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# Experience Marketing Strategy Affects Chinese Consumer Buying Behavior

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# **ABSTRACT**

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With the continuous progress of the Chinese social market economy, the marketing models strategies of all industries are continuously innovated. In the furniture market, there has been an effective model approach by "experiential marketing", which has led to rapid reform and completion for the furniture industry. Experiential marketing used goods and services activities to create a spiritual level of enjoyment for consumers and bring them unique purchase experiences.

In this study, the objective is to learn about IKEA's experiential marketing model in the Chinese market and analyze Chinese consumer buying behavior factors. The research question is about how the experience strategy affects Chinese consumer buying power. This study is divided into theoretical and empirical research. In the first section, the research gives the literature theory about the experience marketing strategy and the consumer buying process. In the second section, to the actual situation of experience-based marketing implemented by IKEA in China is presented, especially from the perspective of Chinese consumers to learn how IKEA used experiential marketing model for Chinese customers. In the methodology part, it uses a quantitative method for online survey questionnaires through social media for 206 Chinese people in different areas. The research analyzes the primary and secondary data to conclude that the sensory, emotion, action, think, and relate experience has an effect on Chinese consumer behavior. At last, the conclusion provides some suggestions for domestic furniture industry development based on the experience marketing model.

# **CONTENTS**

# ABSTRACT

1	INIT	BUDI.	JCTION	Q
1		Background		
	1.1	_	Research Background	
	1 2		and limitation of the Study	
			rch Methodology	
			ure of the Study	
2			ΓICAL PART	
_			ition of Experience Marketing	
			eatures of the experiential marketing	
	2.3		ramework of Economy	
	2.4		Strategy	
		2.4.1	Sense	
		2.4.2	Feel (Emotion)	
		2.4.3	Think	
		2.4.4	Action	18
		2.4.5	Relate	19
	2.5	ExPro	os Strategy	19
	2.6	Custo	mer Behavior Research	20
		2.6.1	Definition of Customer Behavior	21
	2.7	Consu	ımer Buying Process	22
	2.8	Proble	em Recognition	22
		2.8.1	Maslow's hierarchy of needs	24
		2.8.2	The Effect Factor of Consumer Behavior in China	26
		2.8.3	SOR Model	26
3	IKE	EA EXI	PERIENTIAL MARKETING STRATEGY	30
	3.1	30		
		3.1.1	Background of IKEA	30
	3.2	The S	tudy of IKEA In China Market	32
		3.2.1	IKEA Marketing Positioning in China (4Ps)	33
	3.3	IKEA	Experience Marketing Strategy	34

		3.3.1	Sensory Strategy	. 35
		3.3.2	Emotion Strategy	. 36
		3.3.3	Think Strategy	. 36
		3.3.4	Act Strategy	. 37
		3.3.5	Relate Strategy	. 37
4	RES	SEARC	H METHODOLOGY	. 39
	4.1	Resear	rch Method	. 39
	4.2	Data C	Collection	. 40
	4.3	Reliab	ility and Validity of the results	. 41
5	EM	PIRICA	AL PART	. 42
	5.1	Resear	rch Result	. 42
		5.1.1	The general information analysis	. 42
	5.2	The hy	pothesis analysis of research	. 44
	5.3	Future	Development	. 49
	5.4	Sugge	stions for the domestic company	. 49
6			SION	
RE	FER	ENCES		. 54

# **APPENDICES**

# APPENDIX 2

# LIST OF FIGURES AND TABLES

Chart 1 Experiential Marketing Model (Schmitt, B. H. 1999)
Chart 2 Difference time of Economic Dynamics (Source: Zhang Xingying 2014) 15
Chart 3 The Experiential Grid – SEMs and ExPros. Source: Schmitt (1999)错误!未定义书签。
Chart 4 Strategic Experiential Modules(Schmitt,1999)
Table 5 The Explanation of Expros
Chart 6 The Consumer Information Processing Model (Peter, J. P 1999) 24
Chart 7 Maslow's hierarchy of needs
Chart 8 Stimulus Organism Response (SOR) Model. (Mehrabian and Russell 1974).
Table 9 Ikea Annual Revenue Chart FY2008-FY2018(in billion euros) 30
Table 10 Leading 5 selling countries of IKEA products in 2017 (Percentage%) 32
Table 11 IKEA China sales and growth rate in 2010-2018 (unit: 100 million yuan)
Table 12 The result of gender & age & family income
Chart 13 The result of the IKEA consumption level
Table 14 The correlation of thinking experience
Table 15 The correlation of emotional experience
Table 16 The correlation of sensory experience
Table 17 The correlation of action experience

Table 18 The correlation of relate experience	46
Table 19 The average of satisfaction level between ABCDE variable	48
Table 20 Wether Consumer want to experience marketing before shopping	47
Table 21 The variable of IKEA improve in the future	47

# LIST OF APPENDICES

**APPENDIX 1.** Questionnaire Sample

**APPENDIX 2.** List of figures and tables

#### 1 INTRODUCTION

## 1.1 Background

With the continuous growth of the economy, the experience marketing theory has gradually emerged. In developed countries, experience marketing has always been the focus of theory and industry. (Polska Agencja 2017) In recent years of China, experience marketing has become an essential topic in the theoretical discussion. Many researchers have a strong interest in the experience marketing model. But the current research is not very comprehensive in China, compared with the foreign "experiential marketing" model, China's experiential marketing development is relatively slow, the domestic furniture industry has not changed their traditional marketing model for their consumers. (Zhang Xiying 2004)

The experiential model as a marketing strategy requires customers to understand their products, emotional interactions, and sensory awareness more intuitively. In the experience process, consumers can get spiritual satisfaction levels through a series of online and offline interactive activities.(Zhang Xiying 2004) Commodities are no longer just a product, but also high-quality service and cultural attributes, so that customers can feel personalized, unique feelings and special experiences during the purchase process. (Meng Lei. 2004)

On the one hand, the experience marketing model connects with commodities and services aspects in the enterprise, which not only helps to increase consumer awareness of goods and services, it is also helpful for enterprises to expand sales income and establish a good brand image. Meanwhile, experience marketing pays great attention to customer experience, design, manufacture, and services. (Chevy Chase 1995)

On the other hand, there are a series of problems for the experience model in practice. Since consumers' perceptions of consumption are generally concentrated on product value and practice, the idea of accepting consumer concepts such as consumer experience is not widely, so that experiential marketing is limited in luxury commodities and some vast enterprises. (Meng Lei. 2004)

Moreover, some companies neglect the product quality, they lead to consumer dissatisfaction and conflict directly, which has a negative impact on the development of experience marketing. At last, with the misunderstanding of experience marketing also made their consumer group lack enthusiasm for the experience marketing model, it can directly restrict the development of experience model in China. (Bertil Hulten 2014)

#### 1.1.1 Research Background

Today in the Internet era, the earliest application of the experiential model is based on Internet product marketing. Through the online platform, consumers can directly communicate with sellers to obtain product and service aspects, and sellers can more deeply understand consumer needs and provide better services. In network-based marketing, the representative platforms are C2C (Taobao), B2C (Jingdong) Mall and Amazon. There is a range of summary and activities related to the experiential marketing model in theses online platforms. (Yan Luo 2009)

The marketers in China's furniture retail industry are focus on the development of new function products and the competition of prices. They try to make their products more distinctive and cheaper, so they pay more attention to the contact and communication with manufacturers. The marketers rarely focus on the real thoughts of consumers and do not consider whether purchasers agree with their company's culture, and not consider how to increase consumer satisfaction from the experience aspect. (Yan Luo 2009)

With the high speed of the domestic economy, the furniture industry has ushered in new development opportunities. However, China's local furnishing enterprises are developing slowly, and marketing methods are relatively backward. With the tide of economic globalization, many internationally renowned furniture companies have entered the Chinese market, such as IKEA company. Moreover, consumers gradually changed from the pursuit of material satisfaction to spiritual satisfaction. Consumption is not only a purchase behavior but also a process of "experience". There are five aspects of the sensory, emotional, thinking, action, and relate elements are based on the experience marketing model. (Dr. Bernd H. Schmitt 2011) Although experience marketing strategy been gradually applied in China, due to the relative backwardness of marketing concepts, there are still some misunderstandings in practice.

From the data research, this study learns about IKEA's experiential strategy in China market, from the perspective of consumers' psychological appeals. The author uses theoretical knowledge, specifically for analyzing the IKEA experience marketing model and studying how to affect customer purchasing behavior in China based on the experience marketing model. It requires enterprises to focus on the development of experience economy and provide their customers with high-quality experience services to gain more competitive advantages.

# 1.2 Aim and limitation of the Study

At present, many companies use the experiential marketing model to meet consumer demand and satisfaction. Through the data research, this study uses IKEA in China as an example company to understand the experiential marketing strategies model. IKEA is used as an example company because the brand is well famous by Chinese consumers. Through the study of domestic and international marketing models in the furniture industry, it will be proposed for the future development trend of the industry, which combined with theoretical and empirical part according to the market situation for the China furniture industry.

In this paper, this research question is about how the experience strategy affects Chinese consumer buying behavior. Based on the above, **the research aim** will be:

- a)Through the data research to learn about IKEA's experiential marketing strategy in the Chinese market.
- b)Analyze Chinses consumer buying behavior based on the experiential marketing model.
- c)Give practical suggestions for the domestic companies and help them to understand the influence factors of Chinese consumers based on the experiential marketing model.

Moreover, there is some limitation in my research. Firstly, the author only uses China's IKEA experience marketing model as a learning example and gather the information from the secondary data. Secondly, because the number of survey samples is not large and time is limited, and the survey data may be biased. China has a large population and respondents have certain geographical restrictions. The data research does not cover whole areas

in China, the author only analyzes the Chinese consumer buying behavior from Guangzhou, Wuhan, Shanxi, Shanghai, Yunnan, Chengdu, and Shenzhen city based on the questionnaires answers. The result of the research does not be generalized.

# 1.3 Research Methodology

In this research, the author presents experiential marketing concepts and outlines. It uses IKEA in china as an example to learn about experience model analysis and practice to understand development strategies and recommendations for the domestics industry. And also study how experiential marketing affects customers' buying decisions during the process.

# 1.4 Structure of the Study

The following research structure is proposed during the **research process**:

- a) Introduction of Study: the first section provides research background support to understand the research objective.
- b) Theoretical Research: the second section is the literature review; it focuses on the experiential marketing model and consumer buying behaviour process to understand Chinese consumer buying factors.
- c) Learn about IKEA Marketing Strategy: through the data research, the third section is to learn about the IKEA experiential marketing model in China to evaluate the advantages and achievements of the IKEA experience model.
- d) Quantitative Methodology: the fourth section uses a questionnaire survey for 206 Chinese consumers in different areas and makes the hypothesis to find the correlation.
- e) Result Analysis: the fifth section is data analysis, based on the data collection from the primary information and secondary information to use the SPSS and excel statistical tools to get the corresponding results.
- f) Recommendation and Conclusion: the last section to give some suggestions for domestic furniture based on the experiential model and direction for further study.

# 2 THEORETICAL PART

# 2.1 Definition of Experience Marketing

Experience marketing is a process of recognizing and satisfying customers' needs and desires. (Shaz Smilansky 2009) It attracts their individual needs through two-way communication between enterprises and consumers, bringing brand personality into experience and adding value for their target consumers. (Shaz Smilansky 2009) The vital elements of experience marketing are: profitable, two-way communication, and adding value for the target consumer.

Experience Marketing was proposed by the two founders, B-josephpineII and James H. Gilmore(1999). The definition of experiential marketing is: "Redefined from the five aspects of the consumer's **senses**, **feels**, **thinks**, **actions**, **and relates** to inferred marketing concepts." (The Experience Economy 1999)

Experience marketing has a broad and narrow aspect. On the one hand, a narrow experience marketing only includes marketing for the "experience" itself. The subject of corporate is to generate "experience" for their customers. On the other hand, a broad experience marketing also includes a wide range. The enterprise attaches the experience to their commodities and services, and the "experience" becomes the selling point for these companies. (Ma Pei 2013)

Furthermore, the enterprise will also give the customer experience through the marketing activities, but the "experience" is not the purpose of the enterprise, the aim to sell the products and services. (Polska Agencja. 2017) There are two categories in the experience: the first is the **personal experience** of the consumer in his psychological and individual experience, which is an individual experience by themselves. for example, sensory ,emotion method and so on. (Meng Lei 2004) The other is the experience that must be generated by the **interaction of related activities**, that is, sharing experiences, for instance, action, association. According to the meaning of the "experience" and the understanding of marketing strategy, one can define "experience marketing" as a social and management process that realizes the valuable customer experience to achieve the corporate goal by understanding their customer's needs. Experiencing marketing strategy also means that

the company focus on its service product, and the product is the material, which creates a feeling of experience for their consumers. (Pine, B. J. 2011)

Moreover, there is some differences among the traditional economy and the experience economy. The traditional strategy is developed on the specific functions of the product, such as commodity appearances and price advantages. But the experience marketing pursues the recognition of the customer mind. It requires the enterprise to pay attention to their consumers, understand consumer behavior to find the new survival values and space for their products. "Experience" usually comes from observation, participation, interaction or co-creation. (Schmitt, B. 1999). The experience is not self-generated by the customer, but induced by a series of activities from enterprises.

# 2.2 The features of the experiential marketing

There are **four features** of the experience marketing in CHART 1

# a) Focus on Customer Experience.

In the market strategy, the emphasis of the experience model is customer experience. It is what you experience or what you have in daily life. The value of feeling, emotion, cognition, behavior, and relationship value provided by experience which replace the value of the function. Experience also connects enterprises and brands to the lifestyle of their customers, and places individual customer actions and buying opportunities in a broader range of social texts. (Schmitt, B. H. 1999)

# b) Focus on holistic consumption.

It requires the enterprises to pay attention to product design, production, and sales are based on the ultimate customer experience. Consumers may give "sacred status" to a variety of items of value and expressiveness. They express these values through a series of social activities and personal contact-specific consumption. (Schmitt, B. H. 1999)

#### c) The client is a rational and emotional animal.

For a company's marketing strategy, customers are driven by sensibility and rationality. In other words, although consumers may often make rational choices, they are always inspired by emotions because people who experience consumption often willing to pursuit fantasy, emotion, and pleasure. Consumers always make rational choices when conducting a series of activities, and most consumers add more emotional needs when they make purchase decision. It can be indicated that focusing only on the efficacy of the product cannot measure the customer's further needs. Customers are willing to be influenced by entertainment, excitement, emotions, and challenged by creativity. (Schmitt, B. H. 1999)

# d) Methods and tools are compromised

Experience marketing is not the bond of methodological ideology. This is eclectic, just using what seems to get a good idea for this model. (Schmitt, B. H. 1999)

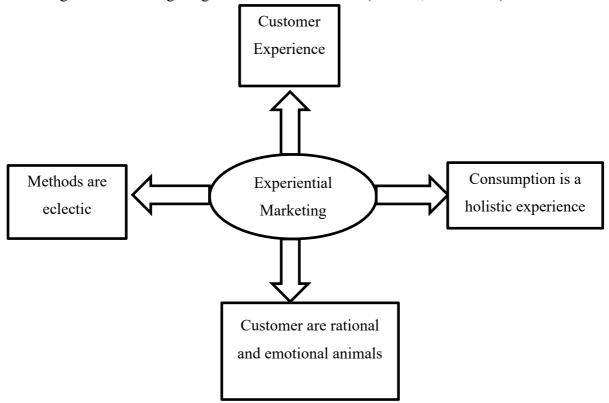


Chart 1 Experiential Marketing Model (Schmitt, B. H. 1999)

# 2.3 The Framework of Economy

Schmitt (1999) believed that the management of customer experience based on the continuous innovation, intimate contact, brand design, customer experience platform construction, customer information feedback, and strategically created a series of management tools.

Following the form of economic development, to the beginning of the agricultural economy to the industrial economy to the service economy, and then to the evolution of the experience economy, the consumption pattern has also shifted from satisfying daily life to pursuing individual needs. Marketing campaigns have also changed from traditional marketing and relationship marketing to experience marketing. (Zhang Xingying 2014) There are four different behaviors at different times **CHART 2**:

Economic dynamics	Agricultural economy	Industry economy	Service economy	Experience economy
Product	Obtaining raw materials through farming, simple processing	Buy all kinds of semi- products in the market	different products and	Consumers want to be entertained, motivated, emotionally challenged and creatively challenged. It provide personalized services

Chart 2 Difference time of Economic Dynamics (Zhang Xingying 2014)

In the agricultural economy, behaviors are dominated by the production of raw materials and consumer behaviour, and it is primarily self-sufficient. In the industrial economy, behaviors are determined by commodity manufacturing and consumerism which emphasizes function and efficiency. In the service economy behaviors emphasize a division of labor and product functions; this is also mainly service-oriented. In an experience economy behaviors support services where items are pursued sensibility, and the situation creates activities worthy of consumers' memories, paying attention to interaction with merchandise. (Zhang Xingying 2014)

Based on Chart 2, it is suggested to satisfy the personal needs of consumers as a basis for production design. For example, consumers are invited to participate in the design and transformation of products, and even consumers can directly play the role of designers to meet the needs of individual users. Therefore, compared with the agriculture, industrial

and the service economy, this model of experience marketing strategy has apparent advantages in terms of satisfying consumers. (Carù, A. & Cova, B. 2007)

Dr. Bernd H. Schmitt (1999) first elaborated on the connotation and extension of the experiential marketing model. He believed that this is a marketing model that is consistent with the economic development situation. Its internal driving force is "experience". Based on this explanation, he also built **Strategic Experiential Modules (SEMS)** to redefine this experiential marketing approach, including **relate** and physical experience (**Action**), cognitive experience (**Think**), emotional experience (**Feel**), **Sense** elements. The combination of these five modules with the corporate culture system constitutes a social experience, and also a different type of strategic marketing model is formed. <sup>1</sup>

An example of each module is done by the **Experience Provider (EXPros)**. Finally, build an experience table in conjunction with SEMs and EXPros in CHART 3.

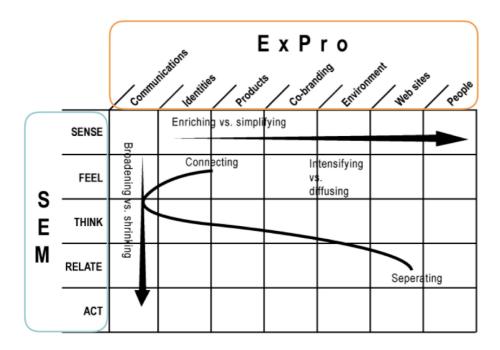


Chart 3 The Experiential Grid – SEMs and ExPros. Source: Schmitt (1999)

<sup>&</sup>lt;sup>1</sup> Data from: Schmitt, B. H. (1999). Experiential marketing: How to get customers to sense, feel, think, act and relate to your company and brands.

# 2.4 SEMs Strategy

The Strategic Experience Modules (SEMs) is the framework for managing customer experiences. It contains five different elements of experience and has its unique characteristics. We can see that **CHART 4** is about the structure of strategic experiential modules. Strategic Experience Models (SEMs) contain five factors: sense, feel, think, act, and relate. (Dr. Bernd H. Schmitt 1999) The module is to create a timely, intuitive, and fundamental experience for customers.

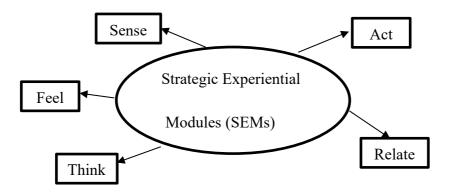


Chart 4 Strategic Experiential Modules(Schmitt, 1999)<sup>1</sup>

#### 2.4.1 Sense

On the one hand, the sense refers to the first series of processes in which humans use the sensory structures (eyes, nose, ears, tongue, skin) to receive the surrounding forces. On the other hand, it requires business operators to use the human senses to put visual, auditory, tactile, taste, the smell in the marketing. (Bertil Hulten 2014) The goal is to create a feeling that allows their consumers to enjoy the experience environment, make their consumer participate in the activity, and effectively mobilize the consumer's desire to purchase. One of the most important principles is the consistency of cognition for their consumers. This sense can be differentiated marketing businesses and goods to inspire customers and value-added products. (Xi Wanxin 2002)

# 2.4.2 Feel (Emotion)

The feeling factor cannot be expressed through consumer intuitive understanding of goods, but are implicitly within the product. It related to a kind of "stimulus" and "experience" achieved through communication and resonance at the psychological level among

consumers. Merchants can combine this experience into a product or service in a distinctive way and remind consumer memories. Thereby, it can establish consumer brand loyalty. Emotional experiences often cover the process of advertising and promotion products. Because most of the impact occurs during customer consumption. The feeling experience needs to have a full understanding of the incentives that can makes positive emotions for customers to participate in views of products. (Molly Galetto 2017)

The feeling is to identify products and services, leading customers to consume and create value. The feeling module refers to creating an "experience" of customer preference and touching the inner feelings finally. The purpose is to use experience marketing more efficiently, it is necessary to understand what emotions customers need.

#### **2.4.3** Think

The purpose of the thinking module is to recognize the company and its products by conducting sophisticated and innovative thinking and research.

A process can be called a thinking experience if it can be inspired by its users' thinking to generate awareness of its previously unknown things and to solve problems. The core content of the thinking experience is the rendering power of the designer's thinking level in the design experience process. It encourages consumers to participate in well-designed and creative thinking to make a useful reevaluation of the company and brand. Through the design of the experience, the consumer is rethinking the life for a series of sources around themselves, and also the lifestyle of the people. (Dr. Bernd H. Schmitt 1999) When a product can reach the level of leading consumers to think about something, then thinking has the ability to lead consumers, it can guide and even influence people's attitudes and values. By inspiring people's intelligence, creativity allows customers to gain an understanding and problem-solving experience process.

#### **2.4.4** Action

Action strategy is intended to influence people's physical experiences, lifestyles, and interactions. It can enrich and interact with customers by sublimating the customer's physical experience. The change in lifestyle is based on momentary inspiration or impulsiveness. There must be objects of imitation, such as idol characters. For example, Adidas's

slogan "Impossible is nothing." is very appealing, reminding everyone that there is no difficulty in the world, as long as there are people to do." (Sarosh Waiz)

The action module is intended to increase the customer's real experience by enriching their lives through participating in them to influence the lifestyle of their customers. This process is dynamic and mutual. The relationship module emphasizes that the customer is not independent but is closely related to himself and the surrounding people and things. (Dr. Bernd H. Schmitt 1999)

#### **2.4.5** Relate

The related element is to prevent the commodities from being treated as a single product, but to consider that the goods communicates with others and engages with other environments around the product. It extends beyond the individual and links the individual to the culture of others. They connect people to a wider range of social systems such as subcultures, countries, etc. thereby building strong brand relationships, and brand communities.<sup>2</sup> (Dr. Bernd H. Schmitt 1999)

#### 2.5 ExPros Strategy

It is the work of experiencing marketing strategy planning to illustrate the process of strategy building. This experienced provider is to define the experience image of the company or product, and the experience manager needs to decide what tools to use for creating a strategic experience module. It can be divided into seven providers, they are communications, identity, product, co-branding, environment, websites, people. In other words, The ExPros as a component for the company to choose that create the SEM to define the company's brand and experience image. The author gives these providers a specific explanation in the table below in TABLE 5(Dr. Bernd H. Schmitt 1999)

Experience Pr	ovider	Factors

-

<sup>&</sup>lt;sup>2</sup> Data from: Schmitt, B. H. (1999). Experiential marketing: How to get customers to sense, feel, think, act and relate to your company and brands.

Communications	Advertising, internal or external communication tools (regular catalogs, leaflets, press releases, etc.), public relations campaigns.		
Identity	Sign, mark.		
Co-branding	Events, sponsorship, collaborative activities, licensing.		
Environment	Construction, office space, factory, public place, trading booth.		
Website	Online shopping, title advertising.		
People	Salesperson, company representative, service staff		

Table 5 The Explanation of Expros<sup>1</sup>

Furthermore, the implantation of a whole experience marketing model. Firstly, it is understand the situations of the company. Secondly, think about their target customers, including personal preferences, consumer behaviors. And then need to summarize their products, including product quality, sales channel, partners, competitors, and even the whole industry.(Bertil Hultén 2011.)

# 2.6 Customer Behavior Research

The famous marketing professor Philip Kotler defined consumer buying behavior is the purchase behavior of personal and families who purchase products and individual consumption services finally. (Philip Kotler 2009)

Philip divided consumer behavior into three modes:

a) **Quantity Consumption.** This mode shows consumers' pursuit of affordable products. The price is the main factor affecting purchase behavior. In the case of shortage of goods, consumers pursue quantity satisfaction.

- b) **Quality Consumption.** People begin to seek better quality goods. When the quantity of goods is abundant, consumers begin to pursue medium and high-quality commodities.
- c) **Emotional consumption.** Consumers start to focus on emotional experience, the emotional value of the product is better than the functional of the product itself. When the functions and qualities of different brands are similar, consumers starts to pursue the products that best express their individuality and value, they pay attention to the emotional experience and interpersonal communication during shopping. Usually, the emotional consumption stage is divided into emotional consumption based on intuitive perceptual knowledge and emotional consumption. (Chang Zhen 2003)

With the constant enhancement of living standards and consumption levels, people's life-style and aesthetics are no longer uniform, consumer demand is increasingly personalized and diversified, and consumer attitudes are developing from the needs of quantity to emotions level. Consumer trends have shifted from functional economy to an emotional economy, and people's consumption behavior has become more perceptual. The consumers are not focused on the quantity value and quality of products, they need to the closeness of their relationship or satisfaction of specific emotional desires. Moreover, they willing to pursues an experienced process and self-concept ideal. (Peter, J. P 1999)

#### 2.6.1 Definition of Customer Behavior

Customer behavior can be defined as "the dynamic interaction between emotion and cognition, behavior and environmental events in the exchange of human behavior. (Peter, J. P 1999)

### There are at least three significant features:

- a) Consumer behavior is dynamics this means that the consumer community and the entire society are constantly changing and developing over time.
- b) It involves the interaction between emotion and cognition, behavior and environmental events this requires companies to understand the consumer's thinks, perceptions, feelings, and what they do(behavior). It requires to understand how the environment affects the consumer's buying behavior.

c)It involves exchange—it emphasizes the communication between people, which requires communication strategies to establish a relationship with consumers. (Peter, J. P 1999)

# 2.7 Consumer Buying Process

Consumers go through five steps in the buying process: problem awareness, information gathering, alternatives evaluation, purchase decisions and after purchase behavior in **CHART 6**. (Peter, J. P 1999) The basis of consumer decision-making is the knowledge, meaning and beliefs activated from memory, as well as the processes of attention and understanding the information in the environment. The model emphasizes that the purchase process starts before the actual buying and continue to have an influence after purchase. It requires businesses to pay attention to the entire buying process, not just on buying decisions.

# 2.8 Problem Recognition

The buying process begins with a consumer's perception of demands include both internal and external stimuli of the needs. Marketers need to identify the environment that evokes a consumer's needs and interests, and it should also examine the different types of consumer needs or issues, and how they are caused, and what is a difference between ideal and actual situation. (Schiffman, L. G. & Kanuk, L. L. 1999)

#### a) Information Search

Consumers who are caused by demand can actively seek information. If the consumer is driven by a strong force and the available satisfaction product is close, they likely to purchase the product. On the contrary, consumers will only keep this demand in memory, or further gather relevant data. (Peter, J. P., Olson, J. C. & Grunert, K. G. 1999)

The process of collecting information from consumers is divided into two states: higher attention and actively collecting information. In general, when consumers move from a limited problem-solving decision to a broad problem-solving solutions, the scope of their search information will increase. (Yan Taihong 2002)

There are four sources of consumer information: Firstly, is the personal sources, including family, friends, colleagues. Secondly, it follows by commercial sources, including advertising, salespeople, distributors, product packaging, exhibitions, etc. Third is public sources, including relevant reports from the mass media. The finally is the source of experience, including experience in processing, inspecting, and using products. It requires marketers to carefully identify the sources of information consumers use and evaluate their respective importance as sources of information. (Shane Jones 2014)

# b) Evaluation and Selection of Alternatives

The marketers need to know how can consumers choose among the many products. There are some concepts help to know the consumer assessment process:

The first one is the **product attribute**. Most of the consumer's think that the product having a set of attributes, they pay close attention to differences in product attributes related to their needs. The second concept is assign different importance weights to the attributes by consumers, and it can be differentiated according to the characteristics of different products. The so-called important attribute of the product (or characteristic attribute) is immediately thought of when asked about how to evaluate a product. This may be mentioned in the commercial advertisement of the product. Moreover, some of the non-essential qualities may have been overlooked by consumers, but consumers will recognize its significance when mentioned again. Most of the consumer relying on beliefs in related products to evaluate or judge competitive alternatives and combine them to make choices. (Euan Johnston 2016)

# c) Decision Implementation

After the consumer compares and selects the product information, it will form a purchase intention. But from the purchase intention to the process of determining the purchase, it will also be affected by two factors. The first is the attitude of the closer person, and the second is the unexpected situation affects the purchase decision. (Peter, J. P 1999)

#### d) Post-purchase Evaluation

After the product is purchased, it continues to enter the buying period. Consumers will have some feedback after purchasing the product, and they will use the product to give a

certain degree of satisfaction and dissatisfaction. If the product meets expectations or beyond expectations, the consumer's satisfaction with the product will be high; if not, the consumer will give some negative feedback for the product. Satisfaction or dissatisfaction with the product will directly affect the future customer purchase behavior. (Chang Zhen 2003) For products with a high satisfaction level, the possibility of repeated purchase will be higher in future purchase, and consumers will actively recommend the satisfaction product to others.

In the post-purchase behavior study of consumers, marketers should also observe how the buyer ultimately uses the product. The customer will use the selected alternative and reevaluate it based on its performance (J. Paul Peter & Jerry C. Olson. 2010)

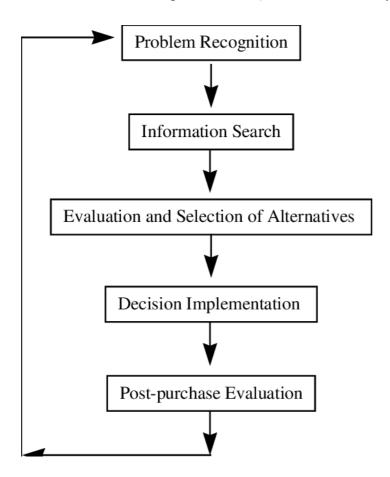


Chart 6 The Consumer Information Processing Model (Peter, J. P 1999)

# 2.8.1 Maslow's hierarchy of needs

Before knowing Chinese consumer's buying behavior, the author finds the theory about Maslow's hierarchy to analyze consumer needs.

The relationship between experiential marketing and consumer decision-making can be analyzed by these following points. The author uses Maslow's hierarchy model to explain the level of customer needs in CHART 7.

Whether the consumer will buy the product or not, the most crucial reason is whether the product or service they purchase can meet their own needs. From the perspective of economics, human consumption behavior can be divided into two categories: **production consumption and living consumption**. It can be concluded that production behavior is a consumer power in terms of all its elements. (Abraham Maslow 1943)

In this model which stratifies the needs of consumers and divides their needs into **three levels**: low, medium and high. This method plays a key role in studying consumer spending habits. At the same time, through this hierarchy we seen that human needs are developing from low to high. The consumer demand directly affects the balance between supply and demand with enterprises and consumers. If the positioning of the customer base is not clear and appropriate, the company impossible to clearly distinguish the level of demand of the consumer. Therefore, Maslow's research shows that the fast-growing society makes consumers no longer willing to stay at the low-level physiological demand stage. At present, several consumer products are biased towards what kind of spiritual and emotional feelings the product itself can bring to consumers, rather than simple physiological needs. After further meeting the physical and psychological needs, the company begins to work towards the goal of the "self-realization" for consumers. (Abraham Maslow 1943)

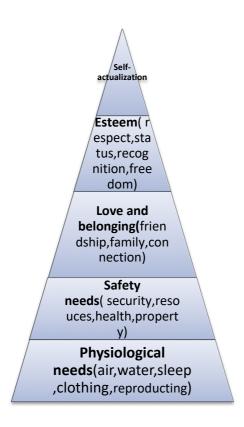


Chart 7 Maslow's hierarchy of needs

# 2.8.2 The Effect Factor of Consumer Behavior in China

In China, the gradual transition of quality consumption to perceptual consumption stage. The arrival of the perceptual consumption stage of consumer behavior is not only associated with regional economic development and consumption. The purchasing power and consumption habits of the customers are closely related, and they are highly related to the service industry. (Yan Luo 2009) There is a direct relationship between the ability of consumers to provide a profound emotional consumer experience. (Frans Giele 2009)

It can be conclude that these three factors can influence Chinese consumer buying behavior, the first one is the **SOR model** to stimulate consumer buying behavior. The second one is an **individual factor** by the consumer themselves. The last one is **environmental factors** which include gender, age, education, income level, lifestyle.

# 2.8.3 SOR Model

The principle is that a consumer generates a specific purchase behavior by stimulation. The theory is about the external environment stimulates consumers' purchasing motives and promotes their purchase behavior. The **SOR** is a model from the perspective of human behavior. The model shows that customers purchasing behavior is consists of a variety of stimuli that originate from physical and psychological factors in the consumer as well as external environmental factors. (Mehrabian and Russell 1974) The stimulated by various factors, consumers have motivated to purchase products. And based on motivation, they decide to buy goods, implement purchases and evaluate brands after purchase. Here is the SOR model in **Chart 8**.

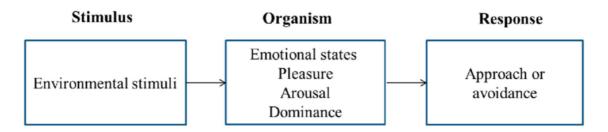


Chart 8 Stimulus Organism Response (SOR) Model. (Mehrabian and Russell 1974).

Based on the SOR analysis, here are the individual and environment factors can also affect customer buying behavior in China. The first one is **individual** by the customer themselves, it can be divided into five elements.

- a) Gender: there is a huge difference between male consumption and female consumption. In China, women have not only become the main force that dominates the consumption concept of China's consumer market. In general, it believed that female consumers are not as rational as male consumers, and they are susceptible to intuitive feelings and other people's perceptions when they consume. More than 40% of women have a desire to buy promotional items, which is more than males, and they often have an impulse purchase behavior. (Yan Luo 2009)
- b) Age: there are a range of different desires of Chinese consumer in different ages. The young group has stronger materiality and willingness to purchase behavior. They tend to have a sense of self-awareness, and are more susceptible for the surrounding environment. Elder group consumers are more mature because of their consumption concept. The impact of rich experience on planned consumption is much huger than that of impulsive consumption and often pays more attention to the practicality of goods and reasonable prices when purchasing products. (Jeff Walters 2017)

- c) Education: consumers of different educational levels also have different consumption behaviors. It always with high levels of education have higher spiritual needs than general needs.
- d) Income level: the level of income of consumers influences consumers' purchasing behavior to a large extent. In normal circumstances, high-income consumers have higher spending power and willingness to purchase, and it is easier for them to buy new products. The consumers have the strong ability to purchase new products at any time compared to low-income consumers. Their consumption is more arbitrary, and low-income consumers need to consider more problems during the consumption process. (Viliam Vanak 2015)
- e) Lifestyle: consumers' personal habits can lead to habitual buying behavior. In this usual buying behavior, consumers only like brands which they are familiar with, and rarely consider brand conversion. The key factors are consumer habits and consumer preferences.

#### The second one is the **environmental** factor.

- a) Culture element: the most significant factor of Chinese culture is the "face". It influences by traditional culture in China, people pay attention to others' views on themselves. (Yan Luo 2009) Many consumers purchase products for their outside visual imagery, they do not care about the commodities itself. In society, many people ask for a "face" and some items have the color of social hierarchy and are given the symbol of privilege and status.
- b) Social class: different social roles have different expectations for individuals eg: math with the behaviors and identity. The individual behavior should match their social status, and consumer behavior should match the identity of the consumer. It will affect an individual's purchase behavior.
- c) Relative group: it refers to the individual's recognition of the group. It always adopts and accepts their values, attitudes, and behaviors from the group members. Consumers learn and imitate each other through relevant groups, so that consumer demand tends to be consistent. In essence, this is also connected with Maslow's hierarchy of needs, when survival and security issues are resolved, consumers will particularly

want to be socially recognized. Although China has always emphasized collectivism, consumers will tend to become "group consensus". Especially in the younger target groups, there are differences in their behavior to judge, aesthetics, and to discriminate. Therefore, in the process of imitating role models, they also showed the subjectivity, blindness of behavior, psychological and personality differences. (Yan Taihong 2002)

## 3 IKEA EXPERIENTIAL MARKETING STRATEGY

Through the data research, this paper uses IKEA as an example company to understand the experiential marketing model in the Chinese market. It will analyze the specific situation of IKEA and learn how to do the experiential marketing strategy for effect consumer buying process and behaviors in China. This part structure includes the introduction of IKEA, experience marketing model and marketing positioning.

#### 3.1 Introduction

IKEA established in 1943, it was the biggest furniture seller in the world. The furniture designed for its Scandinavian style.(IKEA History) Since of June in 2019, IKEA has 423 stores in 52 countries around the world. In FY 2018, the sales income worth exceeded 38.8 billion euros. (IKRA Facts and Figures 2018) The chart below shows that from 2008 to 2018 in **TABLE 9**, IKEA sales have been growing. So far, there are nearly 2.1 billion shop visitors in the IKEA website. (Similar Web Ikea 2019)

There are around 12,000 products in IKEA website, it is the closest representative of the whole IKEA product collection. The company accounted for 1% of the world's commercial wood consumption, making it become one of the most significant timber users in the retail industry. (Statista Research Department 2018)

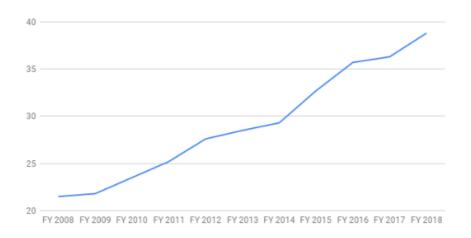


Table 9 Ikea Annual Revenue Chart FY2008-FY2018(in billion euros)

# 3.1.1 Background of IKEA

Ingvar Kamprad found a business in 1943, it was initially a small business. A furniture retail store also serves as a mail-order business. After more than 70 years of operation,

IKEA has established (IKEA history) The exhibition has become the leading company in the global home furnishing industry and has been selected as the "200 most valuable brands" by the global brand in Forbes in 2018.(The World's Most Valuable Brands)

**TABLE 10** showed that China is one of the sells leading counties in the world. (Leading 5 Selling Countries of IKEA Products 2017), because IKEA has a strong brand advantage, which created a fast development of the company.

IKEA recognized that e-commerce is a viable direction in China. It used the Internet's communication efficiency, such as Chinese social media: Weibo & WeChat to conduct experiential marketing activities to gain market appeal and brand recognition. (Dai Tinayu 2018) Moreover, they did some publicity through the popular Chinese stars, because it can attract many young people to take photos at IKEA's first floor warehouse. It made IKEA became an entertainment place for people in China.

Besides, because most of the Chinese consumers are always willing to use public transportation, IKEA has to adjust its store location strategy instead of regular shops in the suburbs, it set up shops in the city center near the shopping mall and connected by subway or public transport. (Thibaud 2016) Otherwise, the core strengths of IKEA branding include four aspects: management, cultural, merchandise and style advantages. The almost Chinese consumers prefer the experiential marketing strategy, it can understand the individual needs of Chinese consumers and driving consumption with a model of "experience". (Thibaud 2016)

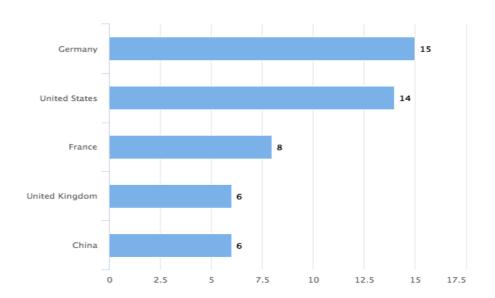


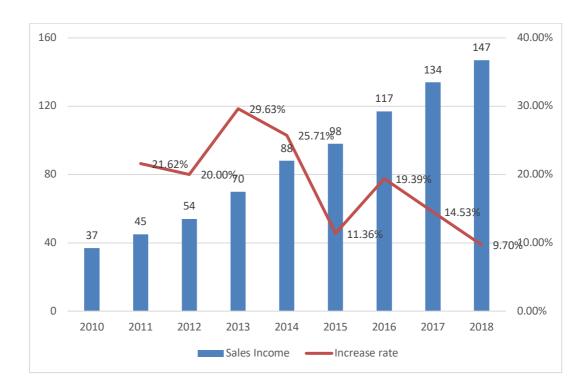
Table 10 Leading 5 selling countries of IKEA products in 2017 (Percentage%)

# 3.2 The Study of IKEA In China Market

IKEA opened 12 larger shopping centers and a logistics center in mainland China. IKEA is using a global sourcing model strategy. (Ikea Introduction) It has established 16 procurement trade zones in the world, and there are three procurement regions in mainland China, including the southern, central and northern parts of China. IKEA's buyers accounted for 18% of the total furniture companies in China, which ranked first among IKEA buyers. (Ikea Introduction)

IKEA China's sales in FY 2018 exceeded RMB 14.6 billion, a growth of 9.7% over the previous year. The amount of visitors surpassed 98.3 million in the stores, an enhanced of 9.6% over the same period last year. More than 15.5 million social media fans, an increase of 72% over last year. (Industrial Research Institute 2018)

Although IKEA entered China in 1998, it opened 25 shopping malls on the mainland by 2018, but it was not affected its popularity in China. Before last year, IKEA opened the official website shopping function, and only need to pay a little shipping fee to purchase the favorite household items without leaving home. Since shopping malls were particularly large, customers need to expend a lot of time to pick products in the store. The restaurant was prepared in the mall and the price was not expensive and can fill the stomach. It contributed extra billions of income for IKEA. (Mu Xiaoxin 2018)



<sup>3</sup>Table 11 IKEA China sales and growth rate in 2010-2018 (unit: 100 million yuan)

# 3.2.1 IKEA Marketing Positioning in China (4Ps)

The author uses the marketing mix theory to analyze IKEA marketing positioning in China.

For the price, the price is based on low-cost consumer goods for household consumption in China. Due to the moderate consumption level in the Chinese market, the marketing strategy positioning has been adjusted to some extent. Moreover, China's original low-cost furniture manufacturers are competitive intensive. Therefore, IKEA turned its direction to the relatively wealthy divisions of big cities in China. (Hitesh Bhasin 2018)

IKEA's marketing position is who want to purchase good quality products, but cannot afford high price white-collar Chinese peoples. A good strategy result has been obtained for the following reasons: a) Ikea can meet the consumer demand of Chinese white-collar

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<sup>&</sup>lt;sup>3</sup> Data from <a href="https://bg.qianzhan.com/">https://bg.qianzhan.com/</a>

workers. b)Ikea store implements an experiential marketing strategy. c)Ikea uses the characteristics of self-assembled in furniture, large-scale publications, self-service purchases. (Abhijeet Pratap 2018)

For the product, In 1997, IKEA began to focus on the children's requirement for household items in the store, because there is high children's needs for home commodities and competition are not intense in this field. IKEA design to improve children's athletic capability and creativity through the household items. (Hitesh Bhasin 2018) There was a wide range of product distribution, and people can find a variety of products they want through the store structure displays.

For the promotion, the IKEA range of products was extensive. People can find everything from living room product to children's toys, dining tables to tableware knives, office furniture to green plants. (Hitesh Bhasin 2018) All series of products were in the same framework. Besides, it used correct matching to an extensive range of functions and styles to achieve simultaneously customer needs. It met for consumer style demands, such as, there would be an armchair matching the desk, a table lamp matching the bookshelf, and bedding matching a bed. All the matches would have a series of promotional prices. (Hitesh Bhasin 2018)

**For the place,** it opened independent stores around the world that sold a range of products designed and manufactured by IKEA, while directing to their target customers and monitoring the end-of-sale channels of the merchandises. (Chen Guang 2005)

In the type of storage and transportation, it is better to reduce the damage rate of commodities during transportation and decrease the space occupied by the warehouse through adopt flat packaging of products. (Chen Guang 2005) Moreover, the flat packaging deeply reduced the cost of shipping products and enabled store products to be manufactured worldwide. (Chen Guang 2005)

# 3.3 IKEA Experience Marketing Strategy

Through the secondary data information, the next will be presented with the IKEA company experience marketing strategy in China. IKEA's experience was based on the concept of consumer context. In the store, furniture and accessories were displayed as part of the consumer's situation to create an imaginative lifestyle for their customers. It has taken

very effective sensory marketing measures in terms of sight, touch, taste, smell and hearing. It was precise because IKEA has adopted an experiential marketing model in the Chinese market, allowing consumers to experience the characteristics of Nordic furniture. The study has shown that more and more consumers are influenced by the culture of Western countries, many consumers have transformed their furniture lifestyles. (Xin Lang 2016)

The Danish design brand Hay said: I want young people to have a concept of "family" instead of starting to take out food when they go home. (Marcus Fairs 2016) IKEA has done it, this changing demand allows Chinese consumers to personally design their home furniture, while also bought Nordic-style furniture at the lowest price.

# 3.3.1 Sensory Strategy

The visual element: there is a different appearance of the shopping mall, using the yellow-blue color combination, which gives a striking and warm feeling. Inside the mall, the layout of the real room, the setting of the lighting, the unique design and the friendly display has an impact on the visual experience. (Elitico 2018)

The touch element, there was an unforgettable journey of the tactile experience. A tour began with pick up the pencils and the simple paper ruler from the entrance door. IKEA used personal experience to make consumers indulge in its gentle shopping traps. Consumers were more likely to accept product information when they were looking at the product label and the feeling of comfort in sitting on a sofa or bed in person is a unique experience.

**The taste element**, IKEA restaurants have always been a favorite place for many consumers. The sweet food and the emptying steak made IKEA not only let the shopper full of appetite, but also made consumers understand IKEA from the tip of the tongue.

The smell element, except for the classic cuisine of IKEA restaurant, olfactory was very tempting. There was no pungent smell in the whole household goods exhibition hall that can be smelled in other China furniture markets. However, when shopping at IKEA, there was a slight fragrance in the environment instead of pungent smell for the furniture. It created a very comfortable shopping environment for their consumers.

The auditory element, the entire mall was quiet, and the players were quietly browsing and researching. There was not too much noise, and the entire mall played unified music with the environment. (Elitico 2018)

# 3.3.2 Emotion Strategy

IKEA was good at contacting the inner feelings of consumers in the purchase process. By creating an experience activity that touched the internal environment of the consumer, it succeeds in creating a gentle and enjoyable experience for the people. It successful in turning the tedious shopping process into a special feeling experience. Through this activity, IKEA can tap people's potential needs and let consumers fall in love with the store. (Qu Yuyao 2013)

At IKEA, there were a bright yellow bags everywhere, people shop with bags and they were a pleasure shopping with their friends or family. In addition, it specialized in provided entertainment venues for children and arranging special care for a small baby to avoid the worries of customers due to crying. At store, people can enjoy the process experience, such as free to open the drawer to view, sit to the bed and sofa. There would be no rude warning slogans such as " don not sit or don not touch" The sales staff would only appear when there was a problem with the guests, and would not follow the guests step by step in the store. It allowed their consumers to enjoy any households experience and gave consumers the freedom of space, thereby to increase the pleasure of the entire shopping process. (Liu Wei & Cui Yuhui 2016)

In addition, each piece of furniture has been gave a gentle emotional connotation. The sofa was named with the girl, and the carpet was named after a Swedish village name. The name built an ancient sense of history and made people feel that the importance of "the family" theme.

# 3.3.3 Think Strategy

IKEA paid attention to use innovative design ways to inspire customers' thinking and buying interests. It created cognitive and problem-solving processes and experiences for people. (Dai Tianyu. 2018) Whether it was a complete catalog or the overall layout of the store, it can be stimulated renovation inspiration.

IKEA also provided customers with some tips for living furniture and develops their thinking. It encouraged customers to read the label and get the most of the product information, including the purchase guide, maintenance methods, price, product size, color, origin. They were sharing information with their consumer to convey safe satisfaction and achieve better communication results. At the same time, it guided consumers to make full use of the gaps of the wall, increased the storage space of the whole house, and achieved the purpose of thinking and expanding their living areas. (Dai Tianyu. 2018)

# 3.3.4 Act Strategy

IKEA promoted self-service shopping services. There were pen, paper, guides booklet, catalogues, shopping bags and shopping carts at the each entrance floors. Customers can shopping by themselves without difficulty. (Deng Mingxing 2008) After selecting the goods to be purchased, the customer has to go to the warehouse on the first floor and transport the box to the house after the counter.

It encouraged customers to installation furniture and experience the fun of DIY. All customers are their own designers who can collect by themselves during the design process, it provided installation tools, and offered support guides and online videos to teach consumers how to install and match with each products. (Deng Mingxing 2008)

From the customer pursued the general demand to the psychological level, there was a higher needs for the experience in the decision process. IKEA combined the current state of the market and offered a complete range of experience strategies from the field to the consumer's house. It can greatly facilitate the distance between their products and consumers. (Shi Guanfeng & Chen Dongmei 2016)

#### 3.3.5 Relate Strategy

In the mall, three themes were conveyed: public welfare, environmental protection, and family concept. Chinese consumers were full of expectations, followed the instructions with the each floor, and they would immediately attract by another scene exhibition.

Furthermore, since 1986, Ikea has strict eco-friendly requirements on packaging resources, which require packaging resources to be recovered or reused twice. Therefore, many consumers do not need to worry about the safety of products when using products,

thus obtaining a healthy and safe shopping experience after shopping. (Hitesh Bhasin. 2018)

#### 4 RESEARCH METHODOLOGY

#### 4.1 Research Method

The approach used to study a topic for the researcher is called methodology. The research methodology is the process by which systems collect information and data. The methodology is the research conceptual and framework for the research design. The commonly used methodologies include the **qualitative research paradigm** and the **quantitative research paradigm**.(Brian White & Stephen Rayner 2013)

Quantitative research is based on a small sample of unstructured methods designed to provide insight and understanding. (Brian White 2000) In this type, the information or results are numerical, and the study uses arithmetical and numerical tools to support assess the findings data. It always uses questionnaires and interviews to conduct surveys and give corresponding numerical values in terms. (Brian White 2000)

Qualitative research is a method used to quantify data, usually using form of statistical analysis. The data for this method is typically gathered in the system of a description. Even with quantitative methods using certain methods (such as interviews) (Brian White 2000)

In this study, the author chooses the **quantitative survey** to make an online questionnaire for Chinese respondents with different areas. The author sent the online questionnaire through the Chinese influential social media, such as Wechat & Weibo & QQ.

Due to a large number of samples required, and the scope is also needed to be widely, which are including consumers in diverse areas of China and different ages and education levels. The author used two different questionnaire method, which can be divided into two types: a **self-administered questionnaire** and a **postal questionnaire**. (Brian White 2000) The self-administered questionnaire refers to the survey sent by the investigator to the target group, and the respondent fills out the form by himself. The target group is different ages of Chinese consumer with a wide area. And the postal questionnaire is a way of mail by collected individuals, it is a relatively quick way to receiving the respondent answers.

Research is a process that involves many aspects, such as the choice of research design, data collection and evaluation of results. Quantitative research is a hypothesis that supports or opposes a particular phenomenon by contextualizing the data obtained through a survey or interview with a sample of the study. The common outline of the main steps is to infer from theory and test hypotheses. (Karl Thompson 2017) The author chooses to collect data online and use traditional data collection methods through appropriate research. The study was conducted as a survey of different types of consumer in China.

# In this research, the hypothesis which includes:

H1: The sensory experience has an impact on customer buying behavior.

H2: The thinking experience has an impact on customer buying behavior.

H3: The action experience has an impact on customer buying behavior.

H4: The relate experience has an impact on customer buying behavior.

H5: The emotional experience has an impact on customer buying behavior.

## 4.2 Data Collection

Data collection is described as a process in which a defined system approach gathers and measures information about variables, allowing people to answer queries, propose present problems, test hypotheses, and analyze results. (Surbhi S 2017) The data can be divided into two types of information about the collection. On the one hand, the primary data is the information collected by the researchers at the first time, On the other hand, the secondary data is the information that others have collected or generated. (Surbhi S 2017)

The purpose is to make the questionnaire consistent with the use of the research and to certify the validity of the questions in the questionnaire. It mainly based on the previous theory on the experience model of secondary data, and the corresponding adjustments are made for this survey object.

The questions are divided into four aspects in the questionnaire. The first section is about **demographic questions**(e.g. age, gender, income level). The second section is about **life-style questions**(e.g. how often purchase, where are you know) to know the necessary

information of the target consumer. The third section is design with the "closed" questions and "open" items to know consumer intention. The last part is in the form of an experiential model to design for a five-point Likert scale to find the relationship with the previous hypothesis.

# 4.3 Reliability and Validity of the results

The reliability means that these results can be reproduced when the data is required to be repeated under the same conditions. (Fiona Middleton 2019) And the effectiveness refers to a method of measuring the accuracy of its intended measurement. By examining the degree to which the results correspond to existing theories and other metrics of the same concept. Effectiveness refers to a method of measuring the accuracy of its intended measurement. (Krippendorff, K 1995) In this paper, the author uses the theoretical part to give a fundamental structure to find out the effects of Chinese consumer buying behavior based on the experiential model. The author uses the quantitative method through the primary analysis information and secondary data to analyze the correlation results. All the databases are from authoritative websites, books, and journals.

We can see the TABLE 21, the author uses the CITC method for satisfaction of five variables in the questionnaire. It can be seen that the reliability number value is 0.949, which is higher than 0.9. It can be present that the reliability is very high and can be continues for further analysis. (Eisinga R, Te Grotenhuis M, Pelzer B 2013)

Satisfaction Vriable	(CITC)	Item delete α	Cronbach α
A Do it by yourself of furniture will have a sense of accomplishment.	0.854	0.938	
B Enhance loyalty to products and brands during the product's full participation experience.	0.891	0.931	
C Satisfaction with IKEA's zero-distance products or services (experience marketing)	0.849	0.938	0.949
D. The route design of the IKEA store and the setting of the first floor furniture make me more interested in buying furniture	0.854	0.937	
E. Buying again or willing to consider buying IKEA products in the future.	0.853	0.938	

Table 21 The result of variables correlation(CITC)

## **5** EMPIRICAL PART

Based on the methodology, this section will focus on correlation results through primary and secondary information analysis. It will find out the correlation between Chinese customer purchaser behavior based on the experiential model. Moreover, the author will analyze the online the respondent results through excel and SPSS tools.

#### 5.1 Research Result

The online questionnaire involves a random sample in the survey form, and the survey sample is diversified. A total of 206 questionnaires were collected in this research, they are from Guangzhou, Wuhan, Shanxi, Shanghai, Yunnan, Chengdu, and Shengzheng areas. These cities are all first or second places in China. It can be seen that the respondent area is a very various sample. There are 193 valid answers. Because they are ten people in the questionnaire that have not been to IKEA, these questionnaires are considered invalid. But the effective recovery response rate is 94%. We can see the demographic information in TABLE 12. Based on the excel and SPSS analysis, the author used primary information found on the questionnaire responses and secondary data from the internet resources to discover some correlation results.

#### **5.1.1** The general information analysis

- a) From the gender: the characteristic proportion distribution of the samples is relatively different, with more women (75.24%) than men (24.76%), which indicates that in today's furniture consumption, the ratio of women is beyond that of men. Women have a massive "family" concept. Nearly 70% of household product purchasers are 20-35 years old, and 60% of women become decision-makers in home decoration. Female consumers will become the leading force in the home consumer market. Besides, taking pictures at IKEA has become more and more popular among young people. Many Chinese girls will choose to take "hot" photos in the warehouse. It has become an entertainment activity for young social groups.
- b) From the age: most of the samples were concentrated under the age of 25, accounting for 95.63% of the total sample size, a total of 196 people, while the number of samples 18-25 accounted for 45.63% and 26-30 occupied in 19.42%. The age of 31-40 accounted for 16.99% and 41-50 occupied in 10.19%. It can be seen that the consumer

groups of IKEA households are still mostly young generation. It is connected with IKEA's product design and its unique experiential marketing strategy. Because the theme of IKEA is "family", many people will come to the IKEA with their parents. We can see that the proportion of middle-aged people is accounting for 27.18% for age 31-50.

c) From the family income: more than 58.74% on the respondents' family income is above 10,000 yuan(1282 euro), 2500-4000 yuan(320-512euro) and 4001-8000 yuan(500-1000euro) respectively accounted for 8.74% and 27.18%. In this way, it can be inferred that most of the respondents are younger, and most of them should be students or white-collar workers who have just stepped into the society. Students' purchasing power may be weaker, but they will go shopping with their families. The white-collar workers who are just starting work will have higher spending power, and they have the ability to afford additional furniture consumption. In addition, we can see in Chart 13, that 47.75% of the respondents believe that IKEA is a mass consumer level, which is also in line with IKEA's market positioning in China, attracting consumers at a relatively low price.

Variable	Type	Number	Percentage(%)
What's your conder?	Male	51	24.76
What's your gender?	Female	155	75.24
	under 18	9	4.37
	18~25	94	45.63
	26~30	40	19.42
What's your age?	31~40	35	16.99
	41~50	21	10.19
	51-60	4	1.94
	over 60	3	1.46
	under 2500	11	5.34
What is your family income?	2500-4000	18	8.74
	4000-8000	56	27.18
	over than 10000	121	58.74

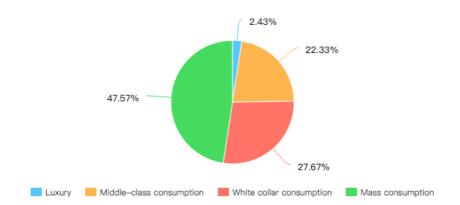


Table 12 The result of gender & age & family income

Chart 13 The result of the IKEA consumption level.

# 5.2 The hypothesis analysis of research

There are some basic information of the respondents mainly includes three items: gender, age, and monthly income. The experience model of IKEA is measured according to five experimental marketing aspects: sensory, feeling, thinking, action and the relating experience, as **in section 2.4**. The consumer purchasing behavior is based on a total of three measurement items reflected in the degree of change. Measuring the above questions are mostly the subjective opinion of the respondents based on their direct feelings. The author uses the correlation coefficient to find the satisfaction level with the consumer experience model relationship to verify an effect on consumer buying behavior. The number of relationships are a statistical indicator used to reflect the close connections between these variables. (Astola, J, Virtanen, I. & Virtanen, I. 1981)

## a) The think experience has an impact on customer buying behavior.

Through the **TABLE 14**, it can be found that in the case of probability P<0.05, the income and age in the demographic variables are significantly different from the thinking experience, but the gender does not significantly effect on consumer buying behavior. It shows the DIY design of IKEA (experience the pleasure of assembling the furniture) to improve people's hands-on ability and attract people's interest. It can be indicated that the different ages and income levels have expressed different effects on thinking strategy experience.

A Do it by yourself of furniture will have a sense of accomplishment	Gender	Age	Family income
Pearson correlation	-0.024	-0.263**	-0.195**
p	0.734	0	0.005
* p <0.05 ** p <0.01			

Table 14 The correlation of thinking experience

b) The emotional experience has an impact on customer buying behavior.

TABLE 15 shows that in the case of probability P <0.05, income and age have significant differences in emotional experience, while gender does no effect on this variable. It expressed that the emotional experience for IKEA has an effect for the Chinese consumer. But the difference between age and income level has is differentiate responses.

B Enhance loyalty to products and brands during the product's full participation experience.	Gender	Age	Family income
Pearson correlation	-0.03	-0.235**	-0.151**
p	0.67	0.001	0.03
* p <0.05 ** p <0.01			

# Table 15 The correlation of emotional experience

c) The sensory experience has an impact on customer buying behavior.

It can be discovered from **TABLE 16** that in the case of probability P<0.05, the gender and income of the demographic variables are not significantly different from the sensory experience, and only the age has an influence on the sensory experience. This research is about the interior decoration of IKEA, the choice of background music, the use of products, the sensory experience of "sit and touch", "lie down" and the smell of the store. It can be represented that different ages consumer has the similar sensory experience for buying behavior.

C Satisfaction with IKEA's zero-distance products or services (experience marketing)	Gender	Age	Family income
Pearson correlation	0.048	-0.232**	-0.111
p	0.496	0.001	0.113
* p <0.05 ** p <0.01			

## Table 16 The correlation of sensory experience

d) The action experience has an impact on customer buying behavior.

In the case of a probability P < 0.05, age and income have significant differences in the action experience. It shows that the customer's perception of the complex store route design of IKEA and the setting of the self-lifting area on the first floor is a different experience. The older target consumer groups may not like self-contained services. TABLE 17.

D. The route design of the IKEA store and the setting of the first floor furniture make me more interested	Gender	Age	Family income
Pearson correlation	-0.053	-0.197**	-0.174**
p	0.447	0.005	0.012
* p <0.05 ** p <0.01			

Table 17 The correlation of action experience

e) The relate experience has an impact on customer buying behavior.

It can be found TABLE 18 that in the case of probability P<0.05, only the income level qualification has a significant difference to the related experience, and the others have no effect on it. IKEA's flat-panel packaging, space-saving, environmentally-friendly shopping bags, low-cost, and affordable materials, green materials and other measures reflect IKEA's high-quality and low-cost characteristics improve consumers' hands-on ability and environmental awareness. But the action experience only effect for different income level people behavior.

E. Buying again or willing to consider environemntal products	Gender	Age	Family income
Pearson correlation	0.073	-0.221**	-0.123
p	0.297	0.079	0.01
* p <0.05 ** p <0.01			

Table 18 The correlation of relate experience

In summary, based on these analysis results, it showed that the five factors explore the influence of experiential model on customer buying behavior are include the sensory, emotional, action, thinking, and relate experience. The relevance of the above results is confirm the author previous hypothesis. The experience model has an effect on consumer buying behavior with different ages, genders, levels of income.

Moreover, the research results correspond to the theoretical part of this study. In theoretical part, pointed out that the personal experience, emotional reaction, the psychological activity of subjective evaluation and experiential model in this process can be connected

to the consumer experience. (Peter J.P. 1999) When consumers buy products to obtain services, there is a consumer psychology and emotional need in the buying process. In the process of purchasing, through the knowledge of consumers reserves and emotional structures can understand consumer buying behavior, such as problem recognition, information search, evaluation decision and post-purchase evaluation. (Peter, J. P, Olson, J. C. & Grunert, K. G. 1999)

On the one hand, in the experience marketing strategy, it was pointed out that marketers rely on services as the background, use goods and services as a tool to contact customers and create activities that make consumers participate worthily of their shopping memories.(Schmitt 1999) This series of events will affect the range of consumer buying behaviors. It can be concluded that these analysis results prove with the research hypotheses, the experience model has an effect on Chinese buying behavior.

On the other hand, the average satisfaction score for a rectangular is sensory experience>relate experience>action experience>emotion experience>think experience. **TA-BLE 19** shows the sensory experience achieved a high score (3.86), it can be pointed that consumer have very high satisfaction with IKEA zero-distance product or service during the buying process in China.

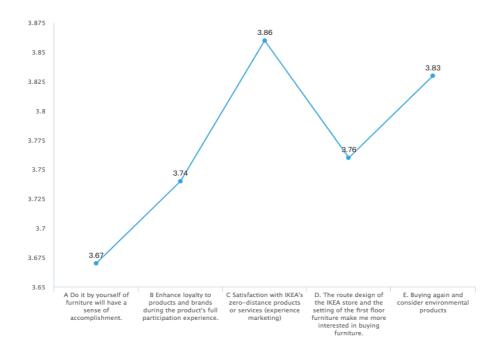


Table 19 The average of satisfaction level between ABCDE variable

Moreover, TABLE shows that 83.01% of people are willing to experiences products and services before shopping. And this also indicates that the IKEA experience model is a colossal influence. Many buyers like this experience mode which will promote their desire to purchase.

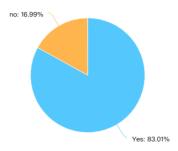


Table 20 Wether Consumer want to experience marketing before shopping

Interestingly, research in **TABLE 21** shows that consumer wants IKEA to lower the price and provide free installation services, which explains why the satisfaction of the action strategy is the lowest. Many older target consumers group want to provide a whole set of installation services because their manual ability is not stronger than young people.

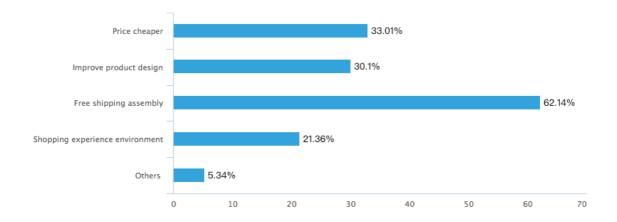


Table 21 The variable of IKEA improve in the future

#### **5.3** Future Development

It is concluded that this research has achieved certain results in the following aspects.

- 1) Based on the theory of experiential marketing, this study analysis the experience strategy and consumer buying behavior.
- 2) Through the data research, analyze the contrast the experience marketing model in the IKEA company and understand the Chinese consumer buying behavior.
- 3) Based on the analysis, supply some suggestions for Chinese domestic companies to do the marketing strategy on the experiential model.

In contract, the research also has some limitations. Firstly, the type of industry is not broad. This research only uses China's IKEA experience marketing model as the learning example. This paper and research data including the findings and opinions are all based on this investigation and analysis. The reference for other industries needs to make some adjustments in the improvement of the experience marketing model.

Secondly, the survey data may be biased, because the number of survey samples is not very large and the time is also limited. There is a large population in China and the respondents have certain geographical limitations, the data research is not cover enough in the areas. This research data can give a reference role for other companies' experiential model development.

## 5.4 Suggestions for the domestic company

China's furniture retail business has just completed a phase of transformation from a primitive business stage to a terminal retail group chain. The furniture industry is not deep enough in the research of this part in China. Therefore, most of the marketing method belongs to the traditional marketing model. (Polska 2017) Here are five suggestions for domestics enterprise to improve based on the experience marketing model.

## a) Increase sensory experience strategy

In China, the marketers of furniture retail tend to focus on the functional features of the products. They believe that customers will measure the function and efficacy of products according to their importance in various markets. It determined the performance of prod-

uct features, and choose the products with the largest overall use. They rarely pay attention to how to attract consumers from a series of combinations of sight, touch and hearing design in the store. The sensory experience can set a series of experiences on the consumer's visual, auditory, olfactory, and tactile sensations through the environment of the store, allowing consumers to directly participate in the store experience, thereby stimulating their desire for consumption. Sensory element can highlight the features of its commodities, increase the visibility of the goods, and use the most direct emotional methods to make consumers aware of the function of the product, and encourage them to choose the product they want.

It requires that the domestic furniture industry design and use a relaxed and pleasant atmosphere, which will directly create a sensory experience for consumers who come to shop from various angles. It points out that consumers' purchases are a "whole", the goods are only one part of them, as well as the external packaging of the goods, the corresponding services, the promotion of the products, word of mouth, and the environment and atmosphere of the place of consumption. (Polska Agencja. 2017). It also claims a furniture store can fully design the atmosphere of the store, allowing consumers to experience an unforgettable shopping experience environment.

On the one hand, sensory stimuli can be visually created, because vision is the largest source of information for humans. The store needs to create unique visual stimuli in terms of color and shape. For example, reasonable use of color matching, the appropriate household items with the background wall blend to create different styles of home themes. Enterprises can also design posters and put them together in a prominent position with beautiful photos to attract the attention of consumers.

On the second hand, a pleasant hearing environment is also an important part of the furniture industry. Because it can affect a person's emotion, if the environment is noise in the store, it will undoubtedly affect the consumer's shopping emotion. In addition, it can play elegant and soothing music properly, and consumers can fully relax choose their favorite products in the mall. Finally, a variety of elements can be introduced in the furniture store, such as setting up special restaurant snacks such as the milk tea or coffee shop, which is convenient for consumers who come to shop.

# b) Improve emotions experiences strategy

As a window for direct contact between household products and consumers, furniture stores must be good at mastering and controlling the emotional aspects of consumers' psychology. By creating an atmosphere that can impress consumers' inner emotions, it will bring consumers a relaxed, pleasant and full environment. Comparing with the boring shopping environment of the traditional marketing model, today's furniture stores need to emotionally impress consumers, let consumers be aware of the warmth of the "family" concept, so that consumers are touched in the heart.

Moreover, the author suggests the company try to design different scenes and stories with the theme of "family". With the theme of the beauty and warmth of the family, because "family" is the common needs of all target ages and all income levels, so the "family" theme event or design is more appealing to consumers and resonating. It is also possible to integrate consumers into the theme of "family" through small slogans distributed in various areas of the store, so that consumers can fully feel the connection between the store and the concept of "family" in their minds. At the same time, it can assign one or two small reminder boards in the model room for a prominent place to resonate with the consumers through the language description.

Then there is the addition of various ancillary facilities in the store, such as an activity function area that can be used for children's entertainment. It allows consumers with children to choose products without concerned, and then let the children thoroughly feel the family concept. From the traditional home-made store to the family-themed living style, creating a ubiquitous relaxed and warm atmosphere, in order to allow consumers to completely emotionally rely on the store to fully integrate into the experience process.

## c) Enhance thinking experience

Domestic furniture retailers rarely regard consumers as a rational consumer group. They think that consumers are mostly emotional and impulsive consumption. Consumers are sensitive people who will experience emotions, but also rational people who will care about thinking. The consumers are more inclined to think and purchase rationally, establishing a positive creative and experiential connections will inspire consumers to "create their family style" from a higher level. It is better for the consumers to take home and

install furniture to enjoy DIY fun. In additional, based on the questionnaire, many consumers hope that furniture companies provide free installation services, which is also a point that domestic furniture companies should consider.

# d) Increase action experience

Chinese consumers may have a deep understanding of this point. They often see such slogans "Do not sit", "Don not touch me", etc. at a furniture retail store. Another point is that consumers cannot use action to experience real product performance. If they can't touch it, they would not be able to purchase. In the store, the author suggests considering adding links to create, make consumers experience thinking and hands-on problem solving process. As the current market develops rapidly, consumers gradually promote rational consumption. At the same time, stores can continue to create new services, such as to encourage consumers themselves, and even make tutorials about furniture design, not just self-assembly, even matching and designing to enhance consumer experience from all aspects.

# e) Add relate strategy value

The brand image is a very significant factor in furniture stores. The ceaseless growth of price lets consumers focus on the product attributes beyond commodity quality, for example, pay attention to a kind of material whether environmental protection health and content of harmful component index. When the company sells the goods, it requires to ensure the high quality of their goods and need to be responsible for their consumers. Everything should be based on the premise of ensuring the health of consumers and strictly screening the goods.

At the same time, furniture stores also need to be responsible to the society, because consumers' environmental awareness is increasing, which requires companies to use more recyclable materials and strictly control the harm to the environment. Because when consumers use of household goods, not only because of the product of health and safety can get physiological satisfaction degree, but also because of the use of household goods will not cause environmental damage to get more psychological satisfaction level.

#### 6 CONCLUSION

This study focuses on experiential marketing strategies and the purchasing factors of Chinese consumers. Through the data research, the author based on the experience marketing example of IKEA in China to analyze how IKEA combines the experiential marketing model to connect with Chinese market consumers' buying behavior. Through theoretical and practical research, the author gives some suggestions for other Chinese furniture companies.

The constant change of the market environment has begun to let more and more businesses abandon the traditional marketing model and to focus on creating experiences for their consumers. Economic globalization has brought new opportunities, but it has also brought about the impact of foreign investors on the market and the challenges for China's traditional marketing model. In the development of China's furniture industry, enterprises need to integrate China's current economic characteristics to specify experience marketing strategies to improve market competitiveness for China's furniture store industry.

Obviously, the domestic furniture company's marketing model is more traditional, and there is still a long way to go. First is to establish a complete basic module of experience marketing and establishing a strong and entire marketing system. It requires to following five aspects of marketing links to form a powerful strategy for Chinese customers. Secondly, Chinese furniture companies should fully understand consumer preferences and current trends. It needs to combine with popular social media to create colossal media traffic to attract their target customers. At last, it is essential to offer a more personalized service experience. Companies need to recognize the vital role of sensory organs in this creative process and recognize the importance of multi-sensory cognition and the essence of information processing.

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#### **QUESTIONNAIR:**

Hello~ Thank you for taking the time to participate in this survey. I am a student from Vaasa University of Applied Sciences and I am working on an impact of the experiential marketing model on consumer buying behaviour (use IKEA company as an example in China). Your participation and responses will be very important to my research. This questionnaire is filled in anonymously. Your response is only used for data analysis in my research and will not be used for any commercial purposes. Thank you for your participation, have a nice day!

- 1. What's your gender?
- a) Male b) Female
- 2. What's your age?
- a) Under 18 b)18-25 c)26-30 d)31-40 e)41-50 f)51-60 g) Over 60
- 3. What is your family income?
- a) Under 2500 b)2500-4000 c)4000-8000 d)More than 10000
- 4. Have you been to IKEA?
- a) Yes b) No
- 5. How often do you go to IKEA?
- a)Several times a week b)Several times a month c)Several times a year d)Once a year d)Irregular
- 6. Which of the following channels do you use to learn about IKEA?
- a) TV advertisement b) The Internet c) Newspapers and magazines d) Social media e) Recommended by friends or relatives f) IKEA booklets g) Others
- 7. Which of the following items is the purpose of your trip to IKEA?
- a) Shopping b) Looking for renovation inspiration c) Take photo d) Entertainment
- e) Lunch f) Accompany family and friends g) Curiosity h) Others
- 8. What is your most impressive of IKEA?
- a) Shopping environment b) Food c) Store and model design d) Product price f) Fashion g) brand effect h) Green environment I) Membership card



#### promotion

- 9. What factors do you think IKEA product design influences your buying decision?
- a) Experiential strategy b) Brand effect c) Product price d) Product design (Nordic style) e) Diversified design f) Good service g) Convenient transportation
- 10. How do you target the IKEA brand?
- a) Luxury b) Middle-class consumption c) White collar consumption d) Mass consumption
- 11. What is the longest stand place for you in shop?
- a) Sample room display b) Sales area c) Children's area d) Restaurant e) Self-service delivery area f) Others
- 12. Will you choose to experience products or services before shopping? a) Yes b) No
- 13. How you think IKEA experiential marketing strategy? (Standing in five aspects: consumer emotion, sense, thinking, action, and association to create "experience")
- a) very good b) good c) average d) not good e) very bad
- 14. What do you feel when you shop at the IKEA experiential store?
  a) Free and relaxed b) "Family" and warm c) Attentive service, intimate d)
  Nothing special feels e) Lack of leadership, no understanding of goods f) Very laborious, wasting time
- 15. The store design of IKEA's is first experience and purchase, it can allow customers to try in the model room first, then go to the store to buy again. What do you think of this experience design?
- a) make me have more desire to buy b) make me trust more c) Make my shopping more trouble d) make me generate the idea to go shopping again
- 16. IKEA adopts the DIY (do it by yourself) concept ,What do you think of this? For example, installing furniture by yourself~
- a) Very interesting, it can exercise your ability b) acceptable c) Very hard, but like the experience process d) Dissatisfied, consuming time and laborious
- 17. Here are satisfaction with IKEA experiential marketing: Satisfaction level: 1.very dissatisfaction 2. Not satisfied 3.Just so so 4.satisfaction 5. Very satisfied
- A Do it by yourself of furniture will have a sense of accomplishment.
- B Enhance loyalty to products and brands during the product's full participation experience.

- C Satisfaction with IKEA's zero-distance products or services (experience marketing)
- D. The route design of the IKEA store and the setting of the first floor furniture make me more interested in buying furniture.
- E. Buying again or willing to consider environmental products.
- 18. Do you want IKEA to improve in those areas?
- a) Price cheaper b) Improve product design c) Free shipping assembly d) Shopping experience environment e) Others
- 19. What do you think is the advantage of IKEA compared with our home furnishing stores?
- a) Experience area unsupervised, personal trial
- b) Product quality
- c) The theme "family" environment
- d) Shopping environment
- e) Brand image
- f) Product price
- g) Product portfolio management
- 20. What factors do you think can influence your purchasing decisions, or what factor is most affect your behavior?
  -----(fill in here)