange drinks brand: Sevillian. We then asked them a series of questions in the same room, so as to maintain control and we used matching samples across the four groups based on age, gender, and social grade.

## ***Why did we use this methodology?***

We used a face-to-face approach since we wanted to recruit people to take part in a physical activity, and then interview them. The venue we chose was also important, since the cocktail bar setting worked well with the mocktail making theme. We decided to use a fictitious drink brand “Sevillian” because it was new and unknown, so everyone involved in the test was exposed to the brand for the first time.

## ***What did we want to find out?***

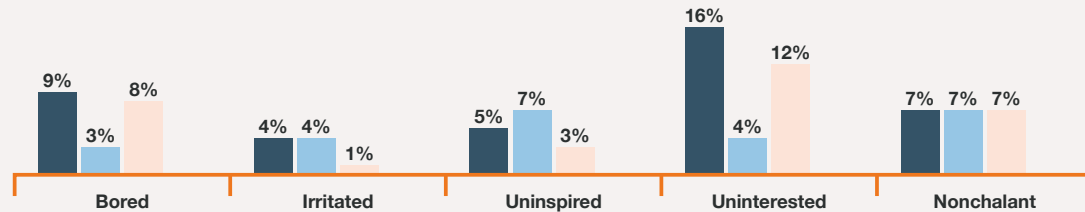
In the research we wanted to discover what people felt about being involved in a brand experience, and how it compared to those involved in the listening, reading, and video tests. Importantly, we were keen to discover their views on the “Sevillian” brand against a series of actions such as shareability, recommendation, and purchase.

# The Brand Results

## *Entertain me!*

If brands can trigger certain consumer emotions, the effects can be significant. Respondents who felt “entertained”, “engaged” or “satisfied” by the activity indicated they were involved in were significantly more likely to share, recommend or purchase the Sevillian brand.

Those involved in the live demonstration of the mocktail said the activity made them feel “entertained” (66%), “engaged” (54%) and “satisfied” (37%). All these attributes scored significantly higher than for those involved in the video, reading and listening tests (see figure 2).

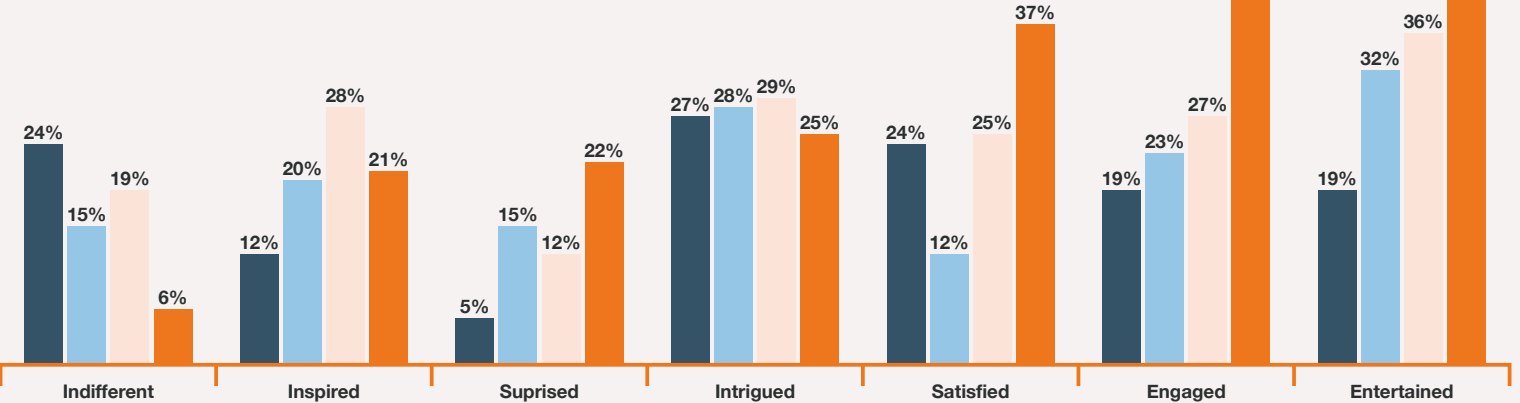




**Figure 2: How the activities made respondents feel “personally”**

- Listened to the audio about making a mocktail
- Read about making a mocktail
- Watched the video about making a mocktail
- Involved in the mocktail brand experience

Q. Which of the following words best describes how it made you feel personally?



## **Brand experience**

*“The experience was great, the atmosphere was awesome, and the taste was even better.”*

*“I was creating a beverage and was fully immersed in the experience.”*

*“It was very hands on, enjoyable and a fun activity to do in a group.”*

## **Listening**

*“Although I could hear her, it was hard to understand what was going on without visuals, which made it less engaging.”*

*“It was purely sound, so it was hard to engage.”*

## **Video**

*“Not making it myself limits satisfaction.”*

*“It wasn’t so engaging, it didn’t make me suddenly want to make the drink.”*

## **Reading**

*“It would be more engaging to watch and hear the process.”*

## Enhancing shareability

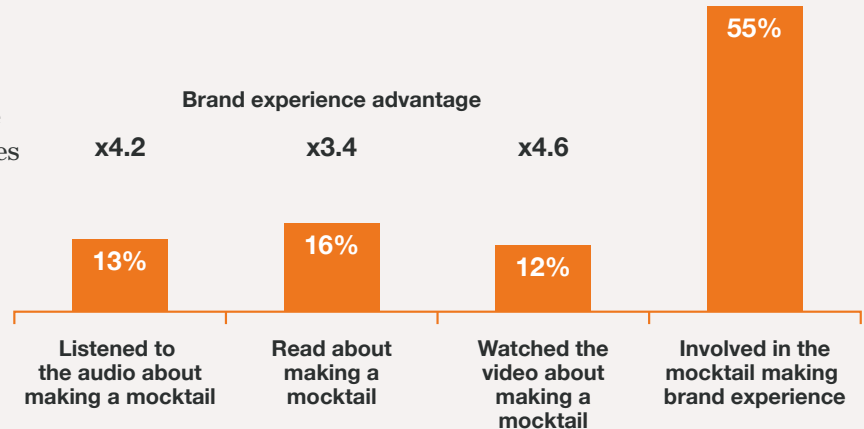
60% of all UK and US consumers are more likely to share information about a new brand, product or service if they have experienced it or taken part in a brand related event. This compares favourably to seeing it on TV (36%), hearing about it through word of mouth (30%), reading about it, or seeing it on social media (21%), listening to it on the radio (12%), or seeing it on a billboard (9%).

If a brand experience is fun, engaging and memorable, it is more shareable. In the practical test, 55% of those involved in the brand experience claimed that they were “very likely” to share information about the Sevillian brand with friends, relatives or colleagues based on the activity they were involved in (see figure 3). Among those who took part in the brand experience, this is a four-fold “shareability advantage” for brand experiences over those involved in the listening and video tests (13% and 12%), and a three-fold advantage over those involved in the reading test (16%).

**Figure 3: Influence of activities on brand shareability**

● Very likely

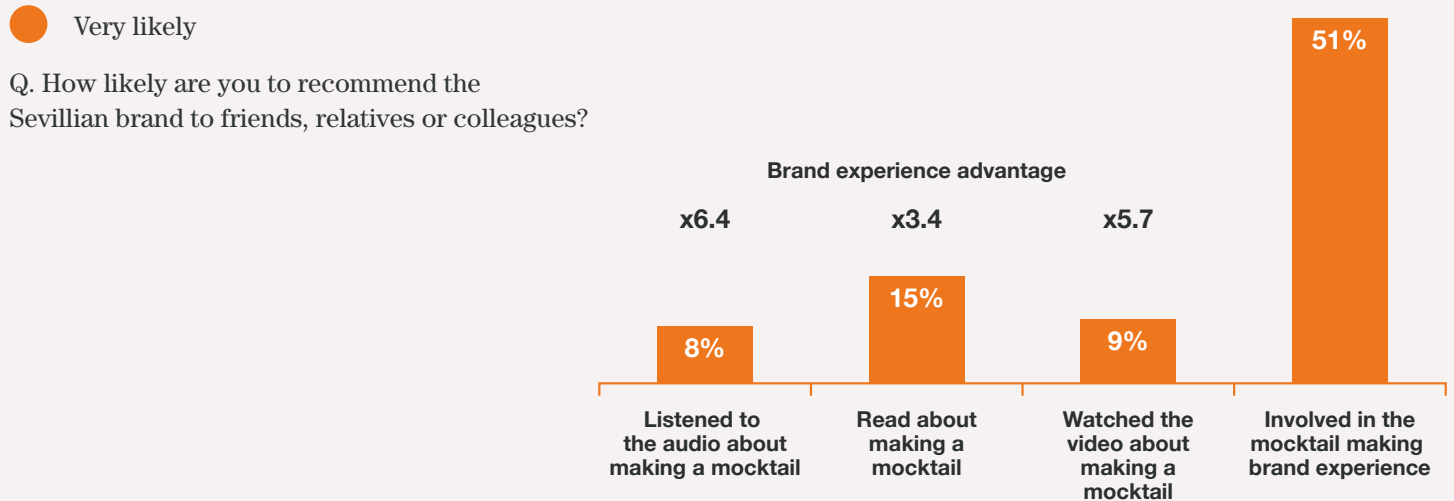
Q. How likely are you to share anything about the Sevillian brand with friends, relatives or colleagues based on the activity you have been involved in today?



## Increasing importance of recommendation

Recommendations are becoming more important for brands, as consumer are increasingly turning to reviews, comments and ratings to help them make more informed purchase decisions. In the practical test, 51% of those involved in the brand experience claimed that they would be “very likely” to recommend the Sevillian brand to friends or relatives (see figure 4). Among those involved in the brand experience test, this is a three-fold brand experience “recommendation advantage” over those involved in the reading test (15%), and a massive six-fold advantage over those involved in the listening and video tests (9% and 8%).

**Figure 4: Influence of activities on brand recommendation**



***51% of those involved in the brand experience claimed that they would be “very likely” to recommend the Sevillian brand to friends or relatives.***

## Brand experience three-fold purchase advantage

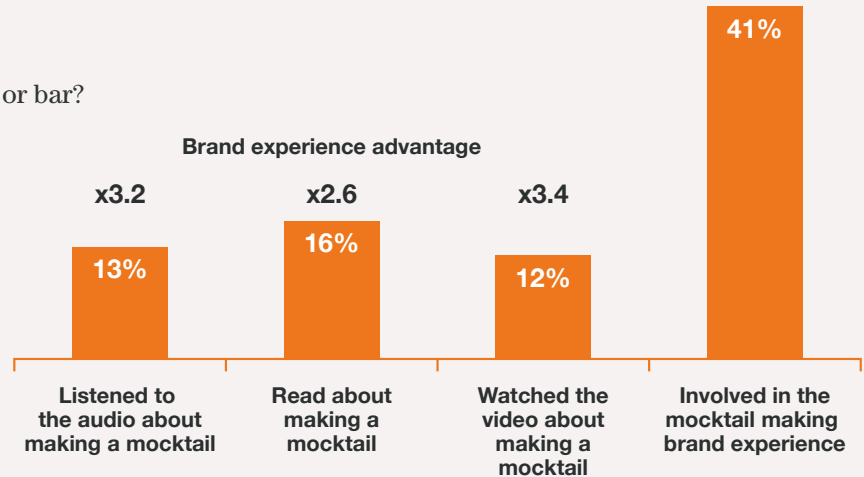
The primary goal for any brand marketing campaign is to drive sales, or at least encourage consideration. Importantly, 73% of people who have taken part in a brand experience in the UK and US, claimed that it made them more likely to purchase the brand in question.

Similarly, in the practical test, 41% of respondents involved in the brand experience claimed to be “very likely” to buy the Sevillian brand if they saw it in a shop, restaurant or bar (see figure 5). This is a near three-fold brand experience “purchase advantage” over those involved in the reading, listening, and video tests, and a true testament that brand experiences help drive sales.

**Figure 5: Influence of activities on brand purchase**

● Very likely

Q. How likely are you to consider purchasing the Sevillian Brand if you saw it in a shop, restaurant or bar?



***41% of respondents involved  
in the brand experience claimed  
to be “very likely” to buy the  
Sevillian brand.***

***“A brand experience doesn’t need to be a huge event; it can be just providing an engaging and positive environment. When a customer is feeling engaged and is happy, and having fun they are much more likely to buy the product, or even buy more than they originally planned.”***





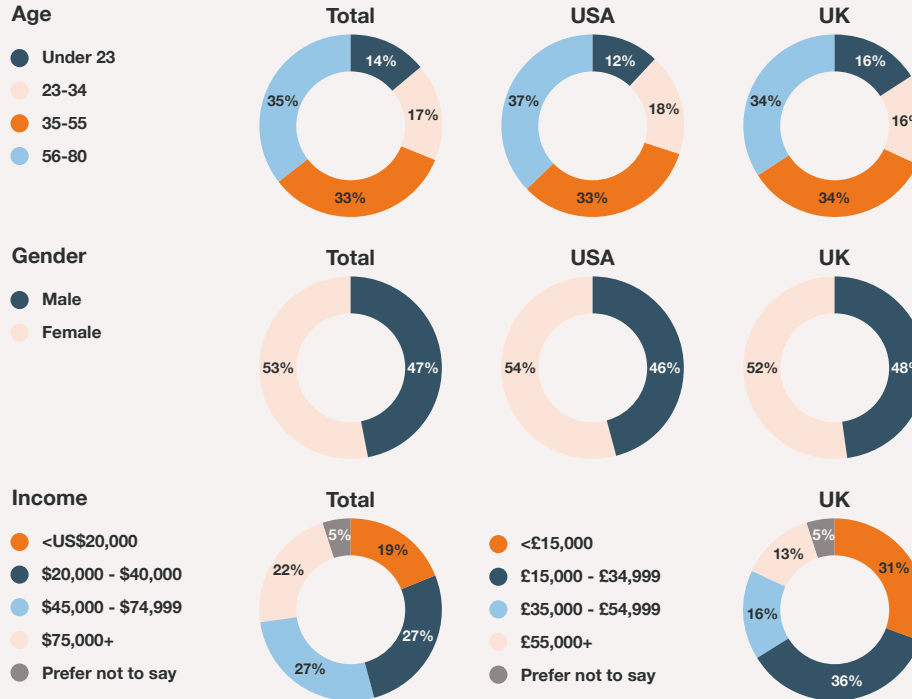
# Methodology

The Value of Experiences involved  
a two-part research plan



# Part 1: UK and US consumer survey

Nationally representative online survey among 1,006 US (506) and UK (500) consumers. Fieldwork was conducted between February 28th to March 1st 2019. Profile breakdown as follows:



Base: All UK and US respondents (1,006), USA (506), UK (500)

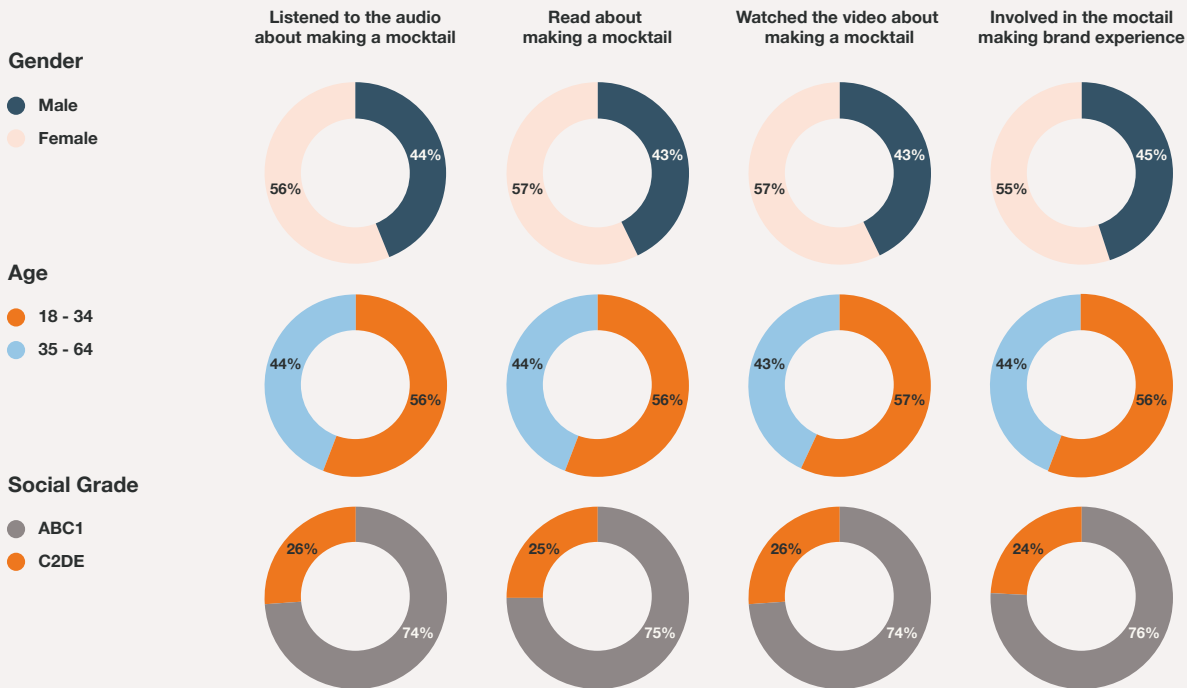
## ***Part 2: The Practical Test***

The second part involved a series of practical tests that took place in a local cocktail bar in Canterbury, UK. Respondents were recruited to participate in one of four short activities and then complete a follow-up interview. Each activity was themed around “making a new mocktail called the Golden Hour,” and the launch of a new orange drinks brand, Sevillian (one of the ingredients included in the Golden Hour).

The test focused on four activities:

1. Reading the recipe and the stages of making a new mocktail
2. Listening to the recipe and the stages of making the new mocktail
3. Watching a video of the mocktail being created (the video used was a pre-recording of the demonstration by the bar tender)
4. Brand experience: watching a live demonstration of a bar tender making the mocktail, and then making their own

300 face-to-face interviews were undertaken among local consumers aged 18-64. (75 interviews for each activity). The content was matched across all four tests based on the script from the demonstration, and samples were matched by age, gender and social grade in each.



Base: All respondents; listening (75), reading (75), Watching (75), Making (75)

Fieldwork was conducted between 11th - 14th February 2019. Each respondent was taken through one of the mocktail making activities of equal length (4-5 minutes), and then asked to complete a short questionnaire. All respondents received the same questionnaire. Eight qualified interviewers were used, and all respondents were recruited in-street, but the brand experience test was pre-recruited for eight sessions in one day (8-12 respondents in each).

# Conclusions / Recommendations

## 1. Growing demand for experiences

Consumers are increasingly turning to experiences over material items. 76% of people in the UK and US would rather spend their money on new experiences versus 24% on new items and this is a growing trend. People are spending more time on attending live events or new experiences than social media, TV, radio, newspapers, or magazines.

## 2. Experiences create long-lasting memories

Experiences can last a lifetime, while material possessions come and go. Eight in 10 UK and US adults believe that “Physical experiences create more lasting memories than physical products.”

## 3. Building trust through brand experiences

Against a backdrop of misinformation, fake news, and brand safety issues, brand experiences can help brands build a level of trust with the consumer that other media cannot deliver with over eight in 10 people in the UK and US agreeing that “The best way to build trust in a brand is to experience it first-hand.”

## 4. Entertaining people

Brand experiences create a fun, engaging and memorable moments, and when asked about how the activity made them feel personally, “entertained” was the highest scoring emotion for those involved in the brand experience (66%), compared to 49% watching the video, 37% reading, and 28% listening.

## 5. **The potential sales effect**

Of those involved in the brand experience, 41% claimed to be “very likely” to purchase the brand. A near three-fold “brand purchase” advantage over those involved in the reading (16%), listening (13%), and video tests (12%).

## 6. **Brand shareability advantage**

An enjoyable and engaging brand experience encourages shareability. 55% of those involved in the brand experience claimed that they were “very likely” to share information about the brand with friends, relatives or colleagues based on the activity they were involved in a four-fold “brand shareability” advantage over those involved in the reading and listening tests (16% and 13%), and a three-fold advantage over those involved in the video test (12%).

## 7. **Brand recommendation advantage**

Over half of those involved in the brand experience claimed that they would be “very likely” to recommend the brand to friends, relatives, or colleagues. This is six-fold “brand recommendation advantage” over those involved in the listening test (8%) and video tests (9%) and a three-fold advantage over those involved in the reading test (15%).

***We have been creating pop-ups, live events and brand activations for more than a decade. Our experiences play to the crowd, but look individuals in the eye.***





## ***Heineken UEFA Trophy Tour***

How could Heineken leverage a European sponsorship in key markets across the rest of the world? By taking the tournament's biggest asset on tour and giving fans around the world the chance to be part of the UEFA Champions League experience. We designed and managed

a global tour of the UEFA Champions League Trophy taking in Brazil, Vietnam, Lao, South Africa, Namibia, Indonesia, China, Nigeria, Burma, and USA. The tour reached a combined audience in excess of 240 Million fans.



## **Nike SNKRS Box Pop-up**

Nike wanted to celebrate the USA Basketball team in San Francisco. We build a pop-up in the form of a giant Sneaker Box with an LED facade. The Golden Air SNKRS Box became a true brand celebration for their fans.

Over 3,500 people came thru the retail space in just three days. The experience garnered media attention on well-known outlets such as Yardbarker, Sneakernews and Hypebeast.





## ***Vans Comfy Cush High***

For the global launch of Vans new, comfortable sneaker technology, Comfy Cush, we reimagined life's most uncomfortable environment - a high school. From VIP seedings in locker rooms to a live marching band, from fully functioning history and science classrooms through to Lil Wayne performing in our custom designed

school gymnasium, High School dominated the sneaker and fashion media's attention, giving it Vans' biggest ever launch the comfy excitement it so richly deserved. Results included 273 pieces of global press coverage, 549+ Million online readership, 762K coverage views, 18.8K social shares.



## ***Google Beach at Cannes***

For eight years in a row, in the face of criticism of the festival as a whole we created a more relevant beach experience for more of Google's audience: The decision makers, the agency

groups, the award winners and the young creatives. A beach that went back to what Google does best and offered a sharp focus on what matters next.

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