Research on Experiential Marketing Strategy in the New Retail Era

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Abstract

With the upgrading of consumption, consumers have shifted from demand-driven to emotion-driven, and the consumer-centric retail industry has also transformed from product transaction to service experience. When the differences between products are getting smaller and smaller, the experience will become an essential factor to stand out in a fiercely competitive environment. Therefore, companies are rethinking how to bring a better experience to users. Based on the research on new retail and user experience, this paper proposes an experiential marketing model and experiential marketing strategy under the background of new retail to provide theoretical guidance for enterprises' user experience marketing activities.

Keywords

New Retail; Experiential Marketing; Marketing Strategy.

1. Introduction

At present, the post-80s, the 90s, and 00s have become the absolute backbone of the consumer market. In the era of the great abundance of materials and satisfaction, consumers are more in the inner feelings and experiences of consumption. The consumer-centric retail market also transforms from pure product transactions to creating better user experience services. It is expected that the retail market will soon become a new model centered on consumers and services. Therefore, it is of great theoretical and practical significance for enterprises to promptly adjust their marketing concepts and strategies based on the current market conditions and changes in consumer demand.

2. From Retail to New Retail

Retail is a form that has existed since ancient times and is a required transaction method in people's lives. However, with the development of new business models and the application of new technologies, the original concept of retail has been unable to describe the current social retail activities accurately. The retail industry practice is richer than existing concepts and theories, and the boundaries are more blurred. The sales model is also perfect.

In 2016, Jack Ma first proposed the concept of "new retail" at the Yunqi Conference[1]. Under the background that the Internet does not collect customer dividends, the era of "pure e-commerce" will soon end. In the next 10 or 20 years, only the integration of online and offline and the integration of online and offline logistics can give birth to "new retail." " With the rise of new retail, entrepreneurs, business tycoons, scholars, and experts under different business models have different interpretations of new retail. There is still no unified statement on the definition of the new retail concept.

By sorting out the concepts of new retail and related theories, the author believes that "new retail" can be summarized into the following three aspects: one is the user experience as the core; the second is the full integration of online, offline, and logistics; the third is the combination of Big data and advanced science and technology drive retail terminals. This article

integrates the definition of new retail: through the deep integration of online + offline + logistics, taking users' yearning for a better life as the enterprise's business goal and applying advanced technological means such as artificial intelligence and cloud computing to realize the transformation of operations. Upgrade to meet the ever-increasing needs of users, and finally achieve the ultimate experience service for users.

In the context of new retail, companies should pay more attention to consumers' user experience in their marketing activities. When the differences between products become smaller and smaller, the user experience will become the core factor determining enterprises' success or failure. Therefore, it is necessary to have a deep understanding of the user experience.

3. User Experience

As Du Cheng'an[2]described, the process of experience generation is the specific feeling that customers generate with the help of an intermediate substance, the product, or service. The user experience cannot be separated from the actual abstraction and must be combined with the real sense. The product stimulates the user to make the user experience, or the experience makes the user feel the product better, and the two interact and interact with each other. In addition, the effect of experience will be affected by user characteristics, and similarly, the user experience will also be affected by the experience. In user experience activities, the user feelings and actual product substances generated are collectively referred to as experience clues. These clues can bring a memory to users, and they will accumulate and strengthen memory through cognition, and finally connect to form the user's experience and evaluation of knowledge.

In user experience formation, users, products, and scenarios will affect the effect of user experience [3]. User characteristics include the user's emotions, reserved knowledge background, experience experience, user preferences, motivation, etc. Users with different parts will have different user experiences when facing the same product and scenario.

Product features include sensory-level experience, cognitive-level experience, and reflective-level experience. The sensory layer experience consists of five aspects of the user's visual, auditory, tactile, olfactory, and taste experience, which can specifically include a visual experience that brings users a warm enjoyment, a warm and soft tactile experience, etc.; the cognitive layer experience includes product demand recognition. , functional cognition, and service cognition, which can specifically include demand cognition to assist users in performing tasks, help users to understand the practical understanding of products, and service cognition that brings users ease of operation; finally, the reflective layer experience is based on the sensory and cognitive basis, resulting in psychological, emotional and value experience, which can specifically include bringing users a reliable and safe sense of trust experience, bringing users an emotional experience of dynamic interaction, and even changing the user's living habits. Different products have different effects on user experience.

On the last aspect, the scene features are mainly the physical scene, era scene, and a social and cultural background where the user interacts with the product. Different scenarios will bring different user experiences to users.

4. Experiential Marketing under New Retail

In the era of new retail, companies pay more attention to the user experience when marketing and user experience will, in turn, guide companies to reshape product design, adjust production and marketing activities, and further promote companies' online, offline, and logistics industries—integration development. In the new retail era, relying on advanced technologies such as big data, the Internet of Things, and cloud computing, the integration and sharing of

omnichannel data can be realized. More accurate customer portraits can be obtained, which is beneficial for enterprises to provide users with more accurate experiential marketing services. In addition, new retail has also broadened the boundaries and consumption scenarios of retail, such as Smart Smart supermarket, mobile kiosks, product experience stores, and other places that can become the physical space of experience marketing. In short, the new retail era has brought more opportunities and development to experience marketing.

Experiential marketing refers to the marketing activities in that enterprises consciously use "service as the stage and products as props" to meet the experience needs of users. To meet the experience needs of consumers, let consumers stay in the theme activities carefully planned by the enterprise. A deep and beautiful impression can satisfy their spiritual needs or psychological needs, thereby stimulating consumers' desire to buy and ultimately achieving the goal of customer satisfaction and corporate profits. Experiential marketing requires companies to focus their marketing on consumer experience, pay more attention to satisfying consumers' emotional world, provide consumers with a multi-angle integrated experience, and resonate with consumers to achieve the effect of benefiting both parties.

5. The Experiential Marketing Model under the New Retail

In the new retail era, the experience marketing of enterprises should comprehensively consider the dual needs of consumers' rational and perceptual dimensions. Therefore, the experiential marketing model is also constructed from the sensible and perceptual dimensions. The reasonable size mainly refers to hardware technology, service platform, etc., to meet the practical needs of consumers; the emotional dimension mainly refers to brand value, brand story, brand personality, etc., to meet the emotional needs of consumers. Rational requirements can be based on the "VIP model" to establish the complex foundation of user experience, and perceptual conditions can be used to create the soft connotation of user experience through the "3S model".

5.1. VIP Model

In terms of a rigid foundation, in the face of the changing needs of users from "willing to work" to "paying attention," enterprises need to change from simply selling products to providing excess experience value (Value) and from meeting primary transaction needs to promoting intelligent high-end services (Intelligence) Upgrade, from a product sales place to a user experience platform (Platform).

First of all, companies need to change from selling products to creating more value for customers, which requires companies to change from "simply selling products" to "providing excess experience value."

Secondly, intelligent technology has become one of the key factors driving the rapid development of high-end brands. With the development of artificial intelligence, big data, cloud computing, and other technologies, enterprises need to use new technologies to promote the upgrading of products and services to intelligence. Therefore, enterprises must upgrade from "meeting basic transaction needs" to "promoting intelligent high-end services."Secondly, intelligent technology has become one of the key factors driving the rapid development of high-end brands. With the development of artificial intelligence, big data, cloud computing, and other technologies, enterprises need to use new technologies to promote the upgrading of products and services to intelligence. Therefore, enterprises must upgrade from "meeting basic transaction needs" to "promoting intelligent high-end services."

Finally, when the difference between products is getting smaller and smaller, the user experience will become the core competitiveness of enterprises, so enterprises should develop from "simple product sales place" to "building user experience platform."

5.2. 3S Model

In terms of soft connotation, companies can create a "3S model" from three aspects: Sense, Sympathy, and Surprise, to stimulate the senses of consumers, tap into the emotions of consumers, and even cause screams consumers.

In terms of the senses, the realization of the brand requires a specific scene, and the scene marketing is also divided into two parts one is the virtual scene, that is, the PC-side scene, the mobile-side scene, and the AR/VR scene; the other is the actual scene. 1.0 The scenarios in the traditional business era mainly refer to offline, such as pure physical stores; 2.0 Internet era scenarios include online + offline; 3.0 intelligent era scenarios include online + offline + intelligent technology. To compete for the market requires competition for users, and to compete for users involves the use of scenarios.

In terms of resonance, resonance is the psychological resonance between enterprises and consumers and emotional recognition. "Touching people with emotion" is the fastest way to capture consumers' psychology. Under the traditional thinking mode, enterprises tend to transmit information in one direction while ignoring consumers' emotional demands. Resonance triggers consumers' emotions through content and finds the resonance point between consumers and products, thus quickly arousing consumption—the audience's attention, forming resonance.

Suppose a high-end user experience cannot bring users calling points. Consumers will have no reason to experience it and buy it, let alone generate consumption fission and active sharing. The factor that drives consumers to form word-of-mouth sharing is to bring screaming points to users.

6. Experiential Marketing Strategy in the New Retail Environment

In the rational and emotional two-dimensional marketing model, as consumers' functional demands weaken, emotional needs increase yearly, and the emotional dimension surpasses the sensible extent. Therefore, key marketing strategies focus on perceptual size.

According to the penetration degree of experiential marketing [4], sensory marketing and emotional marketing are the top links of enterprises, the source of driving consumers' spontaneous experience, and the key to determining whether consumers can transform from "experience passers-by" to "loyal fans." Therefore, the most critical sensory marketing and resonance marketing strategies in the overall experience marketing.

6.1. Sensory Marketing

The consumer's senses are the beginning of the entire user experience. Sensory marketing requires companies to stimulate the five senses of sight, hearing, smell, touch, and taste so that consumers can experience comfort, pleasure, and beautiful satisfaction in the experience activities and take this interest [5].

(1) Visual. Vision is the most vital sensory organ in perception, and it assumes the most critical role in information transmission. From the intensity of the light source on the scene to the color matching of the space to the placement of the display objects, enterprises should pay attention to it. Only by grasping these details can the vision achieve the ideal stimulation. In addition, visual stimuli should also pay attention to scale. Excessive visual stimuli may cause a cognitive load on consumers and negatively affect marketing results.

(2) Auditory. Hearing is realized through the transmission of sound and information, making the whole experience activity more complete. Hearing seems bland but contains a unique value in the entire marketing campaign. Music that caters to the atmosphere, appropriate background volume, and warm guidance can give consumers a good sense of experience.

(3) Tactile. Touch is the core sense for people to perceive the world. If hearing and vision can create technology and extraordinary dreams for people, then touch must be the sense that brings dreams back to reality. The temperature, texture, and weight of clean and dust-free exhibits, touching objects, and feeling objects will bring people a real sense of atmosphere. This kind of communication experience, similar to that between people, has a vital role in entering the psychology of consumers.

(4) Smell. Consumers entering a scented consumption environment can significantly improve their evaluation of products and services, thereby increasing the odds of consumer spending. Therefore, good circulation of fresh air, aromatherapy in line with temperament, suitable humidifier, and pleasant floral fragrance can enhance the consumer's sense of experience.

(5) Taste. Taste accounts for a relatively small proportion of experiential marketing, but it is the highlight of enhancing the sense of experience. Convenient snacks to relieve fatigue, free coffee drinks, and sweets that meet the brand's taste can bring unexpected joy to tired consumers after experiencing the experience.

To sum up, all the senses are not independent of each other, but through a mutual connection, cooperation, or the formation of synaesthesia, to achieve the final experience effect. Therefore, unity and wholeness are the priority factors for companies to use sensory marketing.

6.2. Emotional Marketing

Consumer emotional experience is an experience based on sensory experience, and emotional experience takes consumers' psychological feelings as the starting point. Dynamic marketing requires companies to create a scene, spread the scene extension and path into a story, and create interactive experience nodes based on the story so that the experience has a sense of integration.

(1) Scene creation. Emotional experience needs to rely on the material basis, that is, the environment or product as the situation. Immersive design enables consumers to eliminate all interfering information outside of the experience activities as much as possible so that consumers can focus smoothly from the moment they step into the door, put themselves in the scene, and make a natural response—consumption decisions.

(2) Story making. It is required to design a complete and seamlessly connected story chain and use the design of situation, immersion, character, atmosphere, plot, and rhythm to let consumers integrate into the story itself. In short, it is how to tell a good story so that consumers can find themselves in the story.

(3) Interactive Experience. Deepen and eliminate the sense of estrangement and alienation with the brand through consumption interaction. For example, you can set up product trials, test drives, art exhibitions, and even experience stores to create interactive nodes such as online celebrity check-in places, which will give consumers a good sense of experience.

According to the penetration level of experiential marketing, thinking, action, and related experience are built on the senses and emotions, go beyond the scope of enterprise dominance, and are a comprehensive experience formed spontaneously by consumers. Only the wonderful creation of sensory and emotional marketing can drive consumers to think, act, establish brand associations, stimulate purchase demand, and achieve corporate profitability and customer satisfaction.

7. Conclusion

Based on the research of new retail and user experience, this paper proposes a rational and perceptual two-dimension marketing model under the background of new retail, that is, the "VIP model" establishes the hard base of user experience, and the "3S model" creates the soft connotation of user experience. Considering that consumers' emotional demands are

increasing year by year, sensory marketing and emotional marketing strategies are proposed for the key links of "3S model", in order to provide theoretical guidance for enterprises' user experience marketing activities.

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