

## Creating Stronger Brands Through Consumer Experience and Engagement

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There is a general consensus that marketing is evolving in the way firms view customers. This evolution can be characterized as movement from a transactional point of view in which activity by the firm is directed toward influencing when, how often, and how much a consumer purchases, to an engagement point of view in which activity of the customer toward the firm is the focus (Pansari and Kumar 2017; Viswanathan et al. 2017). This evolution has important, though neglected, consequences for approaching the critical marketing activity of branding. In short, we need to move from a transactional approach to branding to an engagement approach (Harmeling et al. 2016; Venkatesan 2017). As we will show, this entails treating brands as experiences, not merely as things that consumers can be persuaded to buy and use. An experientially engaging brand is one that consumers find meaningful (not just useful) as part of their life, and

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therefore mentally and behaviorally actively incorporate the brand into their lives in a larger way—hence, the term *experimentally engaging brand*. *We elaborate on the distinction between transactional and experientially engaging brands by considering several questions.*

## HOW ARE BRANDS EVOLVING?

With the goal of fostering a common language in marketing, a *brand* has been defined as a “name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers (AMA 2016),” thereby emphasizing that the purpose of branding is to communicate the uniqueness of a product that might otherwise be seen as similar to other products. In practice, marketers highlight brand benefits that are superior to those of other products. As articulated in the brand’s “positioning statement” (Calder 2010), marketers focus on how their product better satisfies target consumers’ product-related goals relative to competing offerings. The positioning statement specifies the brand’s benefit and the product goal it satisfies in order to guide all marketing activities.

Branding has traditionally focused on the intrinsic value that a brand offers consumers, which is the extent to which the brand fulfills a product-related goal. The benefit is intrinsic to purchasing and using the branded product. This does not mean that the benefit/goal must be utilitarian in a narrow sense. The brand’s benefit may be functional (e.g., “the smoothest shave”), but it can also be emotional or social identification as well (e.g., “The best shave a man can get”). Classic examples such as the Oreo brand are legendary successes in that, over time, they have “laddered” from the functional level to the emotional/social level. For a segment of adults, the Oreo brand is a cookie (compared to other products) that provides a chance to nibble, lick, and twist in a moment of escape and child-like fun.

At a higher conceptual level, this classical conception of branding can be viewed as clearly materialistic, part of a transactional marketing paradigm. It is materialistic in the very sense that branding identifies consumption with the qualities that intrinsically satisfy what the consumer wants in the product itself. It is part of a transactional paradigm in that it is focused on marketing mix management of product, price, promotion, and so on to attract and satisfy consumers (Coviello et al. 2002, p. 34). Customers are paying for the product benefit as optimized to their goal. Newer tools such as database marketing merely extend this transactional focus to further customization.

Although this materialistic/transactional view of branding has long been dominant, there is a growing realization that there is another view that should be recognized, not so much as an alternative, but as a potentially new way of making brands even more attractive from a marketing, consumer, and even societal point of view. It is characterized by the organization's strategic intent to develop customer experiences with their brands and brand-related *contact* or *touch points* ranging from direct marketing channels to indirect brand-related social media (Verhoef et al. 2010).

This new view of branding can best be characterized, in contrast to the materialistic/transactional view, as what we call *experientially engaging branding*. We also explore why experientially engaging brands might perform better, their role in social media, and derive key future implications. Our purpose here is to articulate this emerging point of view and to offer a theory of how it works and why it promises not only marketing effectiveness but increased consumer happiness.

### WHAT IS AN EXPERIENTIALLY ENGAGING BRAND?

The current impetus for viewing experiences and engagement as a new basis for branding has emerged out of both marketing practice and academic research. (Table 10.1 provides a summary overview of some of this work.) In marketing practice, the pioneers Pine and Gilmour (1998, 1999) described experiences as memorable “events that engage individuals in a personal way.” They suggested that experiences occur when services are used as a stage to engage consumers. Over the next several years, the notion of surrounding products with services to create an engaging experience was expanded. There has been an increasing focus in incorporating of interactive and/or service-based elements into focal offerings, in an attempt to render these more engaging and experiential (Brodie et al. 2011; Hollebeek et al. 2017a). The widely propounded Advertising Research Foundation (ARF) definition put it this way: “Engagement is turning on a prospect to a brand idea enhanced by the surrounding context (Elliott 2006).” It is how the consumer gets connected in a larger way with the brand. An example at the time was Pepsi's use of ring tones:

What is this non-nuptial form of engagement? Dawn E. Hudson, president and chief executive of Pepsi-Cola North America, offered an example. In six weeks, Pepsi plans to begin an advertising and promotional campaign that will offer consumers customized ring tones for cellphones, which can be downloaded from the Internet with codes found under soft drink bottle caps.

**Table 10.1** Conceptual overview – CE, CX, and “experientially engaging brand”

<i>Concept</i>	<i>Definition</i>
<b>Customer engagement (CE)</b>	
Brodie et al. (2011, p. 260)	“A psychological state that occurs by virtue of interactive, cocreative customer experiences with a focal agent/object (e.g., a brand) in service relationships.”
Kumar and Pansari (2015)	“CE comprises customer purchasing behavior, customer referral behavior, customer influencer behavior and customer knowledge behavior” (Kumar et al. 2010, p. 299).
Pansari and Kumar (2017, p. 2)	“The mechanics of a customer’s value addition to the firm, either through direct and/or indirect contribution.”
Hollebeek et al. (2017b, p. 6)	“A customer’s motivationally driven, volitional investment of focal operant resources (including cognitive, emotional, behavioral, and social knowledge and skills), and operand resources (e.g. equipment) into brand interactions in service systems.”
Malthouse et al. (2016a, p. 4)	“A psychological state that occurs by virtue of interactive, cocreative experiences with a focal agent/object (e.g. a brand).”
<b>Customer experience (CX)</b>	
Meyer and Schwager (2007, p. 2)	“The internal and subjective responses that consumers have to any direct or indirect contact with the brand.”
De Keyser et al. (2015, p. 23)	“The customer’s cognitive, emotional, sensory, and/or social responses to <i>any</i> interaction with a particular stimulus.”
Lemon and Verhoef (2016, p. 71)	“A multidimensional construct focusing on a customer’s cognitive, emotional, behavioral, sensorial, and social responses to a firm’s offerings during the customer’s entire purchase journey.”
Brakus et al. (2009, p. 53)	“Subjective, internal consumer responses... evoked by brand-related stimuli that are part of a brand’s design, identity, packaging, communications, and environments.”
<b>Conceptual association of CE/CX</b>	
Calder et al. (2013, p. 4)	“The experiential nature of engagement is what distinguishes it from seemingly similar constructs, such as involvement and loyalty. For example, one may be highly involved in selecting a new home security system, but this involvement does not necessarily entail the kind of rich experiences at the heart of the engagement construct... Engagement flows from experiencing a product as something that leads to a larger personal goal.”
Brakus et al. (2009, p. 54); Hollebeek et al. (2017b, p. 3)	“Brand experience...differs from motivational concepts, such as involvement” and CE; that is, in contrast to CE, “brand experience does not presume a motivational state.”
<b>Experientially engaging brand</b>	
This study	A brand in which consumers make specific cognitive, emotional, and behavioral investments for the purpose of gaining a valued experience from interacting with the brand (Hollebeek et al. 2017b; Brakus et al. 2009).

Note: Selected table components adapted from Hollebeek et al. (2017b), and author’s working paper

“Whenever the phone rings, you’ll think you got that from Pepsi,” said Ms. Hudson, whose company is part of PepsiCo. That engagement with Pepsi products and that “depth of brand experience,” she said is far superior to what can be achieved with a “quick, passing message” like a TV commercial. (Elliott 2006)

Experiences thus came to be thought of as the internal and subjective responses that consumers have to all contacts with the brand (Meyer and Schwager 2007). Some academics began to identify engagement as a qualitative experience of the meaning of consuming a product, where this meaning comes from the larger context of the brand in the consumer’s life. An “experientially engaging brand” is one in which consumers make specific cognitive, emotional, and behavioral investments for the purpose of gaining a valued experience from interacting with the brand (Hollebeek et al. 2017b; Brakus et al. 2009; Hollebeek 2013). Each brand-related touch point or contact provides an opportunity for creating meaningful experiences, which in turn foster further motivational engagement with the brand (Calder and Malthouse 2008; Calder et al. 2009). As Homburg et al. (2017) put it, engagement is “the evolvment of a person’s sensorial, affective, cognitive, relational and behavioral responses to a firm or brand by living through a journey of touchpoints along prepurchase, purchase, and postpurchase situations and continually judging this journey against response thresholds of co-occurring experiences.” Brodie et al. (2011) similarly view engagement as a psychological state created by context-dependent experiences (Brodie and Hollebeek 2011). Correspondingly, a 2013 Marketing Science Foundation (MSI) report stated that:

The experiential nature of engagement is what distinguishes it from seemingly similar constructs such as involvement and loyalty. For example, one may be highly involved in selecting a new home security system, but this involvement does not necessarily entail the kind of rich experiences at the heart of the engagement construct. As another example, one might be very loyal to a particular airline without having the sort of experiences that result in engagement. Engagement flows from experiencing a product as something that leads to a larger personal goal. (Calder et al. 2013, p. 4)

In a recent MSI report reviewing the literature, De Keyser et al. (2015) endorsed such a process-oriented view of consumer experiences (CX). In contrast to CX, the user experience (UX) is one of using the product

materially. It is more mundane, ordinary, and everyday. CX is richer and embedded within a larger experiential environment. At this point, there is clarity around the general concept of a brand that is experiential and engaging. A material, transactional-paradigm brand is defined by its consumer benefit relative to a product goal and is associated with a UX that may be more or less complex but is defined entirely by product usage. Consumers can, however, regard a brand as more than this, as part of a larger context. This context includes consumers' networks (Vargo and Lusch 2016) and any brand-related contacts or touch points, physical or vicariously mediated, through which the consumer experiences the brand as relevant to some life goal or personal value (Braidbach et al. 2014; Hollebeek and Brodie 2016). The brand has a value that is extrinsic to the product per se. It becomes part of a larger purpose or goal that is not limited to the benefit and product goal that the brand satisfies (Higgins and Scholer 2009).

The concept of an experientially engaging brand will be more concrete if we can measure the strength of particular brands in this regard. The above discussion implies that experiential brands, by definition, must be understood as highly qualitative in their nature (Holbrook and Hirschman 1982), which, in turn, renders the development of quantitative metrics for experiential engagement somewhat of a challenge. However, recent attempts at measurement add clarity to the concept of an experientially engaging brand.

Brakus et al. (2009) sought to indirectly quantify experiential engagement with four general dimensions: sensory, intellectual, affective, and behavioral. Consumers rate descriptions of the brand on each dimension, such as "I find this brand interesting in a sensory way" (sensory), "I engage in a lot of thinking when I encounter this brand" (intellectual), and "The brand is an emotional brand" (affective). Hence, the experience is being described according to beliefs about these four abstracted dimensions. Note that this approach does not attempt to assess the qualitative nature of the consumer's experience. We also observe that Brakus et al.'s (2009) "brand experience" measure overlaps with Hollebeek et al.'s (2014) "consumer brand engagement" scale. Both identify cognitive (intellectual), emotional (affective), and behavioral dimensions of CE, and CX, respectively. Sample items of Brakus et al.'s scale include the following: "I engage in a lot of thinking when I encounter this brand" (intellectual), and "The brand is an emotional brand" (affective). Sample items of Hollebeek et al. (2014) scale include "I think about [brand] a lot when I'm using it" (cognitive), and "Using [brand] makes me happy" (emotional).

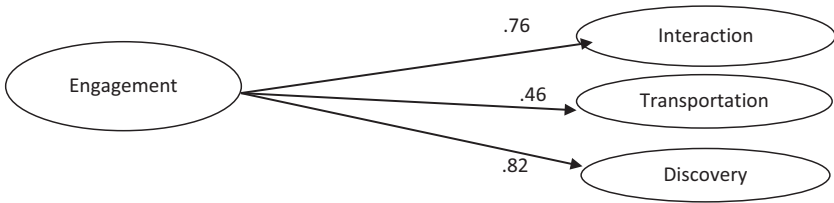
In contrast, Calder et al. (2016a) measure consumers' context-specific beliefs about the extent to which a brand is associated with qualitatively defined life goals or personal values. They do this with context-specific beliefs about the extent to which a brand is associated with qualitatively defined life goals or personal values. In the case of a newspaper brand and the experience of socially interacting with other people as a goal, consumers rate the brand on beliefs, such as "I commonly bring up things I've read in this newspaper in conversations with others." Another example is the extent to which the brand is experienced as part of the consumer's goal of community and civic responsibility (Calder and Malthouse 2004).

This qualitative model of brand engagement can be further illustrated with a study conducted with the Chicago Jazz Festival, a branded summer event held in an outdoor venue (Calder et al. 2016a). As shown in Table 10.2, preliminary qualitative work indicated that three experiences were particularly important for the Festival, labeled Social, Discovery, and Transportation. Table 10.2 also shows the beliefs (items) that combine to describe these experiences. These experiences, as measured via the beliefs, were found to combine to yield a measure of overall engagement that was a weighted combination of the three experiences (cf. Fig. 10.1). A confirmatory factor analysis supported this model.

**Table 10.2** Experiences and belief descriptions for the Chicago Jazz Festival Brand

<i>Experience</i>	<i>Belief description items rated by consumers</i>	<i>Standardized loading</i>
Social ( $\alpha = .71$ )	It made me feel more connected to other people and the community	.75
	I enjoyed talking with someone else about it	.76
	I enjoyed going to it with family and friends	.42
	I felt personally involved with it	.64
Discovery ( $\alpha = .81$ )	It motivated me to listen more jazz and learn more about it	.85
	It gave me a broader, richer perspective	.74
	I learned about what kind of jazz I like best	.68
Transportation ( $\alpha = .83$ )	I liked to imagine myself being on the stage	.95
	It made me think of actually playing an instrument or singing myself	.75

Weights are parameter standardized loading estimates from the confirmatory factor analysis measurement model;  $\alpha$  indicates the extent to which the experience is unidimensional or pure, highest value = 1



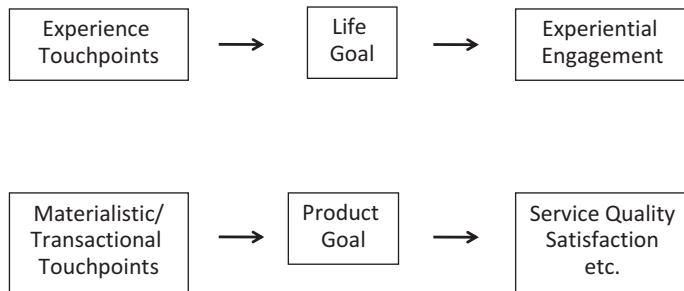
**Fig. 10.1** Engagement as a weighted combination of the three experiences of the Chicago Jazz Festival Brand (second-order confirmatory factor analysis standardized loadings)

Regardless of whether an indirect or a qualitatively direct measurement approach is used, the objective is to measure the strength of experientially engaging brands. The stronger these experiences are across abstracted dimensions or across specific goal-defined qualitative types of experiences, the greater the engagement with the brand. So from a measurement point of view, engagement is a higher-order construct that arises out of lower-order constructs spanning all brand-related touch points (Calder et al. 2009).

### IS EXPERIENTIAL ENGAGEMENT DIFFERENT FROM TRADITIONAL CONSTRUCTS AND METRICS?

We have mentioned that experiential engagement is a consequence of consumer touch points with the brand. Recently, Lemon and Verhoef (2016) have addressed this in a comprehensive manner. They emphasize that experience resides in the entire context of prepurchase, purchase, and postpurchase contacts that entail touch points both created by the brand and by partners (such as channels and agencies) and consumers themselves. Experience is a function of interactions with all of these relevant touch points. Lemon and Verhoef rightly point out that these experiences have traditionally been thought of in terms of constructs such as service quality and satisfaction. Their view seems to be that the construct of experience provides a more comprehensive perspective on the totality of the consumer's journey across the entire range of touch points, and that traditional constructs are incorporated into this as ways of analyzing experiences.





**Fig. 10.2** Contrasting antecedents and consequences of materialistic/transactional and experientially engaging branding

While we agree that this framework is valuable in that it puts consumer experience into perspective, our view is different in that we emphasize that experiential engagement is not just the ordinary “experience” of service quality, satisfaction, or the like. Our view is that experiential engagement is exceptional. The consumer may be quite satisfied with a materialistic/transactional brand, but this is not experiential engagement. Engagement arises from the consumer’s mental and behavioral response to the brand as being meaningful in their lives in a way that transcends an ordinary product goal-related benefit. This difference is not captured or measured by conventional ways of thinking. It requires the sort of analysis and measurement illustrated in our Jazz Festival example (Fig. 10.2).

One could of course choose to view experience in the broader sense of any and all of the consumer’s responses to the brand. This is especially tempting with so many customer–brand interactions occurring in digital environments where every behavior is recorded. Thus, engagement is often equated with behaviors such as clicks, likes, shares, views, time in a branded environment, and so on. In our view, however, this would obscure the added power of experiential engagement in creating stronger brands.

### DO EXPERIENTIALLY ENGAGING BRANDS PERFORM BETTER?

Based on the conceptual distinction of brands from an experientially engaging versus transactional marketing perspective, a key question is whether (and to what extent) these brands impact consumers differently. Current research indicates that this is the case.

Relevant research has mainly addressed the question of how consumers respond differently to brands that are *perceived* by them to be more experiential versus more materialistic or transactional in nature. Originating with Van Boven and Gilovich (2003, p. 1194), consumers are assumed to be able to distinguish between material (i.e., tangible product) and experiential (e.g., intangible or phenomenological service) purchases. Consistent with our discussion, while material purchases are typically made for utilitarian purposes, experiential purchases tend to be made to acquire specific desired (life) experiences. This distinction, however, can be fuzzy because both may, to some extent, co-exist. For example, while having one's car serviced appears utilitarian, exceptional service may be experiential in nature. While we return to this fuzziness below, we assume that this perceived distinction exists in consumers' minds, and that they are able to apply it when classifying purchases as either transactional or experiential.

Using this distinction to have consumers classify different purchases, a variety of studies, as reviewed by Dunn et al. (2011), show that the consumption of experiences tends to generate greater happiness than the consumption of more transactional offerings. For example, Van Boven and Gilovich (2003) had people classify their most recent purchase over \$100 as either material or experiential. Survey participants indicated more happiness with experiential purchases. In another study, they had people think of buying the same item as a material or as an experiential purchase. Thinking about buying the product as experiential was associated with elevated happiness. The book *Happy Money: The Science of Happier Spending* (Dunn and Norton 2013) surveys recent research and even recommends buying experiences as a self-help strategy for consumers.

This research supports the hypothesis that experiential brands are more powerful than material brands. Further, it is consistent with the notion that experiential brands are different because they link consumer life goal(s) or personal value(s) to the purchase of particular experiences. For example, experiences provide scope for the importance of social connections and ties among people, as well as self-identity. It has even been found that if experiences are too unusual to be shared (i.e., not connected to a larger social purpose), they can actually lower happiness (Cooney et al. 2014). Moreover, the impact of experiential purchases is not limited to the amount of money spent. Spending more time with an experiential activity increases happiness in the same way as spending money (Aaker et al. 2011; Vohs and Baumeister 2011). Relatedly, if one does not focus on the experience itself, the impact on happiness decreases (Killingsworth and

Gilbert 2010). In sum, there is more to the experiential brand than monetary, transactional, or material value.

There are, however, limitations to this line of research (Dunn and Norton 2013; Gilovich et al. 2015). Negative experiences do not lead to unhappiness (Nicolao et al. 2009), though, interestingly, regrets about experiential purchases tend to focus on lost opportunities rather than dissatisfaction (Rosenzweig and Gilovich 2012). Importantly, there are other reasons why a perceived experiential purchase could generate greater happiness, thus rendering a need to take care around inferring causality in this area. It may be that brands classified as experiential by consumers may, in their own right, be more idiosyncratic and memorable, rendering these less subject to comparison with other brands or offerings.

The underlying distinction in these studies between experiential and material/transactional purchases remains fuzzy (Gilovich et al. 2015). Perceptions are likely to be confounded with many other things associated with the product purchase (Schmitt et al. 2015). Going out to dinner inherently has more things associated with it than buying a disposable pen at an office supply store. Because materialistic and experiential purchases, by definition, differ in a number of ways, the classification of any purchase as one or the other is ambiguous in that it is difficult to ascertain the exact difference between the two. While the distinction has been useful in stimulating research on the consequences of consumption, these findings are currently effects without real attempts at explanation.

Any way in which purchases differ is a candidate for explaining the greater impact of experiential purchases, relative to materialistic ones. Research could, as Dun and Weidman (2015) put it, simply embrace the fuzziness of the distinction, although this would deny the need for an explanatory theory to guide further research and practice.

A better research strategy is to move beyond classifying purchases to build on previous work showing that consumers can classify a purchase as *either* materialistic or experiential if they are motivated to look at the purchase one way or the other (Van Boven and Gilovich 2003). A consumer can look at any purchase as either materialistic or experiential, depending on their focus. Consumers can approach a purchase either as buying something to satisfy utilitarian purposes or, alternatively, as buying something to have a positive life experience. Creating the perception of relevance to a life goal or value is indeed the rationale for experientially engaging brands. However, a better understanding of this process is needed, and we address this next.

## WHY MIGHT EXPERIENTIALLY ENGAGING BRANDS PERFORM BETTER?

Research clearly indicates that experientially engaging brands can have a greater impact on consumers than a brand perceived as materialistic/transactional. To advance research and practice, we need a better explanation of why this occurs. Building on a suggestion by Calder et al. (2016b) and the literature on perceived experiential versus materialistic purchases, we propose a model of positive, as well as negative, self-control for this purpose.

Negative self-control has been examined extensively (Baumeister and Tierny 2011). The issue posed by negative self-control arises with the conflict between short- and long-term goals. For example, while a consumer may have a long-term goal of eating right and feeling healthier, the individual can face short-term temptations such as being offered a rich dessert like a piece of chocolate cake. What determines whether the consumer resists the cake in favor of the long-term goal or gives in to the short-term desire for the cake? Research has found that consumers have a capacity for self-control, but this capacity is limited. If consumers have depleted the capacity by recently exercising self-control (even in areas unrelated to eating, such as suppressing emotional responses), then they will be less able to resist. Conversely, practicing self-control may increase the capacity to self-regulate. Kotabe and Hoffman (2015) were able to summarize this research with an integrative self-control theory.

We can restate the Kotabe and Hoffman model as follows with respect to brands: the co-activation of a short-term, brand-related goal with a benefit that is incompatible with the consumer's higher-order goal triggers the exercise of self-control, which is limited by the individual's motivation and the capacity for self-control. If these factors are insufficient, the goal conflict will be resolved in favor of the brand (through negative self-control). If not, the brand is avoided in favor of the life goal taking precedence.

This theory can readily be further translated into brand practice. If a materialistic, transactional brand's product goal/benefit is consistent with the consumer's higher-order life goal(s), or at least is not inconsistent, there is no goal conflict. However, if there is a goal conflict, a failure of self-control may still result in consumers buying and using the materialistic/transactional brand. Yet, and this is critical to our proposed explanation, buying the materialistic brand in the case of conflict will have consequences. One is that the consumer may well be satisfied with the brand since it has

provided the promised benefit and satisfied the product goal. The additional consequence, however, will be that the consumer experiences guilt or another negative experience associated with the violation of the higher-order life goal or personal value. In other words, the consumer is satisfied with the material brand but unhappy about the sacrifice of the higher-order goal. Hence:

Implication 1: A materialistic/transactional brand that is *inconsistent* with a consumer's higher-order goal will be weaker by virtue of having more negative consequences if purchased/consumed than a materialistic brand that does not conflict with the individual's higher-order goal.

Now consider the case of an experientially engaging brand. Here, the brand is, by definition, consistent with the consumer's relevant higher-order goal. This consistency, and lack of any goal conflict, will increase the consumer's happiness because it is meaningful and gives some sense of purpose in the consumer's life. Thus, the experientially engaging brand has an impact that transcends the merely materialistic/transactional brand. Hence:

Implication 2: An experientially engaging brand that is *consistent* with a consumer's higher-order goal will be stronger than a materialistic/ transactional brand that is not relevant to the consumer's higher-order goals.

A materialistic brand can also be an experientially engaging. Consequently, the distinction with experiential brands ought not to be viewed as mutually exclusive, but rather as theoretical poles along a continuum. To the extent that a materialistic/transactional brand has a strong benefit relevant to a product goal, it should produce satisfaction with the brand. The key point is that, if the brand is consistent with a higher-order goal, then, as an experientially engaging brand, it will increase the consumer's happiness (and avoid any unhappiness due to goal conflict). It is also possible that a brand can be weak in a materialistic way and can still lead to consumer happiness, if not so much materialistic satisfaction (think raspberries for dessert). Hence:

Implication 3: A brand that is *consistent* with a consumer's lower-order product goal *and* a higher-order goal will be stronger than either separately. And, corollary, an experientially engaging brand may be strong even if it is less consistent with the consumer's lower-order product goal.

Our explanation for the superior performance of experientially engaging brands requires testing in research and practice. We view such work as the next stage in thinking about creating experientially engaging brands and their value. However, we can offer some preliminary evidence in support of this explanation by returning to the Chicago Jazz Festival brand. The brand experience and engagement measures reported earlier were correlated not only with consumers' intentions to attend the festival in the following year but also with a behavioral measure of category-level intentions to attend classical music concerts, art museums, dance performances, and jazz concerts. This finding supports the notion that an experientially engaging brand that is experientially engaging has an impact beyond that of the specific material product benefit (in this case enjoying the festival).

A related study of newspaper brands is also instructive (Calder et al. 2016a). Here, we included a measure of brand satisfaction as well as the measure of experiential engagement described earlier. Note that newspaper brands have been declining for years in terms of material product goal benefits. The study indeed found that experiential engagement predicted overall newspaper consumption (i.e., time spent, frequency, and completeness of usage) over and beyond the effects of mere consumer brand satisfaction (Mersey et al. 2012). In fact, part of the relationship between the consumer satisfaction measure and consumption was produced by experiential engagement. We view this as a case of a weaker materialistic/transactional brand having an impact on consumer behavior, not through satisfaction with a product-related goal, but through a larger consistency with higher-order life goal experiences.

### CAN ALL BRANDS BE EXPERIENTIALLY ENGAGING?

Our discussion implies that no product is inherently either a materialistic/transactional or an experientially engaging brand. In principle, any product can be branded in an engaging way. It might seem that the Chicago Jazz Festival would naturally be engaging because music is inherently experiential. But what about an ordinary commodity-type product?

Consider the case of Coca-Cola. One might think that in the last decade or so, with the proliferation of all types of beverages, Coca-Cola could at best be positioned around a unique benefit such as taste. But the company was successful in branding Coca-Cola around the experience of being happy by making others happy. Any number of touch points were created

for this purpose, from handing out Coca-Cola flags in Copenhagen (resembling the Danish flag) that consumers could use to welcome home friends and family (this sort of welcome being a local custom) to placing a special Coke machine in public places that dispensed fun gifts that turned routine vending into a happy occasion for everyone around.

This is not to say that creating experientially engaging brands is easy. Recently, Coca-Cola has found it increasingly difficult, given concerns about sugar use, to brand experientially. In fact, it has recently returned to materialist/transactional branding around taste.

Nor is it the case that a product necessarily lends itself to experiential engagement. It might be thought that a luxury product, for instance, would automatically be engaging. But we have only to look at the recent problems of a brand such as Ralph Lauren to see that luxury alone does not make for experiential engagement.

Our contention is that the lessons of experientially engaging brands will generalize across companies and product categories. These may require very different touch points, but the underlying logic is the same. Further, it is the logic of positioning the brand in terms of a specific kind of experiential engagement (e.g., Coca-Cola as being happy by making others happy) that itself guides the design of effective touch points that implement the branding. The kinds of touch points used may vary markedly, but the logic of experiential branding should remain the same.

## WHAT ABOUT SOCIAL MEDIA BEHAVIOR?

Much of the growing interest in experientially engaging brands has revolved around the idea that engagement predisposes consumers to certain behaviors (Groeger et al. 2016); that is, that behavior is an integral part of being engaged, such as through interacting, participating in brand-related activities, etc. (Brodie et al. 2011; Hollebeek et al. 2017b; Maslowska et al. 2016). This is manifested in the view of engagement as an inherently “leaning forward” activity, with a participative nature. It follows from this idea that since social media is interactive and often entails user-generated content, it is ideal for creating experientially engaging brands (Brodie et al. 2013; Baumöl et al. 2016). Relatedly, Patterson et al. (2006) specifically identify *dedication* (a customer’s sense of belonging to the brand), *vigor* (level of energy/effort in brand interactions), and *interaction* (two-way consumer/brand communications) as key engagement dimensions.

We must be careful, however, to separate the behavioral aspect of experiential engagement from its behavioral consequences. A consumer's level of brand-related engagement, such as with our newspaper brands, should translate into incremental consumer behavior. But reading the newspaper can still be an essentially passive experience, as could reading the news on Yahoo or Facebook. There is nothing to say that just because reading the newspaper, or using any other brand, is not a lean-forward activity, there cannot be an experientially engaging brand involved.

All the same, there is reason to think that experiential engagement can be increased in cases where consumers vigorously participate, advocate, or interact with the brand. A study of the Airmiles brand in Canada provides a case in point (Malthouse et al. 2016a, b). Airmiles is a loyalty program brand that rewards purchases of a large assortment of different products across many retail locations. The material/transactional brand benefit is the consumer's redemption of valued rewards with points. In an effort to evolve toward being an experientially engaging brand, Airmiles instituted a social media program in which consumers were invited to actively participate by sharing a goal that they had in mind. While they could merely name a product goal (e.g., saving for a toaster), Airmiles found that by allowing consumers to actively generate content about why they were collecting points, consumers were more likely to provide stories linking to life goals (e.g., I want to give a new toaster to my grandmother for her birthday).

The length of the social media content response, assumed to reflect whether the consumer had only a lower-order product goal or a higher-order life goal, correlated with the number of miles the customer accumulated during the period of the promotional period. In other words, actively generating a longer story about their goal (more elaboration), presumably expressing more relevance to a life goal, increased consumer's use of the brand. This is just the kind of result one would expect with the successful use of social media to build an experientially engaging brand that goes beyond satisfaction of a materialistic/transactional goal.

The implication is: "Engagement is not produced by simply being 'on' a certain kind of media, digital, social, mobile or otherwise. Marketers must design specific experiences using these media to make the brand-life goals(s) connection and elaborate on it (Malthouse et al. 2016b, p. 100)."



## WHAT IS THE FUTURE SIGNIFICANCE OF EXPERIENTIALLY ENGAGING BRANDS?

Branding faces many challenges, from advertising clutter to the sheer proliferation of brands. Many worry about a general decline in the power of branding. Underlying these dynamics is the simple fact that it is becoming more difficult for marketers to distinguish products as materialistic/transactional brands. There is thus a pressing need for innovation in creating brands.

The foregoing analyses point to the importance of a relationship marketing perspective of branding (Palmatier et al. 2006, 2007, 2009) that is “directed toward establishing, developing, and maintaining successful relational exchanges” (Morgan and Hunt 1994, p. 34), in contrast to the classic transactional paradigm. Coviello et al. (2002) further divide this relational paradigm into two sub-types: (a) interactive marketing, which focuses on developing personal relationships to create co-operative interactions (e.g., between buyers and sellers) for mutual benefit, and (b) network marketing, which focuses on the development of relationships to allow for the coordination of activities among multiple parties for mutual benefit (Coviello et al. 2002, p. 34; Coviello and Brodie 2001).

Under this relational marketing paradigm, the importance of transactional is still pivotal. The framework should be viewed as a pyramid model where transactional marketing resides at the base of the pyramid (i.e., acts as the foundation for other marketing practices). Some marketing efforts will *extend* beyond the transactional foundation to include relational marketing practices, such as interactive marketing. The majority of contemporary marketing efforts will *extend* beyond the transactional foundation to include relational marketing practices. Transactional and relational marketing are best viewed as matters of relative degree on a continuum; that is, the two are likely to occur concurrently to various degrees (rather than being mutually exclusive).

The approach to experientially engaging brands discussed here can thus be seen as the adoption of a relational marketing paradigm, one not intended to supplant the materialistic/transactional paradigm of branding but to take a fundamentally different approach that offers the potential to make a greater contribution to consumer happiness or well-being as well as to enhance marketing effectiveness.

On a more concrete note, in the future we foresee brands, such as Oreo, embracing the relationship paradigm and experientially engaging

branding. Presently the Oreo brand is becoming a way for consumers to connect more broadly over a range of brand-related contacts or touch points connecting to their life goal/value of a more carefree and fun life. This has led to marketing activities such as sending brand ambassadors out on the streets to ask consumers why they love Oreos and amplifying these contacts as social media content. This is not social media for the sake of having a social media budget but social media in the service of building an experientially engaging brand.

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