



EXPERIENTIAL MARKETING, INTERACTIVITY AND GAMIFICATION — DIFFERENCES AND SIMILARITIES AMONG THE WORLD-TRENDS



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EXPERIENTIAL MARKETING, INTERACTIVITY AND GAMIFICATION — DIFFERENCES AND SIMILARITIES AMONG THE WORLD-TRENDS

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Summary

Experimental, also known as experience marketing, interactivity, gamification. These three terms became very popular in the past years, by 2018, they set up the the main guidelines of marketing trends but the terms are not all novel. The philosophers, psychologists, sociologist and marketing specialists have been dealing with the impacts of experiences and reactions on human nature.

This study is going to try to explore the relationship and relationships between the three terms more deeply. Before the final conclusions were drawn, three things had to be studied: what is experience, what interactivity means and what is the meaning of gamification. At the end of the article, a comprehensive picture the 3 main phenomenon emerges. The aforementioned terms often collapse, therefore sometimes it is hard to draw the real reports from the many literatures. To find out the answer, psychology had been called for help, which provided a precise point of reference for information processing.

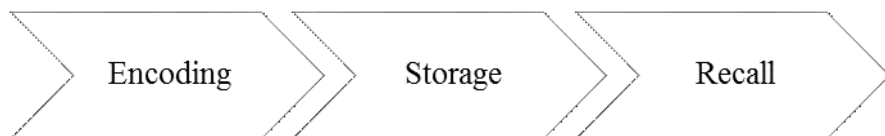
Keywords: experiential marketing, interactivity, gamification, gamified marketing, marketing strategy

The psychology of experience and memory

The role of memory and experience is one of the most researched parts of psychologists. With the help of many experiments and researches psychologists managed to find out many aspects of the memorial process. These researches are important not only in the fields of psychology but they could give help for marketing specialists to understand the decisions of costumers. Then a more conscious marketing strategy can be developed which works efficiently.

The basic operation of memory requires 3 stages: the ability of encoding, storage and recall. In the aspect of storage long-term and short-term memory could be identified. According to research results the long-term memory and the short-term memory apply different memorial systems of the brain.

Figure 1. The process of the memory



Source: Prepared by the author after Tulving (1983).

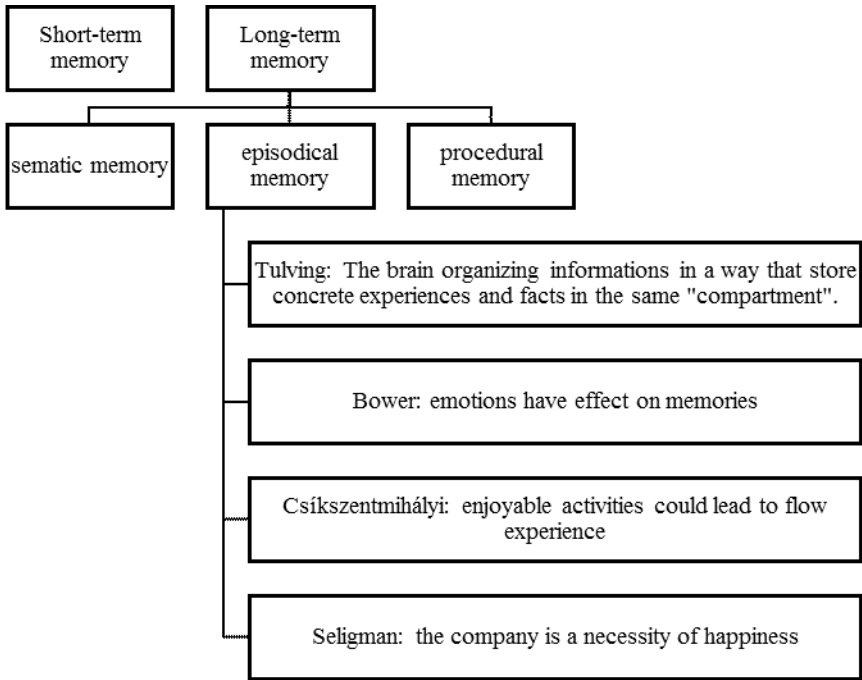
The long-term memory has the most important role to play in terms of experiences. While the short-term memory's storage mechanism is quite simple, the long-term memory stores the information with much more complex mechanisms.

There is a difference between semantic, episodic and procedural memory. In terms of experience for this study the episodic memory's operation has to be understood.

The episodic memory is related to Tulving's name. He said that the events which attached to intensive emotions are way more memorable. Like a wedding, a festival, a music concert. In the state of recall people "live the event again", Tulving called this mental time travel.

In Tulving's opinion, this time our brain stores these events, facts and further parts in the same "compartment" (Tulving, 1983).

Figure 2. The types of long term memory and the preferences of the episodic memory



Source: Prepared by the author.

Bower's statement is attached to this theory too. Bower searched the connection between emotional states and recall. He noticed, that people attach emotions to events, which are placed in the same "compartment". At recall the specific emotional state could help recall the memories. In this way the sadness could bring back negative, while the happiness could bring back positive memory (Bower, 1981).

Later Boswijk and his companions characterized the experience by the flow of different events. In their definition the experience is "the activity and suggestibility's continous process, which has meaning to the individual" (Boswijk et al., 2007: p. 2).

(On languages different from English experience has several meanings. **Example 1:** An experience₁ is when someone go to a festival. **Example 2:** People know a lot of things about life from experience₂.)

From the aforementioned statements comes that the experience₁ is

nothing more than the sum of information and emotional statements stored in the same "compartment." The experience contains a positive or a negative emotion and thus form a unit.

Experience₂ in contrast is a report association, a benchmark. Experience₂ is nothing more than setting information in context.

For every of our experiences are stored in the short-term memory, but the goal of experiential marketing is to place them in the long-term memory.

Experience's role in marketing

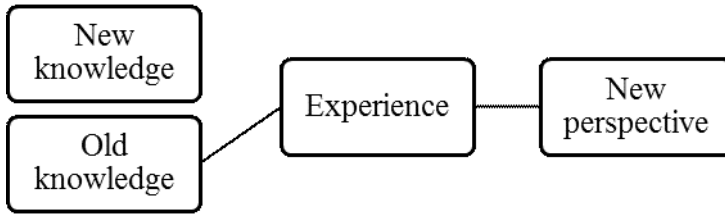
The experience₁ (or experience₂) marketing is already controversial in its name. While the English expresses it with only one word, there are difference between the two words in other languages. The experience₁ or experience₂ are different in meaning and physiological appearance too. Experience₂ is a keystone of learning and getting information.

As it could be seen in the psychological expression, experience is the sum of information stored in the same compartment. In the state of recall the emotions, feelings have much effect on experiences₁. In contrast, the experience₂ is the setting experiences₁ in context, ability to reuse the stored information in a new area. Perkins and Salomon call this transfer. So transfer is an ability, when people learn something in a context, they can use it in a new area, value it as an experience₂ and use it (Perkins and Salomon, 1999).

According Smith and Hannover there are two parts of the effective experience: The transfer during learning and the transfer of learning. The meaning is the transfer during learning is "the act of providing content and messaging to a target audience" (Smith and Hannover, 2016, p. 21).

The transfer of learnings is "when a target audience absorbs the new learning into what they already know and leave an experience with a new perspective and knowledge base on subject or topic" (Smith and Hannover, 2016, p. 21).

Figure 3. Experience transfer



Source: Prepared by the author after Smith and Hannover, 2016.

While the understanding the meaning of experience is quite difficult, the experiential marketing is much simpler. The role of experience in marketing is unquestionable. In the years after the war, television got a role in the life of the customers of '40s and '50s. In this period, Gestalt's psychology was the dominant, the AIDA model had started to get dominant role too. Sensory stimuli had a particular influence on marketing. The experience-management's first important step was Toffler's book *The Future Shock* written in 1970. Although in marketing, the experience focus only appeared in the '80s, but the real experience-centered marketing only became focused area in the early 2000s.

The reason of this is that with the appearance of Internet, because of the advertisement dumping, the advertising aversion became apparent, the usual advertising tools have proved less and less authentic. So the experiential marketing is not an invention of our age but it has just became decisive nowadays (Sas, 2009).

Experiential marketing definitions

The definitions of experiential marketing should be rated by appearances, from the oldest to the newest.

Customer approach

In the case of customer approach definitions, the authors set the customers needs in focus. "Experience marketing is usually broadly defined as any form of customer focused marketing activity that creates connection to customers" (Schmitt, 2011, p. 11).

Smilansky's definition is a little bit more detailed. The experiential marketing is the process of authorizing and meeting customer needs and desires, engaging it with two-way communication. With its help, the personality of the brand becomes lifelike and creates a value for the target group (Smilansky, 2009, p. 5).

The aforementioned definition's keyword is the two-way communication. In Smilansky's approach the experience has been set up by the marketing channel's integrated usage. Each two definitions set the customer needs in focus.

Interactivity in focus

Lasalle and Briton gave the definition for experiential marketing: "Interaction or series of interactions between the customer and the product, the company or their characteristics which lead to inducing a reaction" (Lasalle and Briton, p. 30).

According to Gentile et. al, the Customer Experience is the set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This opinion is strictly personal and including the customer involvement at different levels (rational, emotional, sensorial, physical and spiritual level). The evaluation of these depends on the comparison between a customer's expectations and the stimuli comes from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points (Gentile et. al, 2007).

Toffler and Csíkszentmihályi believed in the process nature too. In Toffler's definition the experience is nothing more than process of situations. (Toffler, 1970), while Csíkszentmihályi's definition say that the self-forgetting happiness is the flow experience.

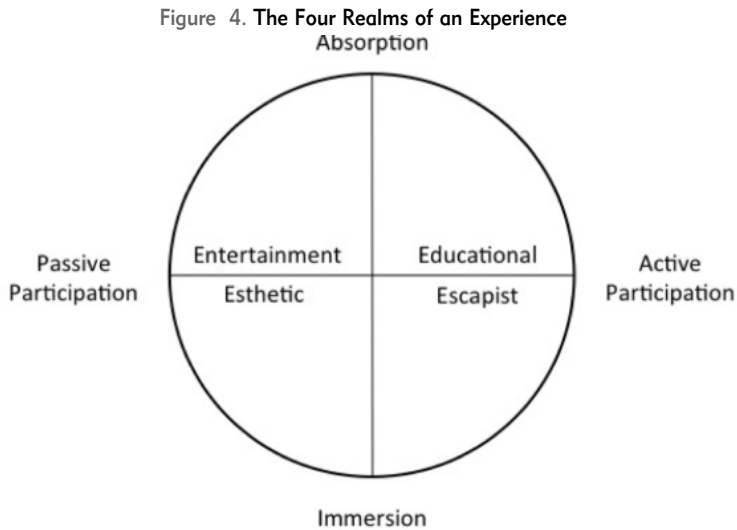
Emotion-centered approach

Some rate the experimental marketing like an activity which triggers emotions. The experiences inducing reactions by senses.

There is a similar definition about experience set up by Sundbo too. He said experience have effect on senses and mind, while

engaging the customer. It represents high value for the customers (Sundbo, 2009).

When examining experience management, perhaps the most important model is Pine and Gilmore's. According to the two authors "experience is the marketing". What does this sentence means? If a company would like to engage their customers, the experience based advert is the best way for it (Pine and Gilmore, 2002.).



Source: Pine i Gilmore (1998).

According to the above model, the consumer experience can be passive or active, depending on the degree to which the consumer enters, the degree of interactivity. According to the model, the greater the active participation, the stronger the impact on consumer experience. Immersion is especially important from a marketing point of view, since in this case the consumer requires not only active participation, but the consumer can also experience the flow experience. (Pine and Gilmore, 1998) In this case, the consumer becomes a real part of the experience. However, it must not be forgotten that the technology has enabled line movement. With the help of VR technology, for example, the consumer can not only deepen in the experience, but also have the opportunity to acquire new knowledge. Playing can help the line dimension get high on the companies.

The interactivity

The interactive marketing in Kotler's specification are online activities and programs which have a goal of involving the existing or potential customers, enlarging awareness of the products and services, improving their image or encouraging for purchasing them (Kotler, 2012).

However, the concept of interactivity is far beyond Kotler's approach. The traditional approach follows the definition of Kotler, according to which the interactivity technology is focused, causing interaction from the customer. Technology could be multimedia, website, or even an online game. In contrast, Johnson say that interaction has another perspective, that interaction can be direct, eye-to-face (Johnson et al, 2006).

The first, technology-focused interaction is mediated interactivity, while the second, communication is a non-mediated interaction with the focus path (Fill, 2009).

Sousa divided interaction into two groups, but it's divisoning is different from Fill's. He grouped interactivity into intrinsic and extrinsic groups.

The intrinsic interactions are activities and engagings that are strongly attached to the target group's necessities, interests, values and attitude.

The extrinsic interactions are activities that motivate the target group to participation. For example rewards, awards (Sousa, 2011).

This grouping completely ignores the role of technology. It only adjusts interaction to motivational levels. The latter approach in 2011 delimits the nature of interactivity more clearly.

With the help of the grouping of Johnson et. al it can be better understand the meaning of interactivity. The authors distinguish between mediated and non-mediated interaction depending on whether the definition is technology-focused or behavior-based. The authors collected the available definitions of interactivity in different disciplines and were able to evaluate differences in the meaning of interactivity. According to the definitions they argue, that "reciprocity, responsiveness, nonverbal information, and speed of response can be justified as facets that contribute to interactivity, but that information control, which is often discussed as an essential aspect of interactivity, canno" (Johnson et. al, 2011, p. 36).

The gamification

After we learned the roles of experiences and the concept of interactivity, we have to know the presence of interactivity. In psychological meaning the gamer habit is part of the basic human nature. (Huizinga, 1949) The human as the higher order animals use the game for the more efficient information processing. By examining the psychological background of the function of gaming, the information processing is clearly easier because of the effect of the gaming experience. As it could have been seen before, the experiences contribute to information be placed in long-term memory. For a marketing specialist, the final goal is this and gamification gives a brilliant tool in the hands of professionals to achieve it.

Gamification often get mixed up with edutainment or serious game too. While the word edutainment is originated from English words education and entertainment. It means learning with fun. It's different from gamification, because gamification can be used not only in education but outside of it too. In contrast, serious game is a mind challenge with strict rules against the computer or the other participants where the goals are the corporate training, education, sanitary informing or implementation of strategic communicational messages, through entertainment. For example business simulation games. Serious game and edutainment are parts of gamification though but not its conditions. There are many areas where using gamification's tool could make information giving process more efficient. The most highlighted area is the marketing for sure, but some specific inner HR systems, corporate governance systems are capable of implementing gamification, too.

To understand the deeper meaning of gamification, gamification's history has to be examined.

Although the psychologists of the 20th century had long been worried about game's impact on our life, gamification's first appearance in business life was only in 1973. Fun fact, that this date coincides with the appearance of Toffler's experience-concept. The evolution of gamification roughly follows a same curve with experience-management's researches. The book *Game of Work* was published in 1984, but gamification itself became researched and applied method only from the early 2000s.

In 1984 Charles Coonradt laid the foundations of the profession. He noticed that some specific hobbies are resulting higher commitment than everyday activities. He diagnosed the followings: At these hobbies here are clear, well-defined goals:

- Their activity and performance are more measurable
- There is always feedback from their performance
- Option of personal choice (my decision is whether or not I want to do this)
- Means continuous activity (Charles, 1984)

Translate this to the language of game: gamification builds on that it doesn't offer the obtaining of information to the customers so easily. The customer should do different tasks to get the information. Gamification builds on gaming experience just like a board game or a sport activity, it is possible to measure the performance well. It is distinct well from the experience by the game's entertaining nature and the ponder ability. Game always comes with interactive participation and the experience.

For gaming, connection is always voluntary, because no one can be forced to have fun, The power of gamification lies exactly in this: those who we want to pass the information, join voluntarily, for the joy of gaming. So getting information will connect to an experience in the head and a longer lasting effect could be reached with it.

There are still a little definition about gamification. Zichermann and Linder claim that "gamification is the process, where the audience is engaged by using the best tools of loyalty programs, game design, and behavioral economics." (Zichermann and Linder, 2013, p. 14) When the goal is short-term engagement (like an event), then the long-term successful solutions used in loyalty programs are not always necessary. Gamification builds on experiences.

Another important definition in Fromann's thoughts is:

"Gamification" means using game elements, — mechanisms and — dynamics in the life's out-of-game areas with the goal of making the processes more interesting and efficient. The term is mainly used for gamification in the online community. (Fromann, 2015)

I agree with Fromann's thoughts, nevertheless besides efficiency,

I would add information passing's experience simplification. Gamification cannot be narrowed to the online area, because the marketing needs often off-line tools. These for sure are supported by online tools which can help data processing.

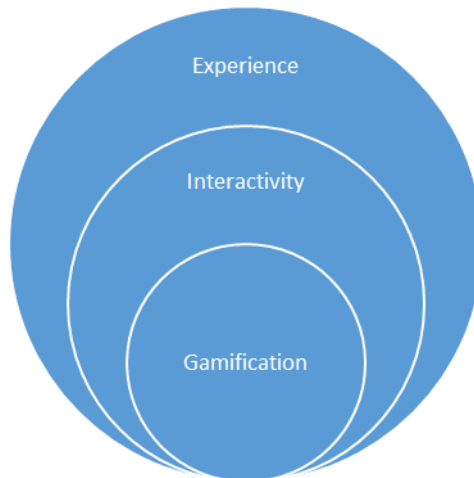
The past few years prove that the upper definitions give limits of possibilities of using gamification.

The following sentences summarize the essence of gamification:

Gambling is nothing more than serving the information you want to pass on in a playful way to the outside areas of life to consumers. The game is an instinctive behavior that helps the processing of information and the long-lasting storage through the experienced experience.

So every gamification is interactive and experience-based and for both gamification and interactivity, we look at as tools of experience marketing.

Figure 5. Experience, interactivity and gamification



Source: Prepared by the author.

How experience affects the customer?

The most advertisement-sensitive age group are the people over 61. This group can barely use the technology, they often use Facebook very

gawky. This is why the number of full fills are low, otherwise the overclicking ratio is very high. Younger people represent a much higher ratio in reaches and fills too. This could be caused by conscious Internet using.

It could be seen clearly that the ratio of reach is the highest in the youngest age group. This means that they are the most active on Facebook. On the other hand the older people could be reached so much harder. The 0,24% reach ratio is very low, besides this the overclicking ratio is very high in the oldest group.

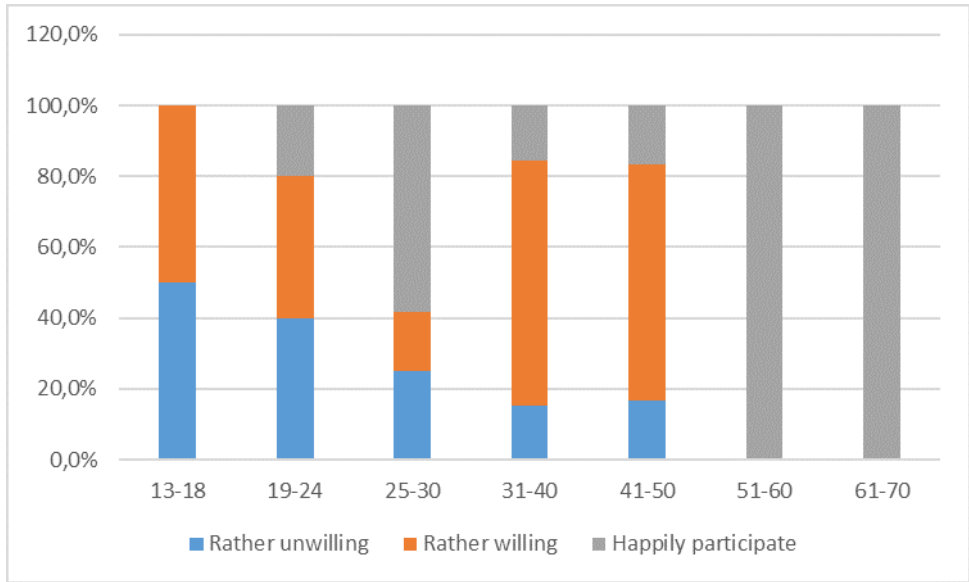
The number of full fills are the most in the group of people between the age of 19–40. This is reasonable because this group contains the early bird users, who are the early hosts of technology.

The research shows that sex isn't influencing the willingness to play at all. In contrast the age is an influencing factor. Surprisingly the people over 35 rather willingly participate in games than not. People between 25 and 30 are willing the most to participate. They are the members of Y generation, they already grew up in the age of videogames. They are characterized by technological openness, so their response is not surprising.

Research reveals that the community experience for women is decisive. The results suggest that men are less competitive in the games. This suggests an interesting relationship, as while women are important to the community experience, it is just as important for them to strive for their own frontiers. To them, the joy of the game means not only meeting the challenges that can be overcome, but also racing with oneself is a happiness for them. For women, competition is an evolutionary heritage that is genetically coded.

Research shows that consumers according to their own declarations often become customers after participating in a prize game. In many cases the customer shops willingly from the company before and after the prize game too, this shows that people prefer play with the games of a company they already know.

Figure 6. How much are you willing to participate in games?

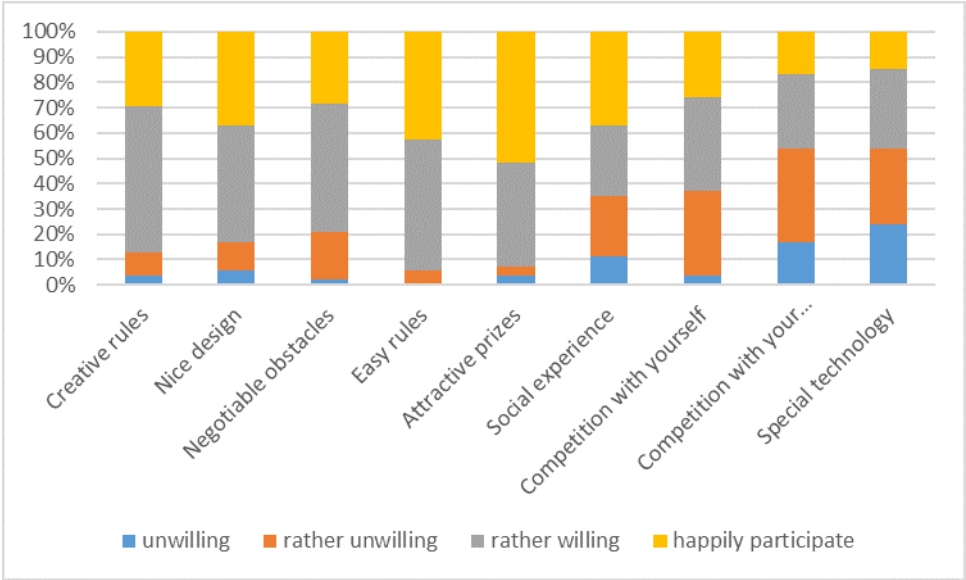


Source: Prepared by the author.

In a game, the following factors are important for users.

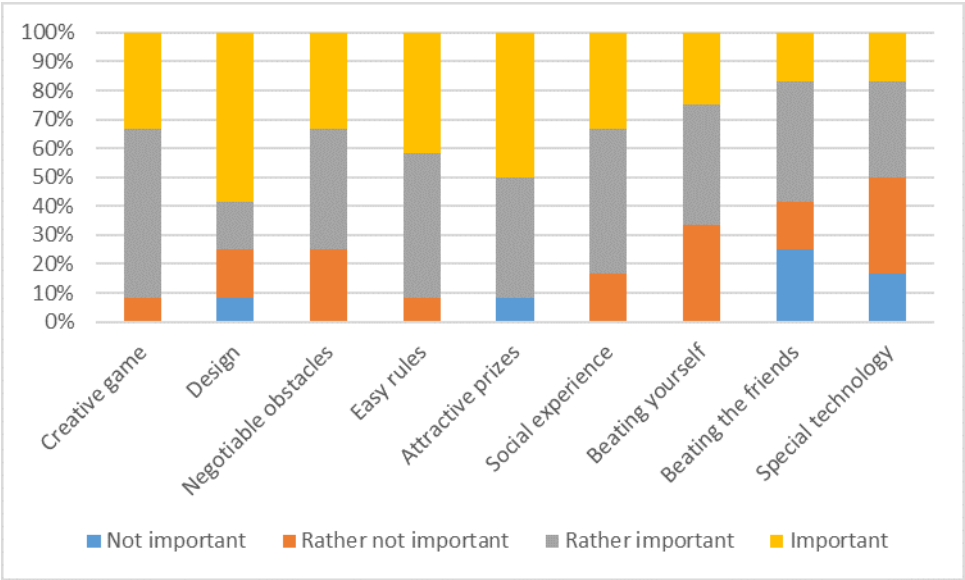
It can be seen that the prize and the simple entry conditions play a prominent role in a gaming experience. Based on the answers from the survey, the experience of competition is the most negligible.

Figure 7. The important of the game elements



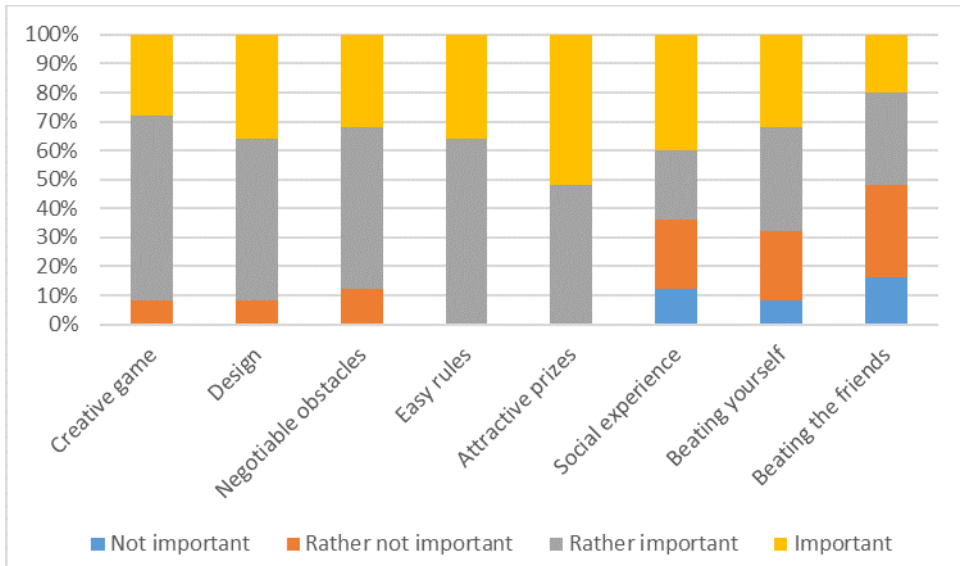
Source: Prepared by the author.

Figure 8. The important of the game elements at the age of 13–24



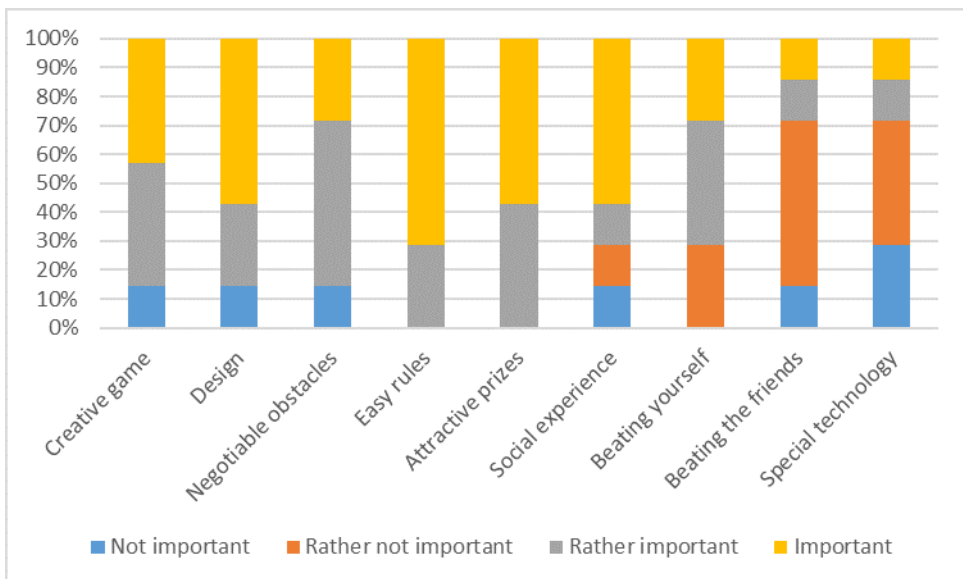
Source: Prepared by the author.

Figure 9. The important of the game elements at the age of 25–40



Source: Prepared by the author.

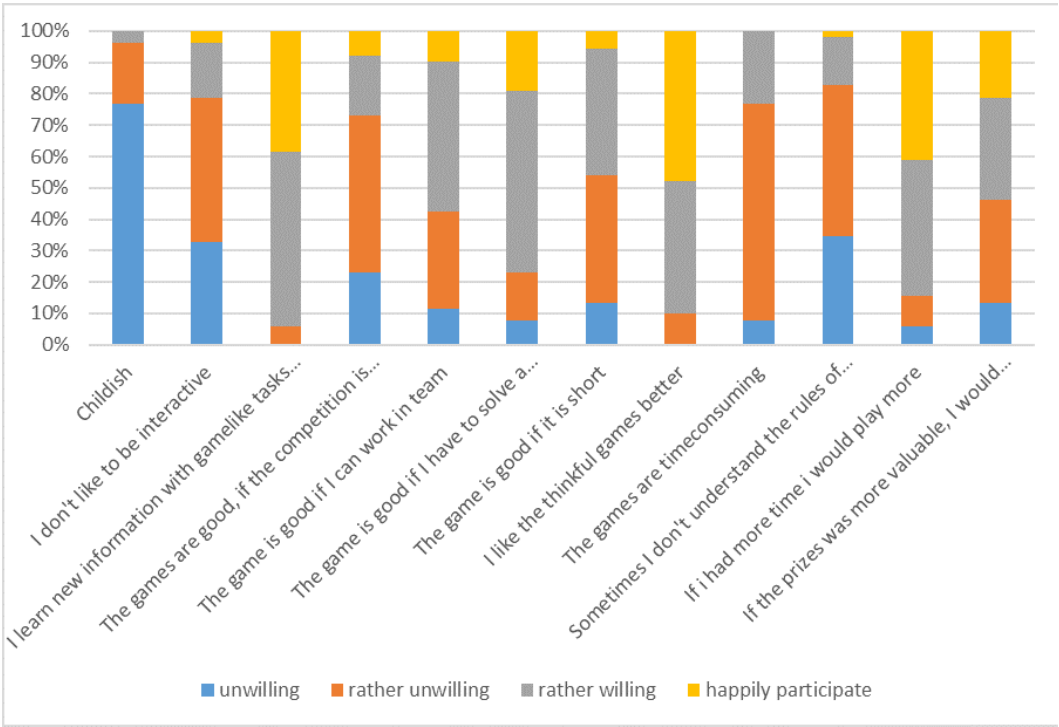
Figure 10. The important of the game elements at the age of 41–60



Source: Prepared by the author.

Research reveals that the interest in interactivity among consumers is high. It has been proven that the player's tasks help to receive the information. The diagram shows that intrinsic motivation also plays a major role, since complex, thinking-minded games are more popular among the respondents. Respondents do not consider toys to be childish, indicating a positive change in society's attitudes.

Figure 11. The gaming attitude of customers



Source: Prepared by the author.

Findings

Experience marketing, the connection between interactivity and gamification is well-defined. Every tool gives help in information processing through personal experiencing. The difference between the tools is given by feedback.

For the costumers to attending in games it is very important to have the trust. That means, that without the brand awareness to organize a game has a lot of risks. The brand awareness helps to elevate the engagement during the games. So the games don't help to create engagement, the games just elevate the strong of the engagement.

The answers show that even older is the costumer more like to participate in the games. The technology limited the targeting because the older segment can't handle the new technologies. The offline solutions are better for the older segment

The results can help to create a better game-strategy for the segments. The most important elements are the following for the generations:

Z generation (13–24):

- Technology based games
- Social experience
- Easy rules
- Beating the friends and themselves

Y generation (25–40):

- Attractive prizes
- Easy rules
- Creativity
- Design

X generation (41–60):

- Social experience
- Easy rules
- Creativity
- Negotiable obstacles

Ultimately, playability, interactivity, and experience marketing will be successful if they are tailored to the individual motivation level of consumers.

Summarize

The experiences are very important in the marketing communication. The psychological researches show that the positive feelings and the structured system can help to save the information in the long-term memory. The interactivity, the experiential marketing and the gamification can help the marketing to elevate the level of the engagement of the costumers.

The right strategy is important because each segments has different attitude. All the segments agreed that the easy rules are very important. That proves that the simple communication is the key to reach the costumers.

Investigating consumers' attitudes clearly pointed out that games and interactive information sharing have the right to marketing. The information channel acquired during childhood is a well-functioning tool in the field of marketing, even in adults. In its content, simplicity and appealing looks are important, as these also help to keep the entry barriers low.

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