



Chapter 3

CHARACTERIZING OUR EXPERIENCE CULTURE

Culture has always been driven by the marketplace. It's just that today the marketplace, having invaded every nook and cranny of our lives, is completely supplanting culture; the marketplace has become our culture.

Tom Robbinsⁱ

Chapter Objectives

After reading this chapter, you will be able to answer the following questions:

- What makes entertainment an *experience industr*

- How does *service marketing* differ from entertainment marketing?
- How does entertainment marketing address *timing* and *attention*?
- What *convergence strategies* work for marketing both experiences and brands?
- How does *audience fragmentation* underlie the marketing challenge?
- What *global paradigm* can be used for understanding cultural differences?

Chapter 2 showed us how merging technologies and corporations affect the way audiences receive entertainment. This chapter grounds our understanding of how entertainment marketing differs from product and service marketing. As a way to delineate the unique characteristics of entertainment marketing, we will look at aspects of services marketing and entertainment marketing as they converge in the hospitality industry. We also will discuss the cultural dimensions of entertainment marketing and the volatile characteristics of today’s fragmented entertainment audiences.

ENTERTAINMENT IS AN EXPERIENCE INDUSTRY

Entertainment is an experience industry. So, is it a service industry as well? Entertainment as a commodity involves service *only* when its core product is *customer service* satisfaction, which is an essential component of operating resorts, lodging, spas, and performance venues. Such experiential venues must have a service culture that differentiates them from the competition; they must become the *provider of choice* for visitors.

According to a Marriott executive, “if a company takes care of its employees, they will take care of its guests.” The hospitality industry’s philosophy focuses on attracting and retaining quality employees. In this industry, customer expectations are higher because of the service comparisons they can make within industry segments, such as restaurants and lodging. Venues such as concerts, theme parks, and museums also adhere to this customer service philosophy.

In The Experience Economy, authors Joseph Pine and James Gilmore present a view of staged experiences as realms of engagement, organized by type and level of involvement. Exhibit 3.1 diagrams this experiential view. Four levels of audience participation—passive and active (horizontal axis) and absorption and emersion (vertical axis)—describe connections that unite customers within an event or performance. Coupled with these dimensions are four realms of a single experience—entertainment, education, escape, and estheticism. These realms are mutually compatible domains that often commingle to form uniquely personal encounters. The *entertainment* realm contains the type of passive absorption experience that is provided by mediated and staged performances. Absorbing activity that gradually unfolds, such as what visitors experience in museums, falls into the *educational* realm. Audiences may participate in the *escapist* realm by actively participating in immersive environments, such as theme parks, casinos, and Internet chat rooms. Although passive, immersion in art or visual delights carries audiences into an *esthetic* realm. Marketers can use this realms model to understand the relationship between an experience and its target audience.

Marketers may enhance the “realness” of a particular experience by blurring the boundaries between realms to promote an immersive venue of entertainment experiences.

EXHIBIT 3.1 The Experience Realms

		Absorption		

	<i>Entertainment</i>		<i>Educational</i>	
Passive Participation				Active Participation
	<i>Esthetics</i>		<i>Escapist</i>	
		Immersion		

Source: The Experience Economy, 1999, p. 30.

Ontario Mills shopping center in Southern California was designed to merge aspects of all four realms. First, it provided businesses that offer both staged entertainment and escapist experiences—a 37-screen movie house, an arcade/restaurant, and Spielberg’s GameWorks. Then it laid out these businesses on distinctive streetscapes with neighborhoods to provide some esthetic and educational experience. The result is a cumulative adventure that really transcends shopping by itself. By marketing all levels of an attraction—educational, escapist, esthetic, and entertainment—a generic space becomes a mnemonic place that creates memories and fosters play. As we will see in later chapters, successfully staged marketing events involve more than just offering an experience; success is contingent upon the qualities inherent in successful service businesses that accompany entertainment experiences. So in many instances, service and entertainment marketing intersect. They are, however, different entities as the next section illustrates.

DISTINGUISHING BETWEEN PRODUCT, SERVICE, AND ENTERTAINMENT MARKETING

All forms of entertainment rely to some degree on service elements. And although some entertainment content is considered product, experiences are not products, services, or commodities. By comparing the dimensions of products with those of entertainment, we can identify the challenges presented to experience marketers. [Exhibit 3.2](#) outlines the differences and the implications of marketing products and experiences.

Because entertainment is delivered as an *action*—a performance, experience, or event—it cannot be felt, seen, tasted, or touched in the same way as tangible products. Entertainment is *intangible*. As such, it presents marketing challenges due to fluctuations in demand. Seasonality, tour schedules, film releases, and performance dates often drive experience promotions. Also, because it is not a tangible product, the actual cost of a “unit of experience” is hard to determine and to price.

EXHIBIT 3.2 Products vs. Entertainment

Products	Experiences	Implications
Tangible	Intangible	Entertainment cannot be inventoried Pricing is difficult
Standardized	Context-dependent	Audience satisfaction depends on unique delivery and many uncontrollable factors

Production and consumption separate	Simultaneous production and consumption	Audiences participate in transaction Audience members affect each other Employees affect audience satisfaction Mass production difficult Experience cannot be returned or resold
Nonperishable	Perishable	Hard to synchronize supply & demand with experience Entertainment cannot be returned or resold

McDonald's standardizes its hamburgers and its fries, but entertainers rarely present the same performance twice (every version is different), and no vacation, theme park visit, or shopping spree is ever experienced the same way. Satisfaction is context-dependent and predicated on how the experience is delivered as much as the content of the performance. A rude usher can ruin a ballet for an audience member. No two participants have the same expectations or standards for experiences; and often the experience is dependent upon the actions or behavior of other audience members. Therefore, ensuring consistent experience delivery quality is very challenging for marketers.

Products are produced or manufactured, then sold and consumed; experiences are sold first, then produced and consumed simultaneously. A theme park can provide an experience only after the ticket has been purchased; the production satisfaction comes from audience interaction with the production and consumption experience. Danish developers of LEGOLAND theme park began with a product—children's building blocks—and morphed that product into an experience where participants travel around the park to view cities and environments made entirely of Legos. Workstations provide kids with an opportunity to construct Lego creations of their own or with friends and parents. And of course, everyone is encouraged to purchase Legos to take home.

Experience providers and audience members interact with one another as entertainment is literally consumed, and a better quality entertainment experience is the result. The real-time nature of entertainment means that marketers can customize offerings for individual audience segments by changing venues and content to fit audience needs.

The major distinctions between products, services, and experiences are summarized in [Exhibit 3.3](#). Unlike products or experiences, **services** are intangible activities customized to the individual request of known clients. Services accomplish specific tasks, and products supply the means. Most advanced countries have shifted to a service economy where consumers prefer to purchase services rather than commodities. However, whenever a company uses services as the stage and products as props to engage a consumer, it sells experiences.

Some distinctions between products, services, and entertainment are less obvious than others. What's the distinction between intangible and memorable, for instance? Intangible means that service is bestowed, not built, and can be delivered well or poorly. Memorable means that an experience stands out among others for its unique qualities. Services are customized to the needs of a consumer group, while experiences are ours alone. While subtle, these service distinctions are what render experiences as the most pleasurable form of leisure-time entertainment for participants—the better the service, the more enjoyable the experience.

EXHIBIT 3.3 Economic Distinctions Between Products, Services and Experiences

Offering	Products	Services	Experiences
Economic function	Make	Deliver	Stage
Nature of offering	Tangible	Intangible	Memorable
Key attribute	Standardized	Customized	Personal
Method of supply	Inventoried after production	Delivered on demand	Revealed over a duration
Seller	Manufacturer	Provider	Stager
Buyer	User	Client	Guest
Factors of demand	Features	Benefits	Sensations
Source: Pine & Gilmore, <i>The Experience Economy</i> , 1999, p. 6			

Entertainment experiences cannot be saved, stored, resold, or returned. If you miss the play, it moves on to another location or performance venue. Marketers cannot inventory *perishable* experiences—events that exist in real time. They can only use past research to predict box office receipts. Thus, forecasting and planning for capacity venue utilization are challenging decision areas for entertainment marketers.

The GAPS model of service qualityⁱⁱ

In many instances, services contribute to experience satisfaction. Tourist services such as resorts, spas, and certain other venues package experiences around products and services that, while perishable, have a sustainable foundation. Success is measured in terms of audience satisfaction. One key model developed to help experience providers assess their satisfaction strategy is based upon closing the gaps that exist between *audience expectations* and *audience perceptions*.

Expectations are standards or reference points the audience member brings to the experience, and **perceptions** are subjective assessments of the actual experience. Sources of expectations come from marketing factors such as pricing, advertising, and promotion, and from personal experience such as needs, competitive offerings, and word-of-mouth communication.

The GAPS model of service quality suggests that four *gaps* that negatively affect service may occur within a providing organization. The four provider gaps are based on the organization's lack of effectiveness with these factors: 1) not knowing what customers expect, 2) not selecting the right experience designs and standards, 3) not delivering experience designs and standards, and 4) not matching performance to promises. A GAPS audit is used to evaluate the difference between expectations and perceptions.

Provider gaps occur most often in hotels that are now considered places to experience entertainment and live performance. Las Vegas hotels, themed and infused with museum exhibits, live shows, gambling, and shopping, must measure their own performance to distinguish themselves from the plethora of competition.

Measuring service quality at the Venetian Hotel

In order to dramatize how the GAPS model is applied to a resort experience, we'll look at one client's particular experience at the Las Vegas Venetian Hotel. Built by Steve Wynn, the Venetian has enjoyed high occupancy and positive publicity in the recent past.

When selecting a hotel for a family reunion with her mother, sister, and daughter, our client had high expectations that were predicated on several sources: a Travel Channel show on Las Vegas, an article in the Sunday *New York Times* Travel section, the hotel's Web site, and positive word-of-mouth from a friend who said the Venetian was "her favorite place in all of Las Vegas." Complete with gondola rides on its indoor/outdoor canal and canal-side restaurants, the Venetian received reviewers' praise for its enjoyable Madame Tussauds Wax Museum and its distinguished Guggenheim art exhibits.

When booking, our client asked for a handicapped suite to accommodate her mother who is in a wheelchair, and beds for three adults. She was assured there would be adequate handicap accessories in the suite, two king-sized beds, and a pull-out sofa. She reserved five days and nights in the hotel at \$425 per night.

The group's experience-based perceptions of the services they should have received did not meet their expectations. Here's how the GAPS model can be applied to characterize the hotel's deficiencies as our client and her family experienced them.

Gap 1: Not knowing consumer expectations

Our client had four expectations of service that the hotel did not meet: 1) Handicapped accommodations to code, 2) safe harbor for a garaged car, 3) careful loading and unloading of luggage, and 4) remuneration for damages caused by hotel employees. The Venetian did not meet our expectations according to these GAPS factors of analysis:

1. *Inadequate marketing research orientation to understand how to respond to consumer needs.*
 - The Council on Aging has specific guidelines for providing handicapped lodging, and these were obviously ignored. Our client had to order a special toilet seat and make arrangements for a wheelchair that would fit around large beds.
 - Hotel valet parkers took our client's SUV in the hotel parking garage; when retrieved, it had a dented front fender and soiled seats for which no one took responsibility.
 - The bellman allowed packages to fall off the luggage cart and smash to the cement; he laughed as he picked up the parcel and put it into the trunk.
2. *Lack of interaction between management and patrons.*
 - Requests to management for remuneration were either ignored or passed along to another department.
 - Letters to the operations manager of the hotel went unanswered.
3. *Lack of market segmentation.*
 - Because a large percentage of Las Vegas visitors are handicapped or have disabilities, a hotel serving this demographic should focus on the segment's needs.

4. *Inadequate service recovery.*

- Management did not acknowledge either the problems that occurred or the client's dissatisfaction, and they failed to provide a remedy.
- After days of endless dialog following the unhappy visit, our client received a letter informing her that damage reports must be filed before leaving the hotel premises.
- Our client never received compensation for the damage to her car or reimbursement for a glass platter that was dropped and broken by the bellman/valet as he loaded the car for departure.

Gap 2: Not having the right service quality designs and standards

Our client's expectations for high-quality service design may be due the following standard deficiencies as characterized by these factors of the GAPS model:

1. *Absence of customer-driven standards.*

- Over half the vacationing population is over 60 years of age, yet the Venetian has not made adequate changes in their hotel design configurations.
- Slot machines have fixed chairs, prohibiting use by wheelchair-bound patrons.

2. *Servicescape design doesn't meet customer needs.*

- Unsecured parking structure.

Gap 3: Not delivering on service designs and standards

Our client's expectations for careful employees and responsive management may be a result of this GAPS factor:

1. *Deficiencies in human resource policies.*

- Hiring of incompetent staff.
- Inadequate training of personnel.
- Lack of published service standards.

Gap 4: Not matching performance and promises

Our expectations for quality performance could have resulted from these GAPS factors:

1. *Absence of strong internal marketing program.*

- Employees had a different agenda from that of the hotel management.

2. *Lack of adequate education for customers.*

- No signage or literature stating a policy that damages incurred on the premises must be reported before leaving that premises.

3. *Overpromising.*

- Advertising and personal selling overstated the hotel's ability to provide necessary equipment for handicapped, safety for garaged vehicles, and care for guest belongings.

The GAPS model brings an understanding of the nature and extent of the gap between customer expectations and perceptions of experience. This model stresses the importance of the providing organization's need to focus on the audience and to use knowledge about the audience to drive business strategy. Another measurement tool developed to assess quality is profiled in [Exhibit 3.4](#).

TIME AND ATTENTION

Once we acknowledge the importance of advertising for entertainment, we need to look to what makes promoting entertainment so different from promoting products. The cultural industries—recording, arts, television, and radio—commodify, package, and market experiences as opposed to physical products or services. Their stock and trade is selling short-term access to simulated worlds and altered states of consciousness. Unlike products with tangible qualities, entertainment brands rely heavily on intangible assets, not bricks and mortar, to generate future net cash flows.

Intangible assets of experience-based brands are: franchises, licenses, royalties, goodwill, copyrights, trademarks, and the brand or logo itself. Customer relationships, employee skills, and management strategies drive profits in this business. The value of entertainment enterprises depends first and foremost on the marketing and communication used to create excitement and generate revenue.

Using a network-based approach to organization, the Hollywood culture is the prototype for capitalist systems. In other words, it depends upon forming relationships for raising capital. The entertainment industry, which deals with the risks accompanying perishable and intangible products, must find a quick audience for each unique experience in order to recoup its investment. In this climate, transnational companies stay on top by controlling finance and distribution channels while pushing off the burdens of ownership and management of physical assets into smaller entities.

Marketing's role is that of impresario of cultural productions. Marketers help entertainment producers create elaborate fantasies from the bits and pieces of contemporary culture and sell them as live experiences. Our job is to find new themes for eliciting human response. The unique aspects of entertainment marketing are overviewed here with the caveat that each plays a major role in how promotions are executed in the entertainment industry. *Immediacy* and *attention* are key business elements in entertainment marketing.

EXHIBIT 3.4 SERVQUAL Instrument for Measuring Quality

KEY ELEMENTS OF ENTERTAINMENT SERVICES MARKETING

Access: approachability and ease of contact with venue or destination.

Example: *Locating a stadium near a freeway off ramp.*

Communication: two-way conversations; listening to audience feedback.

Example: *Conducting exit interviews and implementing changes suggested.*

Competence: skills and knowledge to provide advertised experience.

Example: *Superior visuals and acoustics for staging an opera.*

Courtesy: respect for audiences by experience providers.

Example: *Helpful ushers, pleasant tour guides.*

Credibility: provide honesty and reputation.

Example: *Make refunds available for dissatisfaction or missed performance.*

Reliability: ability to perform promised experience on a consistent basis.

Example: *Last visit provides the same pleasure as the first.*

Responsiveness: immediate adaptation to audience preference changes.

Example: *Expand the number of box seats to meet demand.*

Security: freedom from danger and risk in a venue or at a destination.

Example: *Regular maintenance of park rides.*

Tangibles: appearance of physical facilities, personnel, visual materials.

Example: *Interior ambiance creates a sensual experience.*

Understanding consumers: know their lifestyle considerations.

Example: *Aging population requires more elevators, wheelchair access.*

Source: SERVQUAL, *Delivering Quality Service*, 1990

Timing is crucial for branded entertainment promotion

Purchasing products is primarily a need-based activity; when you're out of toothpaste, you go buy more. With entertainment, however, need is not the driving factor. No one needs to hear a concert or see a play. So marketers promoting entertainment must create desire in order to stimulate purchase activity.

And because entertainment is available 24/7, marketers must know when and to whom a promotional message will be directed. Many entertainment experiences are time-sensitive, such as a concert that only plays for one night, or a play for several weeks. Therefore, planting the seed and creating desire are time-sensitive as well. Once the concert or play has gone, no amount of awareness or desire can impact past sales.

Immediacy is key

For movies, the opening weekend makes or breaks the film, so promotional messages must begin as teasers even before the film is complete. Trailers, licensed products, and product tie-ins must be conceived and implemented well in advance of release. True, the film has an afterlife on DVD and rental, but the brand changes from hype to holdover.

Audiences are used to having a plethora of entertainment options whenever they want them. When they decide to act on a desire to see a concert, they consult reviews, schedules, and past brand associations. Each of those influences must be positive to close a sale. In order to make a sale, marketers must manage messages and monitor impressions for maximum exposure. Audiences who cannot find what they need to make an entertainment choice will select another option. And once the selection opportunity passes, it's gone.

To entice audiences, try the *Sayre 3T technique*: tickle, transfer, trap. *Tickle* audiences with excitement or suspense well in advance of the event. *Transfer* that tickle into the desire to attend with product tie-ins, celebrity endorsements, and clever promotions. Then *trap* the audience by offering an easy and immediate way for them to purchase tickets. With several successful completions, your branded experience has a good chance of becoming a hit.

The attention principle

With numerous technological options available today, information is no longer a scarce resource—attention is. In the workplace, computer screens juggle messages, text documents, PowerPoint presentations, spreadsheets, and Web browsers all at once, forcing people to multi-task and become masters of constant interruption. This condition of *continuous partial attention*ⁱⁱⁱ allows workers to connect with each other and the world. Like workers, consumers are subject to thought interruptions, and messages that will get attention are selectively chosen.

Before marketing can be effective, it must grab a consumer's attention. Attention is a valuable and scarce commodity—an attention economy is based upon getting the “ear” of an audience first, before a message can be transmitted. Whether you are promoting a play or a casino, you must gain the interest of your audience so they will pay attention to your marketing message. Messages directed at entertainment promotion must either educate or motivate, and they must convince consumers that your activity or venue is worth their attention. This is not easy in a world where every other brand promoter is trying equally as hard to capture your consumer's attention with a competitive message.

Once we get consumers' attention, marketers must create awareness about an event, celebrity, destination, or venue. Without knowledge about the when and where of entertainment activities, audiences cannot attend. A primary function of entertainment marketing is getting news of the event into the consumer's *evoked set* of experiential brands. An **evoked set** is all the experiential brands and activities known to an individual audience member that are used when making purchase decisions. Unless information reaches the target segment, audience choice is severely limited. Reaching audiences effectively requires riding the *trend wave*. What interested audiences yesterday may not interest them today.

Holding audience's attention is another marketing challenge. While audiences will pay for entertainment, and even pay well, entertainment providers who produce the plays, build the venues, and play the music will often find it difficult to make a profit from the sales of that content alone. Similarly, concert venues and theaters often do not make a profit from ticket sales themselves. Instead, they may make their money through concession sales—the food, beverages, and souvenirs you buy while you are there. Thus, while corporations may not be able to buy audience attention directly, they do so indirectly, by covering the costs of the entertainment “bait” that will capture consumer attention for them.

A CLOSER LOOK AT ETHICS

Journalism or bad judgment?^{iv}

Just after the new year in 2106, *Rolling Stone Magazine* published an article by actor Sean Penn based on an interview with notorious Mexican drug lord Joaquin “El Chapo” Guzman two days before his apprehension. Intending to make a movie about his life, El Chapo

established communication with actress Kate de Casillio and film producers through his lawyers, which led to the actual meeting between him and Penn.

El Chapo was charged with drug trafficking and murder, bringing 500 tons of cocaine to the United States over the last few decades. He told Penn that his empire owned a fleet of trucks, planes, and submarines. Purporting to be an “experiential journalist,” Penn told Charlie Rose in an interview for *60 Minutes* that his intention was to experience the drug lord and learn about drug enforcement. Unfortunately, his questions were not investigative and resulted in a self portrait of Guzman.

While Penn’s actions were not illegal, El Chapo’s escape from prison and the object of a manhunt in two countries made the connection very suspect. A former federal agent claimed there was enough evidence against Penn for hiding the location of a fugitive to bring charges; Penn knew that El Chapo was a security threat to the United States. Both the DEA and the Mexican government potentially could bring charges. But of what is he guilty? A criminal defense lawyer said Penn was only liable if he actually assisted the fugitive with food or cash, which he did not.

Some legal advisers suggest that Penn’s conduct could result in charges:

- Aiding and abetting a fugitive
- Concealment of an escaped prisoner
- Accessory after the fact

According former covert operations officer with the CIA, Mike Baker thinks the actor acted foolishly. “El Chapo is responsible for the deaths of thousands of Mexicans and US citizens through his part in the global drug trade. He was a wanted fugitive. Why would Penn and *Rolling Stone* ignore that? They produced a pseudo journalistic piece of crap that glamorized (El Chapo), pandering to the murderer.”

But as a journalist, Penn had no obligation to inform authorities of his interview. And although questions came from the cameraman, they were written by Penn who met with El Chapo for seven hours in October 2015 deep in the jungle. In the 17 minute recording, El Chapo said he wasn’t responsible for drug addiction because it would continue long after he was gone. With cases pending from New York to Chicago and Miami, who gets the bandit first for trial is up for grabs.

Questions to ponder:

1. Did Penn act as a reporter conducting an interview, or was this simply a recorded conversation by a drug lord?
2. Was Penn just seeking attention by conducting another interview with a wanted rebel (he has also interview Chavez, Hussain, and Castro)?
3. Is such secrecy ethical when the interviewee involves a wanted criminal?



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3.1 Sean Penn tries his hand at reporting.

CONVERGENCE MARKETING STRATEGIES

Chapter 2 introduced the notion of convergence between different business genres that provides the backdrop for entertainment marketing while this chapter expands the discussion with convergence strategies that are essential for entertainment marketing. One of the dangers of convergence is the development of experiential content first with a specific advertiser in mind, then seeking an audience as an afterthought. Success resides in creative quality that serves both the advertiser and the audience. In order to capitalize on convergence, marketers must develop appropriate strategies that can lead to providing audiences with quality content. Collaboration with advertising agencies is the first step for entertainment producers and distributors.

Advertising's role

The role of advertising for entertainment cannot be underestimated since it's not only essential, it's crucial for success. Entertainment companies marry themselves to advertisers because each company is owned by the same conglomerate. Advertising and entertainment convergence takes place in a variety of configurations, including theater advertising and product placement. We bring this point up again to expand on the specific ways marketers use entertainment to promote brands, and how brands in turn rely on entertainment to sell themselves. Media and entertainment's use to promote products is discussed first, then we focus on the reverse scenario: how products are used to promote entertainment.

Media, entertainment, and stars are paired to promote branded products in these ways

1. "Advergames" that combine games and marketing content served up on the Internet.
(Kia's *Race your Own Track*)

2. “Advertainment” pairing stars with branded products. (Rolling Stone featured on a calendar with GM’s Chevy; Peter Max’s art on designer handbags)
3. Integration of product messages into scripted sitcoms & soaps and unscripted talk and reality show television programming. (“So I grabbed a bottle of Bud Lite and climbed into my Beemer”)
4. Product placement in film and TV shows, video games, and novels. (BMW driven by James Bond)
5. Product advertising on TV, and the Internet, in video games and theaters. (Aflack’s talking duck, animated pop-up ads, Coke spots in “First Look” movie theater ads)
6. Service advertising in printed inserts. (AIG Insurance company put a small book of poems into *New Yorker Magazine*)
7. Blogs created to promote products. (Volvo blogs hype the safety of their cars)
8. Music tie-ins. (Sinatra and Elvis music used to promote Las Vegas hotels)

One example of the fusion between advertising and entertainment was produced by New York City-based Screenvision in the form of a “pre-show” presented on over 1,000 digital screens via satellite at Loews, Pacific, and Crown theaters. An October 2005 pre-show program, which featured a branded entertainment deal with sponsor Samsung, promoted a “Scream Your Way To Hollywood” sweepstakes that sent the winner of a contest for the best recorded scream and a guest to a Hollywood movie premiere. The game was part of an in-cinema advertising campaign. These campaigns are part of a number of tactics that have become increasingly attractive to marketers over the last few years, especially for the 18–34 demographic.

Leo Burnett USA has integrated rock stars and artists into its advertising agency. Known as the birthplace of Tony the Tiger, Burnett began an “artists in residence” program in 2005 to bring guest musicians, songwriters, and producers into the Chicago agency’s headquarters to meet with staffers on a quarterly basis. The hope is that ground-level collaboration can help ad agencies cut through some of the red tape and financial obstacles surrounding use of pop music for weaving songs into advertising messages. (Led Zeppelin’s “Rock and Roll” was used to sell Cadillac, and Apple’s iPod Shuffle advertised to the beat of Caesars’ “Jerk it Out.”) Based on the fact that songs can sell ads and ads can sell songs, the agency-artist alliance is further evidence of the inevitable convergence of advertising and entertainment.^v

The Dora the Explorer brand has extended, licensed, merchandized, and partnered with a plethora of other brands and franchises. In 2010, however, the Dora brand is getting a rock “n” roll makeover in a bizarre co-branding scheme. Former Guns-n-Roses guitar player Slash has agreed to team up with the cartoon brand’s parent company, the Nickelodeon Network, to design a limited-edition Dora the Explorer backpack. The rock star and his iconic black top hat will be part of the design for a bag featuring Dora the Explorer that will be auctioned this year to raise money for the Children’s Defense Fund.

Products are used to promote mediated and live entertainment in these ways

- Licensed merchandise (Warner Brothers’ characters and New York Yankee’s clothing)
- Advertiser funded programs (GE sponsors public broadcasting shows)

FOCUS ON MUSIC AND CULTURE

Focus on Music and Commercials

Television advertisers are turning to oldies sounds (50s, 60s, and 70s) as soundtracks for their pitches.

Some of the oldies you are hearing in commercials for entertainment products and experiences are:

Product:	Song
Carnival Cruises	Beyond the Sea, Bobby Darin
Direct TV	Better Watch Yourself, Bo Diddley
Doubletree	Relax Max, Dinah Washington
NFL.com	Let's Work Together, Canned Heat



© Twin Design/Shutterstock.com

3.2 The most famous brand in sports.

- Bottle cap and can tops with premiums (Dr. Pepper tops redeemed for prizes)
- Supermarket discount coupons (half off of LEGOLAND admission fee)

Many of the online games that were once embedded in advertisements now have Web sites of their own. Research shows that computer users spend an average of 3.5 minutes playing each game and e-mail game recommendations to a total of 1.8 million friends a year. Game Web sites include elements of mainstream advertising campaigns plus interactive capabilities that include game show hosts and player messaging. Capitalizing on the growing interest among computer users in so-

called casual gaming, **advergaming** encourages consumers to engage in a branded experience—to spend time voluntarily with an ad.

Because advergaming breaks through the clutter into all demographics and creates a memorable brand experience, marketers find big returns from game profits. More than half the US population plays online games and the entire gaming market had revenues of \$91.5 billion in 2015. Consumers have moved beyond traditional media and want to engage with their brands.

FOCUS ON ADVERGAMING

Marketing entertainment with play

Chex Quest

A remake of “Doom,” this videogame was released in a cereal box, and was so successful that Chex Cereal sales increased by 25%.

Crazy Taxi

One of the most popular Dreamcast games ever, this game features multiple branding and product placement examples unlike any produced before. *Taxi* presents actual models of Pizza Huts, Tower Records, FILA, and Levi stores, plus KFCs and WOW! vans for consumers to enter and shop.

America’s Army

Nothing like playing mainstream shooters, this game has players assume the role of combat life-saver and pass a virtual medical training course. The game is free because advertisers want everyone to know how great the US Army is.

Cool Spot

With no obvious animal or character in their branding, 7-Up used the red spot from their logo and added limbs, kicks, gloves, and an O face for their game character. The game won 25 industry awards for best game audio.

Zool

With all the items kids love (ninja character, bright colors, and action), Gremlin Graphics features some of the least subtle branding in videogames. Even though distracting Chupa Chups logos are pasted throughout the candy-themed levels, the game is one of the best platformers of its generation.

From “Selling Your Soul for Fun and Profit: The 10 Best Advergaming” written by K. Alexander Smith for Paste Magazine, Oct. 2011.

Source: www.advergamez.com

Advergaming turns play into profit for entertainment marketers such as History Channel’s *Warriors* and National Geographic Channel’s *Hooked*.

Orbitz travel company offers Sink the Putt and Swing for the Fences on its site (orbitzgames.com) and is integrating travel-related games like Run for Your Flight and Pick Your Path with action-oriented and puzzle games. Like other companies, Orbitz wants to convince

people that their brand is the way to win at the travel game. One risk in advergames is that sponsors may become better known for games than for their products or services.

Not only do advertising and entertainment have a symbiotic relationship, their convergence is accompanied by a fusion of TV and the Internet, and advertisers hope the Web will reinvigorate the endangered commercials. With the fusion, viewers don't skip ads because they're digitally integrated into the shows themselves. Internet Protocol TV (IPTV) is transforming advertising as we know it, or once knew it.^{vi}

This technology transforms video content into digital files and makes TV a two-way experience where viewers chat on their screens or use their phones to program the DVRs remotely. In addition to using video game product placements and text messages on mobile phones, advertisers are looking to the Internet to provide the same targeting and measurement capabilities from IPTV that they get from the Web. Because IPTV is a point-to-point service, not a broadcast, every TV can potentially receive a different advertisement based on the shows the viewer has watched and other demographic information. And if you want to travel to a place featured on your TV, just click to make reservations.

On-demand entertainment gives providers an opportunity to reduce costs for viewers, but they must have a high tolerance for watching ads. For instance, *The New York Times* is free online, but readers must also endure a plethora of advertising on the site. If you can tolerate the ads, you get free stuff, which could actually make TV free again.^{vii} Chapter 12 presents more extensive examples of promotional convergence tools as they are used in an entertainment integrated marketing campaign.

CHANGING LANDSCAPE OF THE AUDIENCE

Similar to marketing products and services, experiential marketing has to contend with ongoing changes in the way consumers are categorized, reached, and measured. Some especially crucial changes involve audience products, audience fragmentation, and new audience group configurations. These are discussed briefly here.

Audience as product

Consumers, media organizations, and audience measurement firms together produce the **audience product** that is central to the audience marketplace. The process of producing and selling the audience product begins with audience consumption of media products.

Consumer interaction with media measurement firms measures consumption habits using a small sample of consumers, and their behaviors are generalized to the population as a whole. Without media firms, no audience exists to be measured and without measurement firms, no audience data exists to sell to advertisers.

Advertisers buy audiences prior to their being produced. A TV spot is purchased based on previous rating but there is no guarantee the same amount of viewers will watch the next episode. Advertisers need to know their audience in order to *shape the content media provide to consumers*.

Shaping a content strategy is based upon a clear understanding of the target audience. Demographic profiles do not reveal motivations or buying patterns. Message developers must dig deeply into the needs and motivations of its target audience in order to address their needs and wants effectively.

By asking what the most pressing issue, problem, or desire of their audience are, advertisers can develop appropriate and powerful content. It's important to understand the main reason customers buy the entertainment product and what drives people to seek out a service or venue.

Another important aspect of audience message development is understanding their content consumption habits: do they read blogs, download podcasts, or read newspapers? Once identified, these platforms form the basis of advertising communication vehicles. Through those channels, advertisers proclaim their product's benefits and services, and which benefit is most important.

Finding a communication channel an audience trusts is vital to reaching them. If they read *The New York Times*, pitch them in a blog. The more an advertiser can connect with its audience's trusted brands, the more trust is transferred to the advertised entertainment brand.

Advertisers are major clients of measurement firms. Changes in how audiences are measured produce different consumer profiles and change the competitive dynamics of participating media organizations in the marketplace.

Audience transactions begin with **predicted audiences**, which are particularly difficult to characterize because they are constantly changing. A marketer predicts the audience segment most likely to view or attend. The shelf life of a predicted audience is exceptionally short, lasting for the period in which a media product is consumed. The marketing challenge inherent in the audience product is that, while media audiences must be sold before the product has been distributed and consumed, the size and composition of a media product's audience cannot be determined until after the product has been consumed, when buying or selling that audience is no longer possible. Buyers and sellers in the audience marketplace devote much time and effort to forecasting audiences and maximizing the degree to which these forecasts correspond to the subsequent measurement data.

Predicted audience data represent **measured audiences**, the starting point for audience transactions among buyers and sellers. The data that defines a measured audience are used to determine the estimated size and composition of the audience reached to determine how much an advertiser spent to reach a particular size and type of audience. The mix of content and basis of dollar allocation of advertising result from measured audience data. *Measured audiences are the central economic currency in the audience marketplace.*

Because measurements are uncertain, the **actual audience** represents the invisible deal in the marketplace—the unknowable. While it is difficult to determine actual numbers of users or experiencers, buyers and sellers generally treat measured audiences as actual audiences. The nature of an audience product, however, is increasingly difficult to commodify because of its global fragmentation.

Audience fragmentation

No longer can advertising reach a mass of people at a single time. Audiences have split off into thousands of separate zones, requiring a whole new approach to message delivery. The proliferation of media choices has fragmented audiences, making it harder and harder to reach them through traditional means. The fragmentation of the old mass markets into mass-market *groups* both creates a budgetary advantage and allows for a more target-specific marketing plan. And the global marketplace offers more opportunities to market to more audiences in different ways.

With a merging of popular and high culture entertainment genres, audiences no longer fit into traditional demographic classifications. Attend a Grateful Dead concert and witness an audience made up of many generations of fans, including dedicated “Deadheads” with their grandchildren. We see kids attending operas and seniors loving the circus. Not only do audiences attend a wide range of entertainment experiences, they are constantly changing their performance priorities.

The largest disposable incomes belong to Boomers, a generation, now in their sixties, that has free time and patronizes a very diverse set of entertainment venues and experiences. As marketers, our only option to approaching such a fragmented group of potential audiences is to segment. Segments, or niches, allow us to focus a specific message to a small group of folks. Because people attend entertainment for different reasons, marketers must be able to present the benefits of a single experience to the segment that fits the benefit.

A cross section of audience members from a recent orchestral performance at the new Disney Center in Los Angeles illustrates the diverse range of motivations for attending: a woman in her fifties liked the musical program; a man in his sixties favored the conductor; a thirty-something woman came to experience the architectural venue; twenty-something parents brought their kids as a way to introduce music into their lives; and a teenage girl enjoyed the opportunity to dress up for a special occasion.

Audiences no longer act as a single entity, they form according to individual preferences. An understanding of each audience segment's motives provides marketers with valuable insight about what the performance means to people and so how to appeal to them. The choices are varied: appeal to parents with messages directed toward integrating music into the family experience and the child's cultural development; appeal to adults with a combination of venue-artist-program messages; appeal to music lovers by providing attendance incentives. It's our job to discover individual preferences and craft messages that appeal directly to a particular segment or niche.

Think of the process as promoting a 24-slice pizza, each slice with a different topping. Sure, it's a pizza, but one piece doesn't please all. In order to sell every slice, we must market that pizza 24 different ways. We can begin by grouping consumers according to eaters and non-eaters, extolling the category benefits of convenience and family adaptability to non-eaters. Next, focus on product benefits such as fat content and crust thickness for eaters, then direct attention towards grouping consumers by preferred features, such as meat, vegetable options, cheese type, and combinations. Finally, we can target party packagers for the economy of slice-based distribution. The promotional combinations are endless—hooray for mass specialization.

Audience as self

With the advent of social media, audience members have become their own brand. Facebook members provide a profile of themselves and perpetrate their self-brand over the Internet. Members take “selfies” to connect their brand with those of celebrities and stars. Such self-presentation is behavior that attempts to convey information about oneself to others. The Internet provides a chance for self to be part audience and part creator of content simultaneously.

The notion of “audience of one” falls into the category of single-member audience, such as self-photographer. Feelings of uniqueness, when one thinks his/her experiences are novel and unique when compared to others, define the audience of self. Individuals may author content about themselves through Wiki or alter another person's content, making themselves the authority.

We discuss the role of social and self-marketing in later chapters.

CULTURAL DIMENSIONS AND GLOBAL PARADIGMS

Although entertainment is considered to be universal, cultural considerations play a major role in experiential content that will cross ethnic and language borders. Differences also require that marketing media, messages, and promotional tools are appropriate for use in the targeted country or

audience group. Geert Hofstede^{viii} identified five dimensions that may be used for looking at how well or how poorly content and marketing messages will translate to other cultures: long-term orientation, power distance, individualism/collectivism, masculine/feminine, and uncertainty avoidance. Here is a brief overview of those dimensions and their application to marketing entertainment.



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3.3 Marketing to Muslim couples requires cultural sensitivity.

Long-term orientation

This dimension focuses on the degree the society embraces long-term devotion to traditional, forward-thinking values. A low orientation indicates the country does not reinforce the concept of tradition (parts of the United States, for instance); a high orientation indicates the country prescribes to the values of long-term commitments and respect for tradition (e.g., Japan).

Entertainment example: A film about Samurai, a tradition that may be unclear to many Western audiences, should be marketed by incorporating messages about the significance of honor and ritual.

Power distance

The degree of equality between people in the country's society is this dimension's focus. A low distance means the society de-emphasizes the difference between citizen's power and wealth (e.g., China); a high distance means that inequalities of power and wealth have been allowed to grow within the society (e.g., India).

Entertainment example: Branded marketing and product tie-ins will be much more effective in countries where wealth and status are represented by exclusive brands (Western nations and Japan) and avoided where social status is not measured by possessions (Africa and the Middle East).

Individualism/Collectivism

This dimension illuminates the degree to which a particular society reinforces individual or collective achievement and interpersonal relationships. A high rank suggests that individuality and individual rights are paramount within the society (e.g., United States); a low rank typifies societies of more collective nature with close ties between individuals (e.g., Japan).

Entertainment example: Western films are easily marketed to German audiences who appreciate the notion of individualism, but more difficult to market in parts of Asia where family and groups are revered.

Masculinity/Femininity

This dimension indicates how much a society reinforces the traditional masculine role model of achievement, control, and power. A high level of masculinity indicates the country residents experiences significant gender differences (e.g., Mexico and Iran); high femininity in a country's population reflects dominant values of caring for others and quality of life; feminist cultures treat both sexes equally (e.g., Sweden and Russia).

Entertainment example: Macho marketing will succeed in places where men make entertainment decisions (Latino-based cultures), but will be rebuked by countries where females have an equal or primary role in selecting entertainment (US and European cultures).

Uncertainty avoidance

This dimension focuses a society's level of tolerance for uncertainty and ambiguity in unstructured situations. A low rank means the country's population has less concern about ambiguity and uncertainty and has more tolerance for a variety of opinions (e.g., France); a high rank means the country has a low tolerance for uncertainty and ambiguity in its everyday encounters (e.g., Germany).

*Entertainment example:
Marketing entertainment to Germans requires stating explicit times, dates, and profiles, where French audiences are more captivated by ambiguous visual communications.*

In short, entertainment marketers must familiarize themselves with cultural nuances when promoting media and live performances on a global level. Advertising agencies always maintain local agencies with native speakers to service clients in specific countries in the most informed manner possible. Because we are no longer nationally focused, marketing messages and promotions must reflect a thorough understanding of cultural differences if they are to achieve profitable box office receipts.

Finally

Experiential marketers must develop expertise in bundling—promoting winning combinations of products and services into memorable experiences. Obstacles to overcome when promoting experiences include tangibility and perishability. Marketers must gain the attention of audiences for

immediate buying responses if box office receipts are to be profitable. And marketers must be good shots, target practice is essential for reaching audience segments with a message that incites buying behavior across borders and across cultures.

GOT IT?

- The experience industry must deal with issues and aspects of tangibility, context, production/consumption, and perishability.
- Immediacy and awareness are key elements in marketing entertainment experiences.
- Services, measured with the GAPS model, are different from experiences in the nature of their functions, offering, attributes, method of supply, and factors of demand.
- Product placement, games, media-integrated messages, and blogs are among the most popular convergence strategies for blending brands with entertainment.
- Attention principle says that everyone is vying for your time, and our attention economy is based upon getting the “ear” of an audience to tell them something.
- Hofstede’s five cultural dimensions are valuable for developing marketing communications that cross ethnic and national borders.

NOW TRY THIS

1. Go online and identify at least two marriages or convergences between advertisers and entertainment. Now check to see if both the product and entertainment genre are owned by the same conglomerate. What can you conclude from your investigation?
2. Using the SERVQUAL instrument, rate a branded hotel you have visited on the key elements of entertainment marketing. What improvements can you suggest?
3. Analyze two experiences you have had as each relates to the Customer Gap; what were your expectations and perceptions of each experience and how did the difference between the two influence your satisfaction with each experience?
4. Using Hofstede’s cultural dimensions, profile a country you’ve never been to and determine how that country’s dimensions differs from those in the United States. What marketing accommodations would be necessary to promote a concert in that country?

QUESTIONS FOR DISCUSSION AND REVIEW

1. Discuss the ways in which marketers incorporate products and services into both mediated and live experiences (TV and travel, for instance).

2. How might you use the GAPS model to improve consumer perceptions of an older theme park like Six Flags that has failed to keep up with the competition's promotional efforts?
3. How would you convert interruptions into opportunities for capturing a consumer's attention?
4. What aspects of a feminine culture would help you to promote a rock concert?
5. How would buying a 30-second spot during the Super Bowl to announce a new Nintendo game be ambushed by audience fragmentation?

OTHER STUFF ABOUT THE NUANCES OF ENTERTAINMENT MARKETING

- www.gmnhome.com A global marketing forum.
- www.informaworld.com Articles from *Journal of Global Marketing*.
- www.businessweek.com Up-to-date information on global marketing and brands.

ⁱ From *Fierce Invalids Home from Hot Climates*, Bantam Books, p. 194.

ⁱⁱ From V. A. Zeithaml, A. Parasuraman & L. L. Berry, *Delivering Quality Service: Balancing Customer Perceptions and Expectations*, Free Press, 1990.

ⁱⁱⁱ A phrase coined by software executive Linda Stone, as reported by the *New York Times*, Oct. 16, 2005 by Clive Thompson.

^{iv} Based on reporting by foxnews.com Jan. 11, 2016, and CBS reports by Megan Oliver.

^v From an article by Stephanie Mehta (2005), "How the Web Will Save the Commercial," *Fortune Magazine*, Aug. 8.

^{vi} From S. Whitmore (2005), "The Era of the Mixmaster," Forbes.com, August 3.

^{vii} A concept developed by Philip Napoli (2003), in *Audience Economics*, Columbia University Press.

^{viii} G. H. Hofstede, *Cultures and Organizations: Software of the Mind*. McGraw-Hill, 1991.