

# **Experiential marketing campaign handbook: case Herceg-Novi**

Emmiina Partanen



<b>Author(s)</b> Emmiina Partanen	
<b>Degree programme</b> Tourism, Hospitality and Experience Management	
<b>Report/thesis title</b> Experiential marketing campaign handbook: case Herceg-Novı	<b>Number of pages and appendix pages</b> <b>44 + 8</b>
<p>There is a hidden gem located in the Balkans, yet to be discovered by the tourist masses. Montenegro is a versatile destination with something to offer to all kinds of travellers' needs. The number of Finnish tourists travelling to Montenegro is rather minimal at the moment, compared to the other Northern Countries. The Tourist Info of Herceg-Novı (TOHN) requested a marketing campaign executed together with Haaga-Helia students, and the author had the chance to start the process by creating an experiential marketing handbook as a thesis, and as the first phase of the campaign. It will work as a supporting tool for those who execute the campaign in the future. The handbook created in this thesis process is the first part of creating an experiential marketing campaign for Montenegro and the city of Herceg-Novı.</p> <p>The purpose of the thesis is to create an easy to use handbook that will help those who execute the experiential marketing campaign. The handbook will educate the users on experiential marketing theories and guide them on how to create a successful experiential marketing campaign. The objective of the thesis is to create a practical and clear handbook with the right methods for those who execute the project. The long-term objective is to see a growth in the number of Finnish tourists travelling to Montenegro. This objective will not be reached when the thesis is submitted, as the campaign is only executed after the thesis is submitted.</p> <p>The theoretical framework first introduces the reader to the concept of marketing and from there on the reader is educated on the broad subject of experiential marketing. The product of the thesis focuses on two experiential marketing theories, that are the marketing mix's 4P's and 7P's, and sensory perception. The author found these two theories to best fit the experiential marketing campaign as they provide a solid base for creating immersive experiences for the consumers. The data for the theoretical framework was gathered through a desk research using various types of literature.</p> <p>Author uses a qualitative interview with TOHN to establish mutual objectives and goals for the project. Quantitative research is used through a questionnaire to research the target market's current knowledge and interest of Montenegro as a destination. The target market, which is 20-27-year-old young adults, seemed to be interested in Montenegro based on the results of the questionnaire. The author and the Tourist Info of Herceg-Novı truly believe that this handbook is the first step towards a successful experiential marketing campaign.</p> <p>As the handbook created in this thesis process is only as small part of a bigger campaign, the risks and limitations are rather small. Though, there could be many limitations to how the product is applied but this is an issue not directly linked to the thesis. The handbook evaluation from TOHN is not included in the thesis but the author has received good feedback the company in the process of writing. The process from the first thesis meeting on the experiential marketing handbook for Herceg-Novı, to finishing the entire thesis, took the author seven (7) months. Working almost full time and starting a new job while writing the thesis created some challenges throughout the process. What the author learnt from the process was that making a clear project plan and timetable is the key to consistency.</p>	
<b>Keywords</b> Experiential marketing, marketing, tourism, marketing plan, handbook	

## Table of contents

1	Introduction .....	1
1.1	Objectives and purpose of the work .....	2
1.2	Tourism Info of Herceg-Novi .....	3
1.3	Methods .....	4
1.4	Key definitions.....	5
2	Experiential marketing.....	8
2.1	The concept of marketing.....	9
2.2	Experience Creation .....	11
2.3	Experiential marketing in undeveloped places .....	14
2.4	Marketing mix 4P's and 7P's .....	15
2.4.1	4P's.....	16
2.4.2	7P's.....	19
2.5	Sensory perception .....	21
2.6	Own framework.....	24
3	Creating the handbook .....	29
3.1	Background of the project .....	29
3.1.1	Experiential marketing in a developing destination .....	29
3.1.2	Montenegro as a tourist destination .....	30
3.2	Project plan.....	31
3.3	Purpose and objectives of the handbook.....	32
3.4	Methodology .....	32
3.5	Quantitative research results.....	33
3.6	Risks and limitations .....	37
4	Discussion.....	38
4.1	The thesis process.....	38
4.2	Learning outcomes .....	40
	References .....	41
	Appendices.....	45
	Appendix 1. Semi structured qualitative interview with TOHN employee, Ljubica Vasiljevic.....	45
	Appendix 2. Experiential Marketing Campaign Handbook: case Herceg-Novi .....	47

# 1 Introduction

Imagine, blue ocean water, sun shining, mouth-watering seafood and beautiful historic architecture, just five hours away from Finland. This is what you will find in Montenegro. Montenegro is yet to be found by the tourist masses which is the reason it has remained original and untouched as a travel destination. Montenegro, Bosnia-Herzegovina and Croatia as neighbouring countries used to have strong ties when it came to tourism, before the Yugoslav wars that started in 1991. The wars caused restlessness in the countries surrounding Montenegro and took their toll on the country's tourism. With the advent of the war, and later, the break of Yugoslavia these traditional tourist sites experienced a decrease in tourism (Lagiewski & Revelas. 2004).

Montenegro is very versatile as a destination and has something to offer to every travellers' needs. An active traveller can find numerous possibilities in Montenegro's beautiful nature and enchanting little towns. Durmitor National Park's amazing scenery is the perfect spot for a hiking trip just a few hours away from the coast. The blue waters of the Adriatic Sea will satisfy one who is looking for leisure and relaxation, and the country's food culture will charm its way to any and every tourist's heart.

As one can conclude from this, Montenegro has the full potential of becoming more known as a travel destination in Finland. In this product-oriented thesis, the author will create a step-by-step handbook using experiential marketing as a tool. The handbook will work as a tool to execute an experiential marketing campaign, where the goal is to raise awareness of Montenegro, and specifically the city of Herceg-Novi, as a tourist destination.

The marketing campaign executed based on the handbook, is targeted to young adults approximately 20 to 27 years old. Most young adults at the age of 20 to 27 tend to have little obligations and, therefore, it is easier for them to travel which is why the author chose this target group. According to Arnett (2014) the society grants them a long moratorium in their late teens and twenties and do not expect them to take on adult responsibilities as soon as they are able to. The majority of young adults in this age are keen on exploring and constantly look for unique experiences away from the mass tourism. Also, Montenegro as a destination is very suitable for this age group as it is rather cheap and young adults tend not to have enormous amounts money to spend.

The thesis consists roughly of three parts:

1. Theory, that introduces the reader to experiential marketing theories
2. Creation and planning process of the thesis and the handbook
3. The end product, the experiential marketing handbook

In the first third of the thesis, the subject of the paper is shortly introduced to the reader. The author goes through the objectives and purpose of the thesis to justify the need and usefulness of the work along with a short introduction of the product itself, the handbook. As the thesis is strongly focused on marketing, the concept and definition of marketing is introduced to the reader in an early stage. From that the author moves on to explain the concept of experiential marketing and a couple different experiential marketing theories. The theories that will be applied to the handbook are the marketing mix's 4Ps and 7Ps and also some parts of sensory perception as not all of the aspects of it apply to the campaign. The second part of the thesis introduces the reader to the planning and creating process of the entire thesis and the handbook. The final and main part of the thesis is the handbook for creating the experiential marketing campaign for Herceg-Novi. The handbook is created based on the author's literature research and prior knowledge of the topic gained from studies.

The handbook for Herceg-Novi, that is created in this thesis process will work as the first step towards raising awareness of Montenegro as a travel destination among Finnish tourists. The author together with the Tourism Info of Herceg-Novi consider Finns as a highly potential customer target group for the destination, and therefore are willing to move forward with creating this campaign. The author will use various experiential marketing theories researched through a desk research as tools to create the handbook.

### **1.1 Objectives and purpose of the work**

The product created in this thesis process is the first part on creating an experiential marketing campaign for Montenegro and the city of Herceg-Novi. The handbook will be a clear step by step guide on how to execute the campaign using various experiential marketing theories as tools. The purpose of this work is to create a handbook that in the future, will work as a tool for those who execute the experiential marketing campaign for the Tourism Info of Herceg-Novi which is the official tourism office in the city. The handbook will not only educate on the topic of experiential marketing but also guide the user on how to create a successful campaign with the desired objective in mind. The execution of the experiential marketing campaign, from start to finish, requires multiple hours of work. Therefore, it is important to divide the workload into smaller parts which justifies the need for the handbook.

The product created in this thesis process will work as a tool for those who execute the experiential marketing campaign. Therefore, the objective of the thesis is to create a practical handbook with the right methods for the potential user. The handbook needs to be

easy to read and put into practice as projects like this tend to be very stressful. By creating a clear handbook, the focus can be on the campaign itself.

The longer-term objective in creating this product evolves around what happens after executing the experiential marketing campaign based on the handbook created in this thesis. The success of the handbook and the execution of the campaign can be measured in the possible growth of Finnish tourists traveling to Montenegro. The longer-term objective of the thesis is to raise awareness of Montenegro and Herceg-Novi as travel destinations among Finnish people. These objectives will not be reached when the thesis is submitted as the campaign only happens after the author has finished the product, but the author will receive feedback on the product and the usability of it.

## **1.2 Tourism Info of Herceg-Novi**

The handbook created in this thesis process will be done to fulfil the needs of a company in Montenegro, Herceg-Novi. The company that has requested the product is called the Tourism info of Herceg-Novi (TOHN). The author has contacted a TOHN employee, Ljubica Vasiljevic, who works as a Project Manager for Regional and EU Funds in the company. A semi-structured qualitative interview (Appendix 1.) was conducted via e-mail in order to find out more about the company and their wishes for the handbook and the experiential marketing campaign that will be carried out after the completion of this thesis.

TOHN is a local non-profit public tourism service with the purpose of promoting the original values of the municipality's territory. The goal is to strengthen and position Herceg-Novi as a tourist destination and to create a stronger brand image. This will happen through raising awareness of the wide range of activities in the destination as well as improving the accommodating conditions and the tourism offerings in general. Up until now TOHN's target market has been mostly adults and families but now they wish to attract more younger population to the destination.

TOHN desires to use innovative marketing campaigns to achieve their goals and to attract the right kind of target markets to the destination. TOHN wants to attract and draw Scandinavian tourists' attention to the touristic offers of the city which justifies the need for the product created in this thesis process. The statistics received from TOHN revealed that in 2017 Norwegian tourists spent 43 143 nights in Herceg-Novi, in comparison to Swedish tourists that spent 26 191 and Finnish only 8 905 night. In conclusion, it is evident, that the Finnish market is much smaller than of the other two Scandinavian countries. This could be due to Norway and Sweden having a long-term partnership with a local medical spa.

Montenegro is a very versatile destination with snow, sea and sun. During the summer tourists are concentrated on the South where Adriatic coast is located whereas on the winter time tourists go up North to enjoy snow activities. Herceg-Novi is located in the Southern part of the country where tourists can enjoy the sun and the sea. Winter activities won't be too far away either as the Mountain Orjen is just a 30-minute drive away. TOHN is hoping to bring out the potential of the nearby area's undiscovered hinterlands and mountains. Herceg-Novi is located in the stunning Bay of Kotor together with the towns of Kotor and Tivat where these three towns make a unique and appealing tourist destination.

The first part of the project was done in an experiential marketing class in Haaga-Helia. The type of campaign that would be used in the project was identified in the class which was the starting point for starting to write the thesis. The author as well as TOHN truly believe in the potential of the project resulting from the creation of the product, which is the handbook for creating the experiential marketing campaign. TOHN believes that the Scandinavian target markets can be attracted through this innovative marketing campaign with the co-operation of Haaga-Helia students and the University of Management in Herceg-Novi.

### **1.3 Methods**

In this product-oriented thesis, the end product is a handbook for executing an experiential marketing campaign. The first phase of the development of the product is a desk research. The name desk research comes from the fact that the research can be mainly carried out while sitting at a desk. The electronic services such as the Internet, enables the researcher to access a broad selection of different type of materials through desk research (Crouch & Housden. 2011). The Internet contains a countless amount of research material and it is up to the author to find and choose the right materials for the thesis. The research focuses on experiential marketing and the different theories and tools around it which will then be implemented into the final product that is the handbook. In addition to the literature search author uses her own prior knowledge gained at experiential economy and experiential marketing courses at the university of applied sciences.

Conducting a survey is not a defining objective in the thesis process as developing the handbook does not necessarily require it. Though, conducting a survey will work as a supporting tool for the implementation of the experiential marketing campaign. Through the survey the author can get answers to important questions about the target audience's relationship to Montenegro and then later,

use it to shape the handbook. The survey will be a quantitative research conducted through a questionnaire sent to people within the target audience.

In the quantitative survey, the author will gather data on two topics. In order to create a successful marketing campaign, it is important to gather data on the target audience's current relationship to Montenegro as a country and travel destination. This way the users of the handbook will know on what level they must introduce the destination to the target audience of the campaign. Also, in order to receive justification for the execution of the campaign, the target audiences' willingness to participate in such marketing event is researched. The target audience is 20-27-year-old young adults which has been chosen based on the interview with an employee of the Tourism Office of Herceg-Novi. The survey will be shared through Facebook to people within the target audience.

The author's hypothesis of the target audience's relationship with Montenegro is that only a very minimal percentage of the respondents have visited the destination. Those respondents who have not, do not know anything at all or very little about the destination. The willingness to participate in the interactive marketing campaign is expected to be rather high as young adults nowadays are rather keen on participating in different kinds of events. The main prize of the event, which is a free trip to Montenegro will attract people to participate. The author expects that there might be a small percentage of respondents who will not be interested in participating in the campaign. The results of the quantitative questionnaire will be covered in depth in chapter 3.

Author also conducted a semi-structured qualitative interview with an employee Ljubica Vasiljevic from the Tourism info of Herceg-Novi. The purpose of the interview was to establish mutual goals with the company, regarding the entire thesis process and the end product, the handbook for creating an experiential marketing campaign for Herceg-Novi. The end product, the handbook, will be covered in depth, in the Appendix 2.

#### **1.4 Key definitions**

In order for the reader to understand the creation and development of the end product of the thesis, the author will go on to introduce three key definitions in the theoretical part of the thesis. The first definition explained is experiential marketing and some history of marketing in general, as well. Then the author will go through the marketing mix's 4P's and



7P's. Lastly, as experiential marketing includes a lot of sensory triggers, sensory perception is introduced to the reader. In this chapter, all three of these theories will be shortly explained to give an overview of what's to come.

The concept of experiential marketing will be explained so that it is easy to understand for the reader. The author will go through customer relationship management to customer experience management, and then on to how experiential marketing has evolved from that. Smilansky (2009) defines experiential marketing as follows: "Experiential marketing is the process of identifying and satisfying customer needs and aspirations profitably, engaging them through two-way communications that bring brand personalities to life and add value to the target audience." In order to understand what experiential marketing is, one must first understand what an experience is. An experience is a mental phenomenon that happens in people's minds. The experience is created via mental awareness from one's earlier experiences in life together with external stimuli. No matter what a company offers, they need to create an experience that first will gain customers' attention and then get them to want to spend time with the offering and lastly make them want to buy the offerings. (Sørensen & Sundbo. 2013.)

After introducing experiential marketing and some key aspects of it the author goes on to explain the marketing mix for the reader. The marketing mix, as a theory, is perfectly applicable for the experiential marketing handbook that is created in the thesis process. "It is a marketing tool that combines a number of components in order to strengthen and solidify a product's brand and to help sell the product or service." (The Marketing Mix. 2017.) The 4P's of the marketing mix apply more to tangible products with focus on price, promotion, product and place. The 7P's on the other hand were added to the mix later on with the need to create the marketing mix more suitable for the intangible services as well. The 7P's consist of physical evidence, people and processes.

The last theory used will be the sensory perception. Especially in experiential marketing, sensory perception plays an enormous role and these two theories are most often strongly linked to each other. The theory of sensory perception is based up on the five human senses that are: sight, touch, sound, smell and taste. Through the implication of the five human senses in marketing, companies are able to engage the consumer in a much deeper level. Sensory marketing, from a managerial perspective, can be used to create subconscious triggers that characterize how a customer perceives a product. (Krishna. 2011.)

Experiential marketing, the marketing mix and the sensory perception will be thoroughly explained in the next chapter, where the author puts together the theoretical framework used for the creation of the thesis. All the theories will be explained in their entirety and, later on, in chapter three, the author will introduce the reader to the framework created for the product. In the framework, the author will explain the components of the experiential marketing theories that will be applied to the creation of the experiential marketing handbook for Herceg-Novi.

## 2 Experiential marketing

In this chapter, experiential marketing as a concept, will be thoroughly explained to the reader. Firstly, the reader will be introduced to the broad subject of marketing and from there on, in the subchapters, the focus moves more into different marketing types and theories within experiential marketing. The marketing theories that are discussed in the subchapters, are the 4Ps and 7Ps of the marketing mix and sensory perception. These theories have been chosen by the author as they can be implemented onto creating the content of the Experiential marketing handbook for Herceg-Novi.

In the late 20<sup>th</sup> century, marketers started shifting away from the product- and production-oriented business model towards being more customer-oriented, as they realized, the customer is in the core of their business. According to Buttle (2004) product-oriented businesses believe that customers choose products with the best quality, performance, design or features. On the other hand, production-oriented businesses believe that customers will buy the product with the lowest price, therefore, these businesses aim to operate on low costs. Both of these approaches on how to run a business are nothing but beliefs on how a customer operates. Therefore, a new concept called customer relationship management (CRM) was introduced to marketers. CRM's emphasis is on two-way communication between the customer and the company which then creates long-term customer relationships. CRM is a customer centric approach where companies communicate with their customers frequently in order to satisfy their needs and create better value for their money.

CRM as a concept was a success. The next level of thinking on the subject is customer experience management (CEM) which is defined as 'the process of strategically managing a customers' entire experience with a product or a company' (Smilansky, 2009). For a company to be able to differentiate themselves from the competition through CEM, each touchpoint of the customer experience, needs to be carefully designed. Companies that go the extra mile to create meaningful brand experiences that touch their customers' senses are creating a unique emotional bond between the customer and the brand. This bond adds value to the customer which then results in customer loyalty. "Experience is the new currency of the modern marketing landscape, because experiences are life, and people talk about experiences every day." (Smilansky, 2009.)

Experiential marketing is a free form of art where the sky is the limit, and the more immersive and unique the experience is, the more attention it will gain. There are numerous experiential marketing theories that can be implemented, but no specific strategy on how to

execute your experiential marketing campaign. An experiential marketing campaign can be anything from a small pop-up to a huge outdoor event broadcasted on live television. When creating an experiential marketing campaign, the focus must be on who your audience is and what emotions you want to evoke in them. In the modern world, the customers want products, communications and marketing campaigns that dazzle their senses, touch their hearts and stimulate their minds (Schmitt. 1999).

One of the biggest challenges in experiential marketing, is the difficulty of clearly measuring success and moreover, measuring the return on investment (ROI). Experiential marketing campaigns rarely are about selling something to the customer which is why, in this case, the monetary profits are difficult to measure. Instead, the main goal which is gaining visibility and creating meaningful relationships between the customer and the brand, can be measured through social media and online measuring tools. Where experiential marketing's results are said to be difficult to measure, on the other hand, it is a rather inexpensive method of doing marketing. "By spending more time with stakeholders, less time overall to inspire action and developing longer relationships, many brands experience an improved ROI." (Derse. 2016.)

Experiential marketing is a form of marketing that gives room for being creative and when carried out professionally, it will leave a positive mark on the customer's relationship towards a brand with low costs. These are the reasons the author has chosen to use experiential marketing in creating the handbook for Herceg-Novi. The following chapter will introduce the reader to the concept of marketing. From there on the author goes deeper into the subject of experiential marketing and the different theories that will be later on applied to making of the experiential marketing handbook.

## **2.1 The concept of marketing**

Marketing as a concept has been defined in numerous ways through its history. Marketing is a customer driven activity, and for a business the most valuable skill is to understand their customer. According to the American Marketing Association (2013) marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. In other words, the aim in marketing is to communicate the value of a brand, product or service to reach potential customers.

As marketing is a customer driven activity, the key to successful marketing is having a firm understanding of the customer. By establishing customer target groups, a marketer stud-

ies and gathers information on its customers' interests and behaviour. This way the marketer makes sure the marketing is done at the right place on the right time with the right material and thus receives the target audience's attention resulting in successful marketing. Traditional marketing has been challenged by social media and internet.

The main objective of marketing has remained more or less the same over time, but the methods have changed along with the evolution of technology and the rise of experiential marketing. Traditional methods have been proven and have delivered high success rates consistently, but with the advent of Internet and social platform that allows users to collaborate and share experiences, the traditional marketing techniques are finding it difficult to deliver results in isolation. (Gujral. 2015.) These online platforms have such a high cost-efficiency rate as they can reach tens of thousands of customers in a minimal amount of time. Another benefit social media has brought to the industry is for companies to build closer relationships with their customers as well as being able to reach customers or markets that hadn't been within reach before. (Rooney. 2011.)

The aim in marketing still remains the same which is to bring joy and enjoyment to consumers' lives and thus, create value for consumer. To define marketing as an activity to simply satisfy customer needs and offer problem solution is too narrow. (Schmitt & Rogers. 2009.) Comparing, to a traditional billboard advertisement, social media's ability to reach visibility is undeniable and millions of customers can be reached in an unbelievably short time. (Gujral. 2015.) With the traditional marketing methods, visibility and repetition is what counts the most. The television ad that one sees every day on the commercial break of your favourite show, may annoy one to the point of a nervous breakdown, but it will also be an ad that one will remember, and it might even affect one's purchasing decision. Whether or not this type of marketing will affect one's buying habits, is very personal. The core idea of marketing after all is to strengthen a brand and of course see an increase in sales as a result.

Analysing and measuring customers, products and data in general, is what traditional marketing is driven by, this has proven to be a good strategic enabling the production of the right material for the targeted customers. But nowadays things have changed, and a company needs to go further than this to impress the demanding consumers of this century. Today, customers take functional features and benefits, product quality and a positive brand image as a given. What they want is products, communications and marketing campaigns that dazzle their senses, touch their hearts, and stimulate their minds. They want products, communications and campaigns that they can relate to and that they can

incorporate into their lifestyles. They want products, communications and marketing campaigns to deliver an experience. (Schmitt. 1999).

“The new marketing era, the experiential marketing era, focuses on giving target audiences a fabulous brand-relevant customer experience that adds value to their lives, and ultimately makes the consumer remember the brand’s marketing – not because it shouted the loudest, but because it gave them an unforgettable experience.” (Smilansky. 2009.) In this thesis the marketing method used will be experiential marketing as the aim is to gain as much visibility as possible for the destination with a rather small budget. The handbook created in this thesis process will be a guide on how to use different experiential marketing theories to create a successful experiential marketing campaign.

## **2.2 Experience Creation**

Creating meaningful and immersive experiences for consumers is not the easiest task to master. Behind all experiential marketing campaigns or events, are numerous hours of work put into the complex planning process. According to Norton (2003) producing meaningful brand experiences is two dimensional: defining brand truth and creating opportunities for consumers to have meaningful experiences. Defining your brand is a key aspect in any marketing activity as it defines a company’s values, culture and overall image. Having a strong brand within a company, and staying loyal to the brand, is a huge advantage for both the customer and the company itself. Experiential marketing after all is about a two-way engagement which is made possible with a brand that a consumer feels connected to.

Creating opportunities for consumers to have meaningful experiences comes with various factors to take into consideration. First and foremost a company must identify who its customers are in order to be able to create and alter the experience to suit them. Bigger companies with a longer history most often have fairly thorough data on who their customers are. Even smaller companies nowadays can quite easily get access to their customer demographics through different social media channels and Google Analytics for example. In a case, where a company is aiming to expand to a new market, their task is to identify who they wish their customers to be and how to provide them with a memorable experience. In the product created in this thesis process, the author will approach the target market with a questionnaire to identify their needs and desires on a deeper level.

After identifying what your brand is and who your customers are, your next step is to create and experience your customers are willing to take part in. Time is precious and there

always seem to be too little of it which is why you need to make your customers' time worth the while. The customers should not be required to spend time with your offering, as it is a recipe for failure, and instead they should want to spend time with your offering (Norton. 2003).

Guerilla marketing was invented at a time when customers were starting to get tired of being advertised to. It was the time of print media, radio and television. Marketing campaigns needed to be shocking, unique, outrageous and clever to draw the right kind of attention from the customer (Creative Guerilla Marketing, 2016). Guerilla marketing was the perfect method to achieve this goal of creating a buzz around a product or a service. PR -stunts in public locations and different kinds of events combined with live broadcasts and social media are very popular tactics in Guerilla marketing. The method was originally developed for small companies with small budgets to reach a broad audience with a low budget. Later on, bigger companies like for example Red Bull and Coca-Cola have used the marketing method. Red Bull reached over 7.1 million views with their viral Stratosphere Jump campaign and Coca-Cola continues to reach visibility with their 'Happiness' -campaigns. (Creative Guerilla Marketing. 2016.)

As one of the main goals of experiential marketing is to form long lasting bonds between customers and brands, it is crucial to appeal to a customer's emotions. Emotional and sensory marketing are two marketing methods that often are associated with each other. Sight, smell, touch, taste and hearing are the five human senses and by engaging more than one of these senses we are able to create multi-sensory experiences for customers. Customers nowadays are overwhelmed with the number of products available at market-places and therefore creating a strong brand and an emotional connection with the consumer, will help a business to differentiate from the competition. According to Hultén (2011) the consumers are no longer just buying products but also the emotional experiences that come alongside them.

Social media marketing is a marketing method that works being used by itself but also well combined with other marketing strategies to enhance them. Most popular social networking sites include Facebook, Instagram, Twitter and LinkedIn where companies are able to produce content both for free and also at a set cost. Companies can create their own profiles for these networking sites where they can freely post texts, photos and videos for the consumers to see. Most of these networking sites also offer a possibility for companies to advertise their services and products with a set cost to those consumers who have not willingly followed or liked their page. Social media is not only for companies to advertise their own products but also for customer awareness, information acquisition,

opinions, attitudes, purchase behaviour, post-purchase communication and finally, evaluation. (Faulds & Mangold. 2009.) Communication with companies is made easy through social media and customers sharing their experiences with brands are giving companies free press.

One very important topic in experiential marketing, is experiential value. Value is often conceptualized with the price of a product or a service and, therefore, the quality of it and whether these two meet. In other words, this could also be described as the relationship between costs and benefits of a product or a service. In the experience economy this definition of value is not very accurate anymore as a customer's perception of value involves so much more than just the product or service itself. "One of the most fundamental concepts of experience marketing is that value does not only reside in the object of consumption, and in seeking out and processing information about such objects; value also lies in the experience of consumption." (Schmitt. 2011.)

The experiential value in shopping experiences is commonly divided into utilitarian and hedonic value. Though, Hirschman and Holbrook (1982) divide task definition in their article into secondary and primary process. In the article, primary process thinking is linked to hedonic value that seeks pleasure and secondary process to mental activities where customer is evaluating a product and searching for information. The idea behind both secondary and primary process as well as utilitarian and hedonic value is the exact same. Utilitarian, or in other words functional value, results from task completion and is often considered as "work" for the consumer. Hedonic, or experiential value, on the other hand is conceptualized with enjoyment and having fun. The perceived values of products and services may change over time in a person's life. For example, a student or a young adult may value utilitarian features, like a clean room and basic facilities, when staying at a hotel but later on in life that person may value certain aesthetic and luxurious elements like for example a spa and a stunning ocean view. (Schmitt. 2011.)

In the next chapter, the author will introduce the reader to experiential marketing in undeveloped places. This is an important topic to be covered as it will contain essential information for the success of the experiential campaign. Montenegro is not considered an undeveloped place but cannot be classified as a fully developed place either which is the reason the author researches the topic.



### 2.3 Experiential marketing in undeveloped places

From the very beginning of starting with the thesis process, using experiential marketing methods in creating the handbook, has been clear for the author. In no point has the author even considered using traditional marketing methods for this project as she finds experiential marketing methods to be the most suitable ones for the campaign. In this chapter the author will introduce the reader to some of the reasons why experiential marketing was chosen to fit this project the best.

A research by Moric (2013), a student from the University of Montenegro, states that some of the challenges in the development of Montenegrin tourism are due to insecurity created by the global economic crises, the development of technology, and international competition in the tourism sector. It is a clear fact that Montenegro has a lot of potential as a tourist destination when looking into what the country has to offer environmentally as well as culturally. Due to factors mentioned earlier in the chapter Montenegrin tourism has not yet reached its full potential. In small countries, the economics are often based only on few different sectors, and therefore the countries can face an economic challenge where they are dependent on these few sectors they have. (Katircioglu. 2009.) In Montenegro's case the two main export products are aluminium and tourism. In a country such as Montenegro where the tourism rates are still rather low, so is the government's and local organisations' marketing budgets. It is a challenging situation as the more money can be spent to tourism marketing the higher the chances are for growth in the tourism sector.

This is where experiential marketing comes in. As discussed before, experiential marketing is highly suitable for low budget marketing campaigns. It creates an opportunity for high visibility through viral campaigns and social media channels that possibly reach people from all over the world and engage them with immersive brand experiences. Experiential campaigns are not only about the PR experience itself but also about the actions around it where diverse and interesting content is shared through social media channels. Social media creates an opportunity for companies to gain visibility through their customers. As a hypothetical example, out of a 1000 people who took part in an event, 80% share photos or videos with their social media networks which enables the company to reach numerous people even without them physically being in the event. (Crossmark. 2014.)

The more tourists visit Montenegro, the bigger the tourism budget is. Now as the current tourism rates are rather low, so is the budget. This justifies the use experiential marketing when creating the handbook for the execution of the experiential marketing campaign in

Herceg-Novi. The author and TOHN together, believe that the return on investment and the long-term impact of the campaign will be much higher with experiential marketing compared to traditional marketing. In the next chapter the author will introduce the reader to the marketing mix's 4P's and 7P's which are later on applied to the end product, the handbook.

## **2.4 Marketing mix 4P's and 7P's**

The author uses the Marketing mix's 4P's and 7P's as a supporting method in the creating process of the handbook for Herceg-Novi's experiential marketing campaign. In this chapter the author will introduce the marketing mix's 4P's and 7P's to the reader and later on in the handbook creating process, apply the theory into the content of the handbook.

Borden (1984) describes a marketing executive as "the mixer of ingredients". When it comes to marketing, sometimes a previously developed "marketing recipe" can be directly applied to the creation process and result in a successful campaign. However, many times campaigns, the customer target group, the objectives and goals may vary so much that the same recipe will not work. Every campaign is different and, therefore, the marketer needs to be able to identify and alter the recipe's ingredients so that they fit the specific campaign's desired outcome.

When using the Marketing mix, the starting point should be a well-executed business plan where every aspect is thought through. The other important factor is the customer target group. The customer target group should be thoroughly researched and studied to know exactly what their needs and desires are to be able to meet them. Marketing mix is simply about putting the right product or service in the right place, at the right time, and at the right price (The Marketing Mix. 2017).

The 4P's of marketing are created by E. Jerome McCarthy in the 1960s and the concept is still widely in use after approximately 50 years of development. Though, there has been controversy among the experts on the applicableness of the Marketing Mix in the modern world. According to E. Constantinides (2006) the Mix is a complex issue with debatable arguments but wants to remind us that what is more important than the tool itself, is the way the user applies it. The Mix was originally created with 4P's which include product, place, price and promotion are but later on, to fit the modern marketing better, the Mix was expanded with three more P's: people, physical evidence and process that now together, formed the 7P's (illustrated in Figure 1).



Figure 1 The 4P's and 7P's of the Marketing Mix

In the next two subchapters the author will introduce the reader to the 4P's and 7P's of the marketing mix in depth. Each of the P's will be discussed and explained thoroughly. The author will be connecting the marketing mix to the creating of the experiential marketing handbook for Herceg-Novci in depth in chapter 2 through the author's own framework.

#### 2.4.1 4P's

According to Singh (2012), the marketing mix is a set of controllable variables that companies use to market their services and goods. After the target market has been identified and necessary information has been gathered, the marketer decides on the strategy based on the ingredients of the mix, to meet the potential customers' needs and to challenge the competition. The marketing mix is a perfect combination of all the different ingredients from volumes to return on investment that a marketer must consider when putting a new product out on the market. The four P's include product, price, place and promotion. The author has broken the four P's into smaller parts with each P's key elements (illustrated in Figure 2). The author will select the parts of the marketing mix that will be used in the experiential marketing handbook for Herceg-Novci, later on it this chapter in 'own framework'.



Figure 2 Elements of 4P's (Singh. 2012.)

The marketing mix's first P is product. A product can mean a tangible good or an intangible service. A tangible good can be for example furniture or a piece of clothing, and an intangible good is not a physical product, but a service that is sold to a customer. Singh (2012) mentions design, technology, usefulness, value, convenience, quality, packaging, branding and warranties as the key elements when dealing with the product. The product is a combination of physical factors like colour, design, features, performance and non-physical factors like value, quality and so on. A physical factor such as design is an utmost important part of a product as a well-done design will gain attention and influence the purchasing decision. Standing out in a positive way design-wise from the competition will give your product a competitive advantage and result in successful sales. Everleigh (2017) emphasizes how modern world consumers are spoiled for choice of products. Even the best marketing tactics cannot hide a bad product no matter what, and the consumer will eventually find and choose the best quality products. Value as a non-physical factor is an important factor when thinking and developing a product's performance level. Customers should never feel like the company is charging them more than the manufacturing costs of a product. In the Herceg-Novi experiential marketing campaign, the product, is the destination as a whole.

“The price is the amount a customer pays for a product. It is ascertained by various factors including cost of material, product differentiation, competition, market share and the customer's perceived value of a product.” (Singh. 2012.) The price mix is strongly connected to the product mix as in the product phase a marketer defines the majority of costs regarding the product. Pricing creates customer loyalty through customer satisfaction. It is an utmost important aspect for both the customer and the company. The company needs to price so that manufacturing costs are covered, and profit is created and on the other hand products must be reasonably priced so that the customer will make a purchase. (Madanat & Nuseir. 2015.) One very common pricing strategy all over the world is psychological pricing where marketers believe that certain ways of presenting the price are more appealing to customers, marketers would for example use 19,99 as the price, instead of 20. Also, promotions and sales are an important part of the pricing mix. Pricing of a product is a difficult task with many things to take into consideration as it is directly linked to whether or not the company will be able to break even. The price mix is not an important part of the experiential marketing campaign for Herceg-Novı as for the participants, to take part in the event will be free and therefore the price factor will not affect the participants perceptions.

Place is the third P of the marketing mix referring to where your product is distributed. It refers to the locations and methods a company uses to enable easy access of the products and services for the target market. (The Marketing Mix. 2017.) Singh (2012) mentions retail, wholesale, internet, direct sales, peer to peer and multichannel as the possible distribution channels. Once again at this phase of the marketing mix, knowing your target market is essential. As an example, the younger generation are getting more accustomed to buying online, so if the target market is young adults it might make no sense for a company to have a physical store at all. A company can also choose to do business in numerous distribution channels if that is what they find effective for the sales of their product or service.

The fourth P which stands for promotion, is absolutely the most important one for the Herceg-Novı experiential marketing campaign. The promotion mix is all about reaching your potential target market and gaining visibility which hopefully in the end will lead to the customer purchasing the product. First, in the product mix a company creates a product that meets the target market's needs and then in the promotion mix the company chooses the right distribution channels to make the product available for the market. (Singh. 2012.) Promotions include advertising and marketing as well as different kinds of sales promotions like special offers and user trials for the customers. A special offer can include coupons, discounts or two for the price of one types of deals to push the sales of a product.

Marketing and advertising activities aim to increase sales through visibility and communication with the potential target market through various types of marketing strategies that the author has introduced in the earlier chapters of the theoretical framework.

The 4P's of the marketing mix work as a great tool for a marketer when launching or creating a new product. The 4P's include utmost important aspects to take into consideration to best reach the target market's attention and further, create revenue through successful product creation. All the various elements of the 4P's need to be altered to suit the type of a product or a service in question. In the next chapter the author will introduce the reader to the three more P's that together with the 4P's form 7P's of the marketing mix.

### 2.4.2 7P's

In this chapter the author will expand the 4P's of the product marketing to the 7P's of the service marketing mix. In 1981 Bernard H. Booms and Mary J. Bitner felt the urge to update the marketing mix as the 4P's of the marketing were more applicable to tangible products than intangible services. The 7P's of the marketing mix was a solution to better fit the products that were services and not physical things. (Anon. 2016.) In addition to the four already existing P's Booms and Bitner added people, process and physical evidence to the marketing mix (Illustrated in Figure 3).

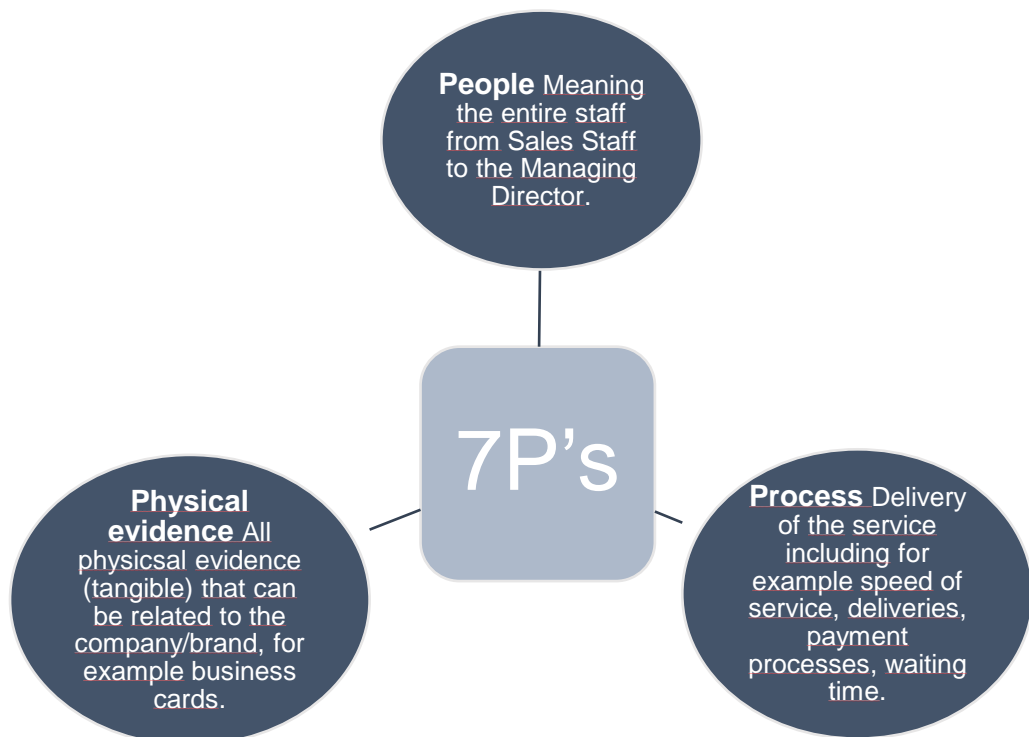


Figure 3 Elements of 7P's (Anon. 2016.)

The first one of the 7P's is people. This was an important addition to the marketing mix in general as the consumers' experiences with both products and services are highly affected by the company employees they are dealing with. The people mainly include those employees who are directly in contact with the customer at the moment of the purchase and also possibly after the purchase. Those employees are mainly the customer service employees, who make the quality into service and are the faces of the organisation. (Van Vliet. 2011.) The people of a company in the frontline, serving customers can make or break a company with their performance. The challenge in customer service is managing the employees' level of performance as it can vary a lot within the customer servants due to their motivation and skills. The lack of consistency in the service can cause problems for a company that may possibly affect their sales negatively. This is the reason it is utmost important to constantly motivate employees, provide them with a convenient working environment and most importantly be thorough in the hiring process.

The second P is the physical evidence which refers to the environment in which a service occurs, combined with tangible commodities. The tangible commodities include representation of services such as brochures, company stationery, business cards, reports, company website and so on. (Van Vliet. 2011.) Even in a case where the purchased product is not a tangible one, there still exists physical evidence. For example, a company selling gift cards online, provides a customer with physical evidence through their website design. If the gift card is received as a PDF file, it does not count as a tangible product but still is defined as a physical product the customer receives. (Anon. 2016.) The physical evidence works as a crucial factor in how the customer experiences a brand, product or service and therefore it is important that the physical evidences a business provides are well thought through. "In conclusion, the physical evidence serves as a visual metaphor of what the company represents, what services it facilitates and the relations between customers and employees." (Van Vliet. 2011.)

The third P of the 7P's of the marketing mix refers to the 'process' that occurs when a customer purchases a product. The process in short, refers to how the delivery of a service or product is done, whether the service happens with the customer present or then without physical contact with the customer. It is important to take into consideration the possible waiting time of a customer as a service is made up of a chain of activities. (Van Vliet. 2011.) If the process of delivering a product or service does not run smoothly it may affect the customer's image of a company and result in dissatisfaction. For example, if a customer must stand in line for a long time upon the purchase of a product, it might cause frustration and in the worst case, the customer might decide not to buy the product at all

and leave the store empty handed. The same goes for online sales of products or services where delivery plays an important role and the delivery process needs to be made as easy and fast as possible for the customer.

The three more P's introduced in this chapter are a brilliant addition to the 4P's. The 7P's provide a deeper base on how to take the bigger picture of marketing and selling products and services. The three P's cover the areas of customer satisfaction, customer experience and buying needs extremely well. Sensory perception is introduced to the reader in the next chapter. The chapter will cover the sensory perception's elements sight, touch, sound, smell and taste in depth.

## **2.5 Sensory perception**

It is a well-researched fact in science that the five senses affect human behaviour. Some say that the human sense factors have been neglected in marketing for a long time, ignoring their importance in brand image and brand identity. The five human senses are an utmost important part of consumers purchase and consumption processes. (Hultén, Broweus & Van Dijk. 2009.) Sensory perception is a crucial element in experiential marketing as through the senses of sight, touch, sound, smell and taste, we are able to make a difference in the way a customer perceives a brand or a company. By using sensory perception, we draw to customers' emotions through their senses and therefore affect and manipulate their behaviour to the benefit of a company.

Krishna (2011) defines sensory marketing as marketing that engages the consumers' senses and affects their behaviour, perception and judgement. Sensory marketing can be used to create subconscious triggers to affect a customer's perception of a product's features. Krishna (2011) uses Hershey's chocolate as an example where she goes on to compare a Hershey's Kiss and Hershey's chocolate slab where the formula of the product is exactly the same but especially the Hershey's Kiss truly provides a consumer with a sensory experience. The Hershey's Kiss is a mouth sized bite in a shape of a luxurious flat bottom "teardrop" and on top of that the product is single packaged which means, a consumer gets to unwrap it like a gift every time. In addition to these two sensory experiences a Hershey's Kiss always has a strip of paper projecting from the top of the candy that has "kiss" written on it and sometimes the company even hides messages on the strips that customers can only see as they open the product.

Hershey's Kiss is a great example on how a company can develop products and services outside the box and make a difference in how a consumer perceives it. It does not necessarily mean spending humongous amounts of money as small changes and new ideas



can create such experiences that draw into a consumer's emotions and therefore create a bond with a customer. For example, grocery stores are full of products where the formula of a product is merely the same but simply from a different brand which creates competition. The absolute winner of this competition will be the brand that is smart enough to go the extra mile and use sensory marketing within their brand and products.

The sight sense is considered to be the most trusted of all human senses. In order to understand what we see we often need our touch sense as well, to get a more complete understanding of what something actually is. The other three senses strengthen what the sight and touch senses are experiencing. In the modern society a company needs to be seen more easily and clearly than before, thus, for companies this offers a great possibility to visualize and clarify their brand identities. The Swedish Absolut Vodka, the American Apple, and the German BMW are often brought up as examples of companies that are successful in visualising their values and identities through their brand designs. All three of these brands are recognised worldwide which is a result of strong input in the visualisation of the brand and therefore gives them a major competitive advantage. (Hultén & al. 2009.)

The sight sense is not only how consumers see brands and products but also a lot about how they perceive the environment where something is sold or what the sales clerk is wearing. When companies are using digital marketing or other marketing channels they must remember to create the contents so that they are aligned with the brand image and express the same values and identity. One thing to bear in mind is the fact that when using online marketing, the only two senses that can be affected are sight and hearing which is why companies must thoroughly consider the content they put out. One must not forget that the sight sense is also about eliminating negative sights, an example of a negative sight could be a store where the customer sees a messy storage behind a door accidentally left open. In this case the customer's image of the store might completely change in a negative way. The sight sense will be incorporated in the experiential marketing campaign, by having a clear brand image and producing visually pleasing, simple content for the customers.

The touch sense is the first sense that a human develops in the womb and the last sense to be lost with age. (Krishna. 2011.) The touch sense is an important way for customers to perceive the value and quality of a product. This applies to cars, clothes, food and electronics where the consumer's choice of product is often influenced by whether the product feels good physically. The touch experiences companies create for consumers do not only

apply to the product itself but also to the packaging of it. (Hultén & al. 2009.) When marketing services instead of products, the touch sense should still not be forgotten even though the service is not tangible. A service providing company can draw to their customers' touch senses with for example the materials they use in their offices or the quality of candies they serve to potential customers. Hypothetically, imagine if the chair that the potential customer sits on during sales negotiations is uncomfortable and broken, and the coffee is served from a plastic cup instead of a porcelain cup. The perceived image of that company will be affected by the customer's touch sense experience in the offices and in the worst case, result in an impression of bad quality products within the company.

The sound sense cannot be turned off and therefore sound is an enormous part of our everyday life. We live in symbiosis with sound and determine ranges of motions with it, whether it is positive or negative emotions. Companies must work hard to eliminate nasty sounds that sound unpleasant, like for example a door screeching or a chair making noise when being pushed. People do not only experience sound but also give it a meaning through communication, interpretation and expression. (Hultén & al. 2009.) Sounds and melodies are highly associated with how a person feels, a high tune can make one happy and a low and dark tune can do the opposite. The sound sense can be considered a little bit underrated among marketeers. Hultén & al. (2009) mention Microsoft's Windows Vista starting sound as a good example of how the sound sense can be connected to a brand. The tune created for Windows Vista played on millions of computers every day with its pleasant four second tune, and therefore has stuck in people's minds and is highly associated with Microsoft. For Microsoft it took 18 months to develop their desired sound, but for smaller companies and projects the sound sense can be easily activated with the simplest of sounds with a wallet friendly budget.

Smell is a sense that might be a little difficult to influence, even though it is the sense that is often linked to emotions and not facts. This makes the smell sense an important trigger when manipulating customers' behaviour. The smells one likes, and dislikes are often associated with past experiences and memories, both positive and negative. Certain types of scents can therefore bring up memories from the past. (Krishna. 2010.) In sensory marketing scents can be used to advertise a product or to differentiate, position and strengthen a brand. A grocery store in Stockholm, Sweden tested using an artificial scent of oranges in their vegetable section for a limited period of time. Using the scent resulted in a noticeable increase in the sales of the oranges. (Hultén & al. 2009.) Many bigger chains are exploiting the customers' smell senses with simply perfumes and diffusers that enables the customer to create a sensory experience with the brand and even maybe connect the smell to a pleasant event in the past.

According to Krishna (2011), the taste sense is actually a combination of all the five senses, no matter whether it is milk, chocolate or wine, one tastes. The taste is determined by how the food smells, how it feels in our mouths and whether it is spicy or not, whether it looks appealing to us and finally how it sounds when we bite it. The taste sense is said to be the weakest of all human senses and it is seldomly targeted in marketing. One of the reasons, the taste sense is not utilized as much as the other senses is that companies, excluding the food and beverage industry, find it difficult to apply the taste sense to their marketing as the products they are selling have nothing to do with taste. Customers often find it difficult to describe and express their preferences when it comes to taste, which creates a challenge for companies that wish to develop the taste of their products. Even though taste would not be a part of a company's core product, food and beverage can still be used to improve the interaction with the customer. The taste experience should be created in a way that enables the customer to connect the taste with a particular brand. (Hultén & al. 2009.)

The goal in sensory marketing is to create a holistic sensory experience where the identity and values of a brand are present, and the customer experience stimulates all the five human senses. Companies with smaller budgets might not be able to indulge in all five senses in their marketing campaigns, so they must aim to utilize as many senses as possible within their marketing budget. "Sensory marketing has only just seen the light of day, but it is here to stay as long as the third wave is here." (Hultén & al. 2009.)

The author has now taken the reader through all the theories and concepts that will be used in the experiential marketing handbook for Herceg-Noví's experiential marketing campaign. First the reader was introduced to the concept of marketing and how through a realization of the importance of customers experiential marketing was born. From there on the marketing mix was explained to the reader. The marketing mix, in simple, could be called a 'check-list' for marketeers to remember to take into consideration all the aspects of marketing. Lastly, the five human senses' affect to marketing and customer experience through sensory perception was stressed for the reader. In chapter three of the thesis, the author will take the reader through the process of how the product of this thesis was created.

## **2.6 Own framework**

In this chapter the author will create her own framework for the handbook for Herceg-Noví's experiential marketing campaign. The author uses figures to show the reader which

components of the marketing mix's 4P's and 7P's and sensory perception has been chosen to be used in the experiential marketing handbook. The author explains why certain components of the theories were left out and how she ended up those ones that have been chosen for the handbook. The author's framework consists of two part where the first part deals with the marketing mix's 4P's and 7P's and the second part of the sensory perception. The justification for the use of certain theories is explained shortly to the reader in this chapter, and later on in the handbook the author will go deeper into the use of the theories in the experiential marketing campaign.

The marketing mix's 4Ps consist of product, price, place and promotion. As the author discussed in the earlier chapters, the 4P's of the marketing mix apply better to products instead of services. The 7P's of the marketing mix consist of physical evidence, people and process. The 7P's were created later on to be better applicable for intangible services. Altogether the author will use product and promotion from the 4P's and then physical evidence, people and process from the 7P's (illustrated in Figure 4). In Figure 4 the author shows those marketing mix components that were chosen for the handbook, in blue and those that were left out in grey. Next the author justifies why these certain components of the 4P's and 7P's were chosen.



Figure 4 the Marketing Mix's 4P's and 7P's in author's framework (Partanen, 2019)

From the Marketing Mix's 4P's, price and place will not be a part of the end product of the thesis, the handbook. Price mix is not accurate for the campaign as it refers to the pricing strategies targeted towards the consumer and in the experiential marketing campaign, consumers will not pay money to participate. The campaign executed based on the handbook will require a budget, but the objective is not to gain profit in a short span of time

and instead, gain visibility for Montenegro as a tourist destination among Finnish tourists in long term. Place mix refers to where a good or a service is sold. In the experiential marketing campaign for Herceg-Novi, no good or service will be sold for the participants. Those participants who wish to travel to the destination will most likely book their trip through an agency that is an independent partner and is not connected to those who execute the experiential marketing campaign.

Product represents a tangible or an intangible good or service. In the Herceg-Novi experiential marketing campaign, Montenegro as a country, represents the product. Obviously, Montenegro cannot be changed or altered for this project but instead, the right features of the destination can be emphasised in the campaign. The target audience must be taken into consideration when deciding on how to present the country in the experiential marketing campaign. For example, the design and layout of the campaigns social media page is an important part of how the target market perceives Montenegro, the product. The marketed content on the destination needs to fit the target market's interests as well.

The next P that was chosen for the handbook is promotion. Promotion is an utmost important part of the experiential marketing campaign handbook as it is the P that is focused in marketing activities and thus, in gaining visibility and reaching the target market. The experiential marketing campaign executed based on the handbook is planned to be a combination of marketing activities through various channels and an immersive live brand experience, an interactive marketing event. Both, marketing and live brand experiences can add value to the target audience. When executed well, they allow the consumer to engage in the marketing activity or event with their senses, which deepens the relationship between the brand and the consumer.

Physical evidence refers to tangible commodities and representation of service. Physical evidence can mean business cards, marketing brochures or brand merchandise like bags, pieces of clothing etc. The physical evidence will only play a small role in the experiential marketing campaign for Herceg-Novi but is still an important factor to take into consideration. Mostly, the physical evidence will include brochures that will be available in the interactive marketing event.

The people are a crucial part of the Herceg-Novi experiential marketing campaign as they can make or break the entire project. The people create and manage the project from the scratch and are responsible for how the experiential marketing campaign turns out for the target market. Those who manage the social media sites will directly affect the target market with the material and their vision of the project. The marketing event's staff will also

have a big impact on how the participants perceive the campaign as they are interacting with the participants and in a way, the faces of the campaign.

The last P used in the experiential marketing campaign is process. The process refers to the set of actions that occur when a customer purchases a product or a service. In the experiential marketing campaign for Herceg-Novci the possible purchase of a trip will happen with an outsourced company which means managing that process will not be in the hands of those who execute the campaign. On the other hand, the process mix can be applied to the interactive marketing event that will be executed within the campaign. The event must run smoothly and be arranged well so that the participants do not have to stand in long lines when taking part for example.

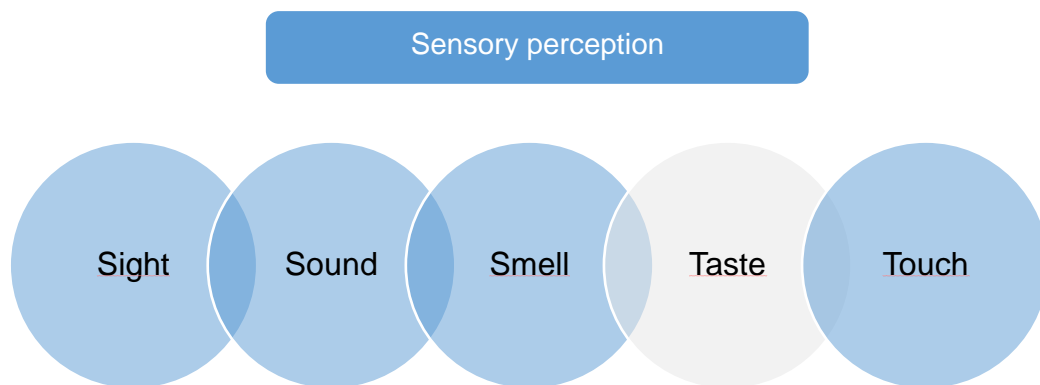


Figure 5 Sensory perception in author's framework

Sensory marketing includes the five human senses that are sight, sound, smell, taste and touch. By using the five human senses in marketing, companies are able to draw to customers' emotions and therefore create value for their brand. The author has only left out one sense from the framework which is taste. Taste as a sense will not be used in the experiential marketing campaign so the focus on the handbook can be on emphasizing the other four senses. Next, the author will justify why sight, sound, smell and touch senses will be used.

Sight will be in a very important role in the entire campaign both in the social media marketing and the marketing event. Social media marketing is all about visualization and

providing the consumer with a clear and interesting brand image. In social media marketing, a brand needs to visualise their values and identity through brand designs. In social media marketing, the sound sense can be used as well through video clips and other animations with sound. On the other hand, in the marketing event, the location needs to be chosen so that there are no harmful or displeasing sounds that could affect the event's success negatively. Music is also always a pleasant addition to any event or happening. The smell and touch sense play only a small role in this type of an experiential marketing campaign. The author chose to use and mention the smell sense as it is utmost important to eliminate bad smells from all types of events as it might result in a disaster. A marketer must choose the location wisely taking into consideration any kind of potential displeasing smells. The touch sense should be considered within the event if the organizers plan to use any tangible materials as equipment or décor. For example, if the event organiser provides the participants with pens for the event, the pens need to be in good condition and work with no problems as such a small thing might affect people's experience and damage the success of the event. Also leaflets any other printed marketing material can affect the consumer's touch sense.

In this chapter, the author has shortly explained to the reader why the certain theories will be applied to the experiential marketing handbook for Herceg-Novi. Some parts of the marketing mix and sensory perception were left out from the framework as they did not fit the type of a campaign that is executed based on the handbook. The author justified why these certain theories were not applied in the end product. In the next chapter, the author will take the reader through the creation of the handbook with the targets, objectives, problems and development of the product.

### **3 Creating the handbook**

This chapter of the thesis introduces the reader to the overall creation process of the thesis and the end product, the handbook. The author takes the reader through how the project was born and goes a little bit deeper on what Montenegro is like as a country. The author presents the targets, objectives and purpose of the work with a project plan. Lastly the entire process of the thesis and the handbook is assessed from the author's own point of view.

#### **3.1 Background of the project**

The author's interest towards the experience economy started rather early in her studies. In the first year, Violeta Salonen, who supervises this thesis, held two amazing courses on the experience economy, which then got the author interested in the topic. Later on, in the third year of studies, the author decided to attend a few more experiential marketing courses to gain deeper knowledge on the topic. The idea of creating an experiential marketing handbook for Herceg-Novi was born through a project the author did at school in her third year. The project was requested by the Tourism Info of Herceg-Novi (TOHN) from Violeta Salonen. The project mainly focused on creating ideas on how to increase the amount of Finnish tourist traveling to Montenegro, so in other words the long-term goal is the same as in this thesis. The author found the topic very interesting and therefore wished to do her thesis on the topic and to develop the idea even further. The author suggested creating a product-based thesis based on the previous project, and Violeta Salonen together with TOHN agreed that the thesis will help the project to evolve even further.

The author had originally planned to finish her studies in Spring 2018 but there were some obstacles on the way. The author had started another product-based thesis for a commissioning company she was working for in the beginning of the year 2018. The topic was an interesting one for the author, but the thesis was not going forward, and the author wanted to turn a new page by leaving the current workplace. The idea for doing the experiential marketing campaign handbook was born rather quickly after discarding the first topic, and the author started the work. The thesis process has taken longer than the author originally planned and expected. Combining doing the thesis and working almost full time while changing to a new job turned out to be more intense than the author could have expected.

##### **3.1.1 Experiential marketing in a developing destination**

Montenegro's tourism has faced some challenges due to restlessness in the surrounding areas. The Yugoslav Wars took their toll on Montenegro's tourism rates and now that the



wars have ended, and the surrounding areas are calm, their potential as a popular tourist destination is marvellous. With low tourist rates, also the budget for marketing and advertising of the tourism sector is low. Montenegro is still developing itself as a tourist destination and, therefore, cannot be considered as fully developed. Experiential marketing is a highly suitable marketing strategy for the case of Montenegro and Herceg-Novi. Experiential marketing is rather cheap as social media marketing tools are widely in use and as discussed before, the power of social media is great as it can reach thousands of people from all over in a short span of time. Also, experiential marketing campaigns most often include marketing events which draw a lot of positive attention from consumers. It is understandable that, as Montenegro is not yet a highly popular destination among tourists, the money put into marketing campaigns has to be reasonable and show success before enormous amounts of money can be invested. Therefore, an experiential marketing campaign is an amazing opportunity for Montenegro to start growing their tourist rates.

### **3.1.2 Montenegro as a tourist destination**

Montenegro is a beautiful hidden gem by the Adriatic Sea. The Republic of Montenegro is located in the Balkans with Albania, Bosnia and Herzegovina, Croatia, Kosovo and Serbia as its neighbouring countries. The country itself is rather small in size but the experiences it can offer to tourists is unbelievable. Montenegro has something to offer to all kinds of travellers with different needs and desires. The coast is perfect for a beach holiday and relaxation, where on the other hand the mountains and the nature will fulfil all the active travellers' needs. Traveling from Finland to Montenegro is easy as the currency is the same and there is only one hour of time difference. Montenegro can be considered a rather cheap destination as well. Tourists are constantly seeking for unique experiences away from the mass tourism which is exactly what Montenegro has to offer.

Flying to Montenegro is possible and easy through direct flights from Helsinki-Vantaa airport through March to October. One can either fly to Dubrovnik, Croatia which is approximately one hour away from Herceg-Novi or then directly to Tivat, Montenegro which is just 20 minutes away from Herceg-Novi. Finnair has been flying directly to Tivat for a longer time, and in addition to that, Norwegian opened its route to Tivat in the end of March 2019. Norwegian is known as a budget friendly commercial airline, and them opening the route to Tivat, can be taken as an advantage when it comes to the execution of the experiential marketing campaign.

### 3.2 Project plan

The author started off the thesis process in a very slow phase as no deadline was set and the author felt like there was no rush with the thesis. The process started running in a good phase as soon as the deadline was set for the thesis to be finished. Also, starting a new job at the exact same time as starting with the new topic affected the time the author could dedicate to doing the thesis. The thesis process from start to finish, lasted approximately seven months which is a long time working on a project like this. The author has learnt a lot about project planning and making schedules from the thesis process and will use the knowledge in projects in the future.

Table 1. Thesis process timetable

<b>Task</b>	<b>Date</b>
First meeting about thesis topic	24th September 2018
Subject plan and thesis outline submitted	28th November 2018
Table of contents finished	3rd December 2018
Introduction chapter ready	5th January 2019
Questions sent out to TOHN and analysed	22nd January 2019
Completing the theoretical part	13th February 2019
Completing the theoretical part	27th March 2019
Theoretical part finished	6th April 2019
Own framework and handbook finished	20th April 2019
Process and discussion parts finished	26th April 2019
Final adjustments and abstract ready	27th April 2019
Thesis presentation	29th April 2019

Table 1 shows the reader the entire thesis process with the most important tasks and when they were completed. The entire thesis process started with a meeting about the thesis topic on the 24<sup>th</sup> of September 2018 and from there it took until 27<sup>th</sup> of April 2019 to finish the work. Author started with an entirely different thesis topic exactly a year ago, in the spring 2018 but the topic proved out not to be a good one for the author, so it was not used. After changing the topic into the experiential marketing campaign handbook, the author took a while to get started with the process. Some struggling happened with the completion of the outline and the author found it difficult to see the bigger picture of the thesis and to get started.

With a thesis process as long as seven months, there were times when no process was made and even a few weeks might go by without any writing. This was due to the difficulties getting started with the thesis as well as starting a new job and having pressure from there to develop within the few first months. The last two months of writing were more

consistent as the entirety of the thesis had formed clearly into the author's mind. Theoretical framework was a challenge as the reading and researching took a lot of time but after the completion of the theoretical framework the entire thesis was finished in three weeks. Creating the product, writing about the process and discussing the results were pleasant to do for the author.

If the thesis process had been shorter it would not have affected the quality of the work but the writing would have been easier for the author as there would have not been long breaks where no writing was done and so it was harder to catch up and start the writing again. As soon as the thesis presentation date was set, the author started working on the writing more consistently and so, the most work was done towards the end of April.

### **3.3 Purpose and objectives of the handbook**

The experiential marketing campaign handbook created in this thesis process will work as the first step towards a project executed for Montenegro and more specifically, the city of Herceg-Novi. The project has been requested by the Tourism Info of Herceg-Novi. The handbook's purpose is to work as a guiding tool for those who execute the experiential marketing campaign. The handbook is an easy to use tool with clear information on crucial topics within the experiential marketing campaign.

The objective of the thesis is to create a handbook that is easy to use and benefit those who execute the experiential marketing campaign. The handbook has been created so that it is easy to use and has clear instructions for how to use each of the theories in the project. In a longer span of time the objective is to have a successful campaign with the help of the handbook. A successful campaign would result in the growth of Finnish tourism to Montenegro. These objectives will not be reached until the campaign is executed but upon the submission of the thesis the author is able to gain feedback on her work.

### **3.4 Methodology**

The experiential marketing campaign handbook for Herceg-Novi was created through intensive desk research. The author chose this type of a research as it is a way of research which can be carried out by mainly sitting at a desk. The amount of different types of materials that are accessible through Internet's research tools is just amazing. Through desk research the author had access to numerous books, magazines, articles, publishes and other studies on the thesis topics. Also, the author had prior existing material on the theoretical base of the thesis, as the experiential marketing courses she had attended evolved a lot around the same theories that the author uses in the thesis. The author had prior

knowledge on the experiential marketing theories and, therefore, getting started was rather easy. Moving forward and going deeper into the theories the author continued studying and researching the experiential marketing theories used in the thesis.

The thesis process also included a semi-structured qualitative interview as well as a quantitative research. The semi-structured interview with Ljubica Vasiljevic was conducted for the purpose of introducing the reader to the Tourist Info of Herceg-Novi, to establish mutual goals and to justify the need for this project. The semi-structured interview is an important part of the thesis process as it helps the reader to understand why there is a need for this project. The quantitative research was conducted for the purpose of researching the target market's relationship to Montenegro as a tourist destination and their willingness to participate in an interactive marketing campaign. Important conclusions about the target market's relationship can be drawn from the responses, which will then help in the process of planning the entire campaign. The next subchapter introduces the reader to the results of the quantitative research survey.

### **3.5 Quantitative research results**

The author conducted a quantitative research in the thesis process. The quantitative research was conducted through a questionnaire that included seven rather short and easy questions. First questions were about the respondents' sex and age, the following questions about their knowledge of Montenegro and then finally the last question about their willingness to participate in an interactive marketing campaign. The total amount of responses the author got is 32. The author is extremely happy with the amount of responses as having that many respondents will give the author a good overview of the target market's opinions. Of the respondents, 37% were male and 63% female in between the age of 21 to 27. The second question was an open question about age and the calculated average age of all the 32 respondents, was 23,8 years.

The third question was about how often the respondents of the survey travelled abroad. As illustrated in Figure 6 we can quickly conclude that those 32 respondents of the questionnaire all travel abroad at least once a year. The answer option 'less than once a year' did not get any responses. 13% of the respondents answered that they travel abroad once a year. All three of the remaining answer options came very close to each other in their answering percentages. 31% of the respondents travelled twice a year, which was the most popular answer in this question. Both 'three times a year' and 'more than three times a year' – options each, got 28% of the answers. The conclusion made from this question is that the respondents of the survey, and therefore 32 people who fit in the target market

of the campaign, do travel abroad a lot. This is great justification for the decision of having 20-27-year-olds as the target market in the campaign.

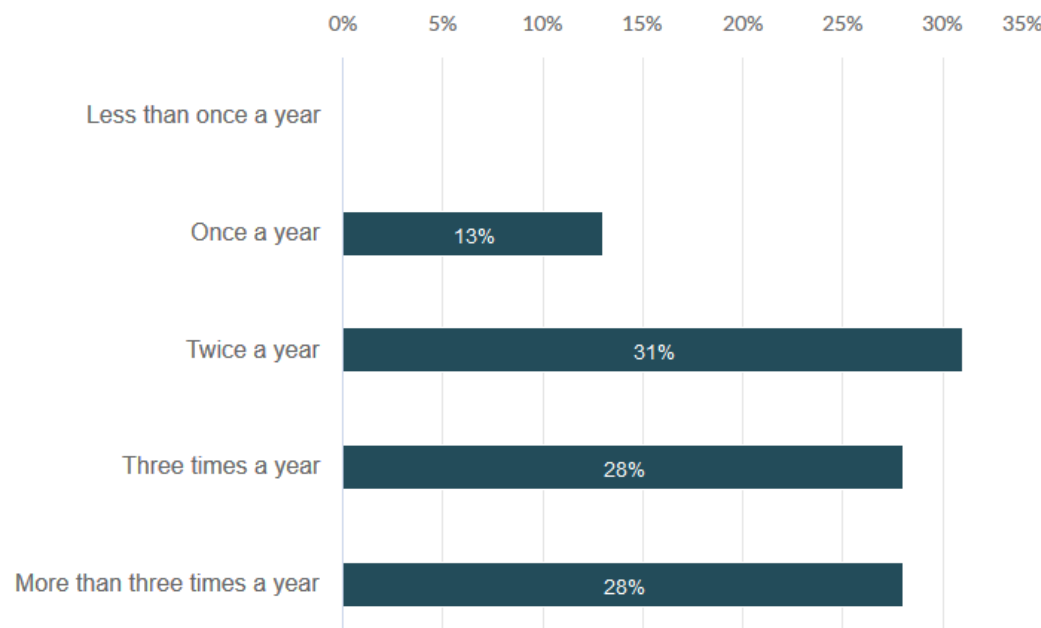


Figure 6 How often the respondents travel abroad

The fourth question was about whether the respondents of the questionnaire had been to Montenegro before. Out of the 32 respondents only three had visited the country before which is 9% of the total of the respondents. The result was not as surprise for the author as the hypothesis was that only a very small percentage had been to Montenegro before. Those who had been to Montenegro before were moved to the next question which was 'Would you like to visit again'. All three respondents that had visited Montenegro before, would like to go there again. The author also asked them why they would like to go again, and the respondents answered that it was a nice and a beautiful place with affordable prices and one of the respondents had visited as a kid and would be interested to go as an adult.

91% of the respondents had never been to Montenegro. Those respondents were next asked about their willingness to go to Montenegro and why they would or wouldn't like to go. A surprising 21% of the respondents said that they would not be interested in visiting. Reasons for not wanting to visit was that they had no interest in the destination, it was not on top of their travel list at the moment and that they have other destinations they would go to over Montenegro. Also a few of the respondents mentioned that they had not considered Montenegro as an option before. The responses to this question can be considered a little bit negative but on the other hand those who had not considered the destination before might now think of it as an option after answering the survey. Montenegro has

potential of becoming more known as a travel destination by using more aggressive marketing strategies and campaigns such as the experiential marketing campaign executed based on the handbook created in this thesis process.

Those respondents who had not been to Montenegro before but would be interested to go there in the future, were 79% in total. The author asked an open question from those respondents about why they would be interested to go there. The purpose of the 'why' question was to research the factors that interest the target market in the destination which will then later on help those who create the experiential marketing campaign. The answers were a lot like the author expected (illustrated in Figure 7). A few mentioned about the destination not being too touristy yet, which is a huge advantage of Montenegro that they should take advantage of. Also, many of the respondents described it as a beautiful destination, some talked about the nature, the warm weather and also mentioned the culture and history of the country. The author is very pleased with the results of this question.



Figure 7 Respondents' answers to why they would like to visit Montenegro

The sixth question was an open question researching the respondents' prior knowledge of the destination. The purpose of the question is to study what the level on knowledge in generally is in order to be able to have the right type of informative marketing materials in

the upcoming experiential marketing campaign. Nine of the total of 32 respondents answered that they do not really know nothing about the destination which means that Montenegro needs more visibility. One respondent mentioned the Eurovision song contest, also Serbia was mentioned as well as the Montenegro Casino. Positively, many of the respondents gave longer and deeper diving answers (illustrated in Figure 8) about their perceptions of the country. The respondents seem to perceive Montenegro quite correctly and as a beautiful country with a nice nature. Few of the respondents mentioned about cheap prices as well as about Russian tourists. One respondent thought that Montenegro is an expensive travel destination, which was in fact the only “wrong” information anyone had about the destination.



Figure 8 Respondents' perceptions about Montenegro

The last question in the survey was about the respondents' willingness to participate in an interactive marketing campaign where the main prize would be a free trip to Montenegro. With this question, the author wanted to see how eager the target market and the respondents would be to participate in the campaign. 81% of the respondents would be interested in participating in the campaign and 19% would not. If the results of this question are compared to the question about respondents' willingness to travel to Montenegro, a consistency in the percentages can be seen. The author believes that those who are not interested in the destination yet, also responded to the last question with a 'no' answer.

The author is pleased with the result of this question as 81% of only 32 respondents wanting to participate in the campaign is an extremely positive number and works well as justification for the execution of the campaign.

Altogether, the quantitative research showed positive results and the author feels that the target market fits the campaign very well. Montenegro being a not too touristy destination and having rather cheap prices are considered as main advantages of the destination. Obviously, Montenegro's beautiful nature and scenery, that also the respondents were aware of, is a big part of the country's potential as a travel destination. These are only preliminary results with a small number of participants, but they do show potential and interest to attract more Finnish travellers to Montenegro. Perhaps, a questionnaire that would be conducted after the experiential marketing event, on a bigger scale, would show different results with an increase in knowledge and interest.

### **3.6 Risks and limitations**

Any possible risks and limitations regarding the product must be acknowledged so that they can be prepared for or eliminated if possible. The author feels that there are no great risks in the usability of the handbook. In a way, the handbook is only a supporting tool in the creation of the event. Though, there could be many possible risks and limitations when it comes to the entire marketing campaign and implementing the handbook. The author will not present three limitations and risks.

The first risk the author wants to assess is the budget. Even though experiential marketing is cheaper than traditional marketing, the campaign will still require a good budget. Herceg-Novi is only a small town and for them to be able to attract the whole nation to the destination will cost them a lot of money and be difficult with a limited budget, which most probably is what they have. There is also a limitation regarding the author's own framework. Sensory perception and the marketing mix have obviously been used widely in marketing but there is no existing framework in combining those two. Author's own framework has not been tested so there is a risk that it does not work. One of the biggest risks the author identifies is the people who execute the project. Their knowledge on experiential marketing is most probably rather low so it is a challenge to start from scratch. They probably will not read the entire thesis, which would be good for the project, but only read and use the handbook. There exists a great risk on how they will implement their knowledge and the handbook to the campaign.



## **4 Discussion**

The product created in this thesis process is an experiential marketing campaign handbook for Herceg-Novi. The creation of the handbook works as the first part of executing the campaign where the long-term objective, after the campaign has happened, is to see growth in the number of Finnish tourists travelling to Montenegro. The handbook works as a supporting tool for those who, in the future, will carry out the experiential marketing campaign. The handbook is based upon two experiential marketing theories which are the marketing mix's 4P's and 7P's and sensory perception.

The author learnt from the thesis process and especially from the quantitative survey, that Montenegro's full potential as a tourist destination among young adults is great. The entire campaign, if carried out professionally and executed well, has great potential in putting Montenegro and Herceg-Novi on the map among young travellers. The author and the Tourist Info of Herceg-Novi truly believe that through the experiential marketing campaign, Montenegro and Herceg-Novi can gain great publicity resulting in raised awareness of Montenegro as a travel destination.

### **4.1 The thesis process**

The thesis process, as mentioned before, lasted altogether for 7 months. The author acknowledges the fact that with a more consistent working phase the thesis could have been done in a much shorter span of time. One of the problems in the process, that the author realised rather late, was that there was no deadline set when the author started writing the thesis. There was no rush for the completion of the thesis by the school or the author. Now that the thesis is almost finished, it is clear that with a more consistent writing phase, the entire process could have been easier. Weeks and even a month might go by without working on the thesis for even one day, which created a challenge to pick up where the author had previously left off.

Writing the thesis started off very slowly and the author struggled with the thesis outline right in the beginning. The most difficult part was trying to put together the thought of what the thesis is all about even though the topic and the objectives were clear from the very start. The author found it to be hard to see the entire thesis as a whole and to imagine how it was going to form out in its entirety. After finishing the introduction chapter, the author had a clearer vision of what is expected of the thesis and how it was going to form out as goals and objectives were established.

Writing the theoretical framework was a challenge even though the author had prior knowledge of the topics and an interest to learn more. The material available on different types of experiential marketing theories on the internet is humongous which was both a positive and a negative aspect for the process. The amount of reading and having to be critical on the relevance of the information felt unbearable at times. It took a while for the author to get familiar with the many search engines that were used in the thesis process as they had not been used that much during the author's studies. Gathering data was challenging at first, but towards the end of the theoretical framework, the author became more familiar with finding good sources for information. Writing a thesis is entirely different from anything the author had written during studies, but the process has been very educating.

The most pleasant and easy-to-write part of the thesis was the product itself, the handbook. The author felt confident about the format and the contents of the handbook as the vision of it had been clear from the very start. Writing the theoretical framework gave the author a lot of new information of the topics of the handbook, so that when it was time to write, the author felt that she had all the necessary information in order to create a great handbook. The fact that the product did not have to follow any University guidelines, gave the author extra enthusiasm on being able to be creative in the process.

The help of the thesis supervisor in the process, has meant so much to the author. With one thesis already started before coming up with this topic, the author's motivation to graduate, was not the best in the beginning. The expected graduation time, at first, was in Spring 2018 but the challenges in working life and the first thesis topic failing had the author feeling down. The great energy and good co-operation between the supervisor and the author have been priceless. Meetings were scheduled always when needed and the supervisor would read through the work as the author processed with the content. The comments the supervisor gave on the text were necessary and great, and made the entire content of the thesis so much better. At times, it felt hard, having to go back to edit a large piece of text when the author had just thought it was finished. The theoretical framework had to be edited the most and therefore writing it took a long time.

During the entire thesis process, there were good days when writing was flowing but at times the author also experienced great stress, and everything felt too overwhelming. Writing the thesis for seven months was the author's own choice but looking back it could have been done in a much shorter time with less stressing. Altogether the process of writing the thesis has been so educating in many ways and the author feels very proud of the work.

## **4.2 Learning outcomes**

The author learnt a lot from the entire thesis process, that can be implemented later on in life in general, as well as in working life. The author had never written such a broad paper with this much information on it. Writing long academic papers will be easier in the future after writing the thesis and the structure in academic papers is now much clearer to the author. Learning to find good resources and being able to criticise them was also learnt in the process and will go to good use in the future. In general, gaining deeper knowledge on the experiential marketing theories has been rewarding. Especially the marketing mix's 4P's and 7P's and sensory marketing can be implemented to numerous types of marketing campaigns.

The thesis was lacking some project management by the author and could have benefited from better planning. What the author learnt from the process, is the importance of having a proper project plan right from the beginning. The project plan will help with building a structure for the entire thesis and therefore make the process much easier. When it comes to project planning, setting own deadlines is utmost important and would have helped the author in the consistency of writing.

In conclusion, the author is happy about the choice of topic and how it turned out to be. Even though there were some challenges and bumps on the road, it is a part of the process. The author is confident that the knowledge learnt through the thesis process will come to good use in the future working life and even in possible further studies. Also, knowledge in the field of marketing can be benefitted from and used as an advantage when searching for jobs in the fields of hospitality and tourism, which is where the author aims to build a career.

## References

- American Marketing Association, 2017. Definition of Marketing. URL: <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>. Accessed: 15 November 2018.
- Anon. 2016. Marketing Theories - The Marketing Mix - From 4 P's to 7 P's. Professional Academy. URL: <http://www.professionalacademy.com/blogs-and-advice/marketing-theories---the-marketing-mix---from-4-p-s-to-7-p-s>. Accessed: 29 March 2019.
- Arnett J. J. 2014. Emerging Adulthood: The Winding Road from the Late Teens Through the Twenties. Oxford University Press. New York. URL: <http://www.jeffreyarnett.com/Arnett%20new%20website/Articles/EAscondedition.pdf>. Accessed: 22 January 2019.
- Buttle, F. 2004. Customer Relationship Management: concepts and tools. Elsevier Butterworth-Heinemann. Oxford.
- Constantinides, E. 2008. The Marketing Mix Revisited: Towards the 21st Century Marketing. Journal of Marketing Management. Vol 22. Issue 3-4. Pg. 407-438. URL: [https://www.researchgate.net/profile/Efthymios\\_Constantinides](https://www.researchgate.net/profile/Efthymios_Constantinides). Accessed: 13 March 2019.
- Creative Guerilla Marketing, 2016. What is guerilla marketing? URL: <http://www.creativeguerrillamarketing.com/what-is-guerrilla-marketing/>. Accessed: 25 February 2019.
- Crossmark. 2014. Experiential Marketing: Can it be Localized, Personalized and Scaled Up Affordably? URL: <http://www.crossmark.com/report>. Accessed: 12 April 2019.
- Crouch, S. & Housden, M. 2011. Marketing Research for Managers. Third Edition. Routledge. London, New York.
- Derse. 2016. The Proof Behind the Impact of Experiential Marketing. URL: <https://derse.com/the-proof-behind-the-impact-of-experiential-marketing/>. Accessed: 15 March 2019.
- Eveleigh, J. 2017. Why the Product is the Most Important Part of the Marketing Mix. URL: <http://bxtvisuals.com/product-important-part-marketing-mix/>. Accessed: 18 April 2019.

- Faulds, J. & Mangold, W. 2009. Social media: The new hybrid element of the promotion mix. *Business Horizons*. Vol. 52. Pg. 357-365. URL: <https://s3.amazonaws.com/academia.edu.documents>. Accessed: 10 April 2019.
- Gujral, M. W. 2015. With exponential growth of technology, is traditional marketing dead? URL: <https://search-proquest-com.ezproxy.haaga-helia.fi>. Accessed: 12 November 2018.
- Hirschman, E. & Holbrook, M. 1982. The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun. *Journal of Consumer Research*. Vol. 9. Pg. 132-140. URL: <http://web.a.ebscohost.com.ezproxy.haaga-helia.fi>. Accessed: 10 April 2019.
- Hultén, B., Broweus, N., Van Dijk, M., 2009. *Sensory Marketing*. Palgrave Macmillan. England.
- Katircioglu, S. 2009. Tourism, trade and growth: the case of Cyprus. *Applied Economics*. Vol. 14. Issue 21. Pg. 2741-2750. URL: <http://web.b.ebscohost.com.ezproxy.haaga-helia.fi>. Accessed: 23 March 2019.
- Krishna, A. 2010. *Sensory Marketing: Research on the Sensuality of Products*. Taylor and Francis Group, LLC. USA.
- Krishna, A. 2011. An integrative review of sensory marketing: Engaging the senses to affect perception, judgement and behaviour. *Journal of Consumer Psychology*. Elsevier. Michigan. URL: [http://www-personal.umich.edu/~aradhna/JCPS\\_247\\_rev\\_prf\\_ak.pdf](http://www-personal.umich.edu/~aradhna/JCPS_247_rev_prf_ak.pdf). Accessed: 3 April 2019.
- Lagiewski, R. & Revelas, D. 2004. *Challenges in cross-border tourism regions*. Rochester Institute of Technology. New York. American College of Management & Technology. Dubrovnik. URL: <https://scholarworks.rit.edu/other/551>. Accessed 20 January 2019.
- Madanat, H. & Nuseir, M. 2015. 4Ps: A Strategy to Secure Customers' Loyalty via Customer Satisfaction. *International Journal of Marketing Studies*. Vol 7. Issue 4. Pg. 78-87. URL: [https://s3.amazonaws.com/academia.edu.documents/41498268/Literature\\_Review-ProQuest.pdf](https://s3.amazonaws.com/academia.edu.documents/41498268/Literature_Review-ProQuest.pdf). Accessed: 14 April 2019.

Moric, I. 2013. Clusters as a Factor of Rural Tourism Competitiveness: Montenegro Experiences. *Business Systems Research*. Vol 4. Issue 2. Pg. 94-107. URL: <https://www.degruyter.com/downloadpdf/j/bsrj.2013.4.issue-2/bsrj-2013-0015/bsrj-2013-0015.pdf>. Accessed: 22 March 2019.

Norton, D. W. 2003. Toward meaningful brand experiences. *Design Management Journal*. Vol 14. Issue 1. Pg 19-25.

Rogers, D. L. Schmitt, B. H. 2009. *Handbook on Brand and Experience Management*. Edward Elgar. Northampton. URL: <https://www-dawsonera-com.ezproxy.haaga-helia.fi/readonline/9781848446151>. Accessed: 12 April 2019.

Rooney, J. 2011. Loyalty innovation, now an 'organic' campaign. *Advertising age*. Vol. 82. Issue 13. Pg. 16. URL: <http://web.b.ebscohost.com.ezproxy.haaga-helia.fi>. Accessed: 12 April 2019.

Schmitt, B. H. 1999. *Experiential marketing: how to get customers to sense, feel, think, act and relate to your company and brands*. Simon & Schuster Inc. New York. URL: [https://books.google.fi/books?id=a9vN9sSn\\_l8C&printsec=frontcover&dq=experience+marketing&hl=en&sa=X&ved=0ahUKEwjflcqIjPLfAhXl-jjwKHc9SDbEQ6AEIOTAD#v=onepage&q=experience%20marketing&f=false](https://books.google.fi/books?id=a9vN9sSn_l8C&printsec=frontcover&dq=experience+marketing&hl=en&sa=X&ved=0ahUKEwjflcqIjPLfAhXl-jjwKHc9SDbEQ6AEIOTAD#v=onepage&q=experience%20marketing&f=false). Accessed: 22 January 2019.

Schmitt, B. 2011. *Experience Marketing: Concepts, Frameworks and Consumer Insights*. now Publishers Inc. Hanover.

Singh, M. 2012. Marketing Mix of 4P'S for Competitive Advantage. *Journal of Business Management*. Vol 3. Issue 6. Pg. 40-45. <https://s3.amazonaws.com/academia.edu/documents>. Accessed: 25 March 2019.

Smilansky, S. 2009. *Experiential Marketing: a practical guide to interactive brand experiences*. Kogan Page Limited. London and Philadelphia. URL: <https://books.google.fi/books?id=Ehm2CTUoj1gC&printsec=frontcover&dq=experience+marketing&hl=en&sa=X&ved=0ahUKEwjflcqIjPLfAhXl-jjwKHc9SDbEQ6AEILjAB#v=onepage&q=experience%20marketing&f=false>. Accessed: 23 January 2019.

Sørensen, F. & Sundbo, J. 2013. Handbook on the Experience Economy. Edward Elgar Publishing Limited. Glos.

The Marketing Mix. 2017. The Marketing Mix 4P's and 7P's Explained. URL: <http://marketingmix.co.uk>. Accessed: 27 February 2019.

Van Vliet, V. 2011. Service marketing mix (7P's). URL: <https://www.toolshero.com/marketing/service-marketing-mix-7ps/>. Accessed: 29 March 2019.

## Appendices

### Appendix 1. Semi structured qualitative interview with TOHN employee, Ljubica Vasiljevic.

1. Please tell shortly about the Tourism info of Herceg-Novi?

Tourism Organisation of Herceg Novi (TOHN) is a local non-profit public service in tourism whose activity is to promote the original values of the municipality's territory. Specifically, its area of business is concentrated on wide range of activities in the purpose of promotion, improving the conditions for tourists staying and raising the quality of the tourism offer. Goal is strengthening and positioning Herceg Novi as a tourist destination as well as the active participation in creating a stronger brand image. Still, innovative marketing campaigns are needed in order to increase the competitiveness of a destination and to attract target markets.

2. Do you feel there is a need for this project?

There is a need for this kind of marketing campaign since TOHN wants to attract Scandinavian tourists and to draw their attention of touristic offer of our city. Just to give you insights into statistics for 2017. We had 43,143 number of nights from Norwegian tourists; 26, 191 from Swedish and 8,905 from Finnish tourists. According to the preliminary data (we still don't have final data for 2018) its obvious that numbers above would be exceeded.

3. Why did you choose to use an experiential marketing campaign?

We decided to go with this type of campaign because this strategy give us opportunity to promote destination is interactive relationship with potential customers using tangible elements. On that way TOHN will give tourists and target market one unique experience that will eventually make them interested to come and visit our destination.

4. What is the main target group (age) that you want to attract to Herceg-Novi?

Up to now, target groups were families and old people, but we want to attract more younger population through diversification of tourist offer and development of culture, adventurous and gastronomic wide of offers. Through IPA funds we got one more product in our city- the Adventure park in the hinterland of Herceg Novi, just 40min from the centre of the town.

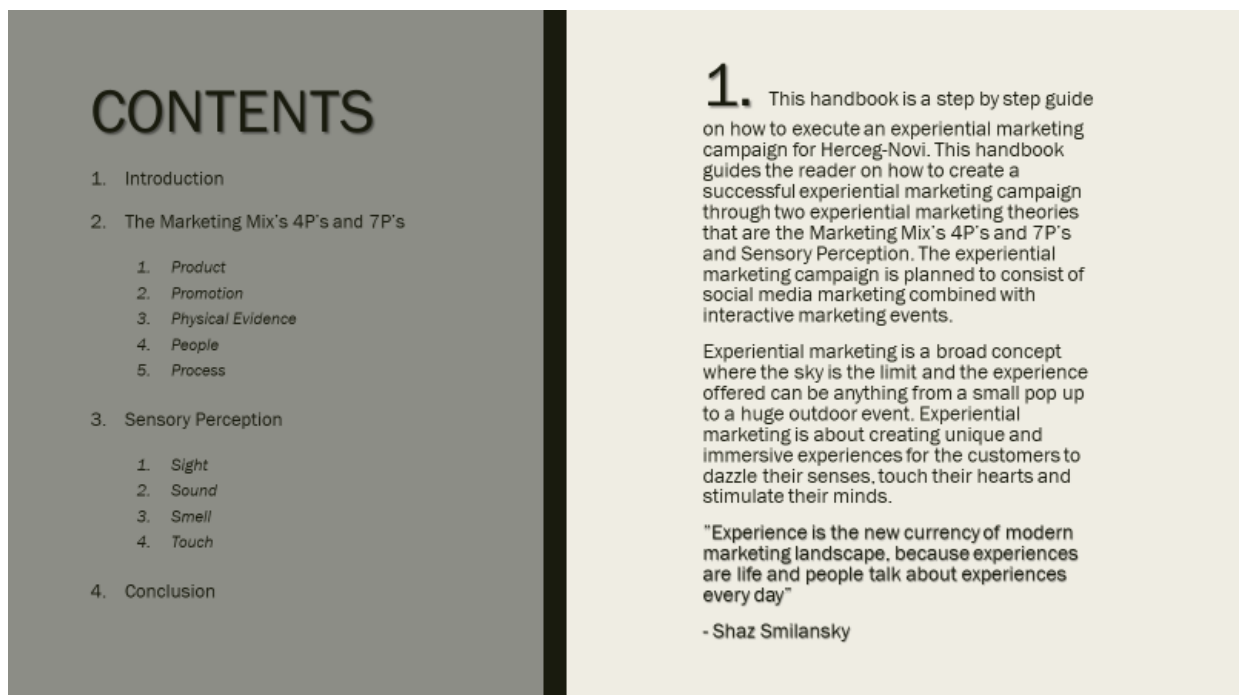


5. Would you describe Montenegro as a versatile destination?

Montenegro is completely versatile destination, combination of 3s (snow, sea and sun). During the summer it's all concentrated on the south, at Adriatic coast. During the winter time, tourists go to the north of the country and enjoy at snow activities. Herceg Novi is located at the entrance of Bay of Kotor on just 30 minutes from the mountain Orjen. So our tourists can enjoy in the both summer and winter time in our city. However, even though exist enormous potential for development of hinterland it is still unused and discovered. We intend to make dispersion from the crowded beaches to the beauty of our hinterland and mountain Orjen.

6. Do you believe in the potential of the project?

We truly believe in the potential of the project. Last year we have vast number of blogger visits and we use digital marketing for the purpose of active promotion. Bay of Kotor is one of the most beautiful bays in the world. It consists of 3 Adriatic towns (Herceg Novi, Kotor and Tivat) which together make one unique and appealing tourist destination. Since we want to break through Scandinavian market we believe that your coordination with University of management in Herceg Novi will be beneficial and bring additional value and more tourists from these countries.



# 1. Product

The first P, product can mean a tangible good or an intangible service.

- In this campaign, the product is Montenegro as a destination
- Montenegro cannot be changed as a destination and therefore the product cannot be altered for the project
- The image that is given of the product, Montenegro, can be managed
- Taking the target market into consideration, features and aspects of Montenegro, as a destination, must be highlighted so that the target market will gain interest
- The design, branding and quality aspects should be taken into consideration as they affect the perception of the product that the customer gets

Summary: Manage the features and aspects of the destination that are marketed to the target market. All marketing material related to the campaign should be of good quality and designed as well as branded keeping the target market in mind.

# 2. Promotion

The promotion mix is all about gaining visibility and reaching the target market through various tactics.

- The focus of the campaign should be on the promotion mix as it is an experiential marketing campaign and the focus will be on promotion through various channels
- The promotion mix includes all marketing activities that gain visibility and reach for the campaign
- Promotion channels that the author suggests for the campaign are: Facebook, Instagram, YouTube and possibly Snapchat
- Social media marketing strategies should be studied so that the campaign can go viral, reach the target market and accomplish its objectives in long term
- The success of the interactive marketing event is highly dependant on whether the social media marketing has reached and pleased the target market
- Participants should be attracted to the interactive marketing event with special offers that can be for example discount vouchers

Summary: Focus on the right kind of material on multiple social media channels to gain the target market's attention. In addition to the social media marketing, use special offers to attract people to take part the interactive marketing event.

### 3. Physical evidence

Physical evidence refers to the environment in which a service occurs, combined with tangible commodities.

- In the experiential marketing campaign, the physical evidence mix is applicable to both social media marketing and the interactive marketing event
- It applies to all representations of services such as business cards, brochures, company website and so on
- The physical evidence mentioned before are a crucial part on how a customer experiences a brand as a whole
- If the tangible commodities do not meet with the overall image of a brand, it creates confusion for potential customers and might harm the business
- All physical evidence must be professionally executed and in co-ordination with the overall brand image

**Summary: All physical evidence, whether it is tangible or intangible, must be professionally executed and in co-ordination with the overall brand image. Customers experience a brand through so much more than just the product or service itself.**

### 4. People

The people mix refers to everyone, from project manager to customer service staff, involved in the process of creating or providing services or goods

- The people involved in the experiential marketing campaign have an enormous impact on how the entire campaign is perceived by the audience
- Some people involved in the project might not be in direct contact with the customers but their input on the campaign will still show in some form
- It is utmost important to choose the people involved wisely, so that everyone works towards one goal and vision and thus, are willing to take responsibility in creating a successful campaign
- Especially those people working directly with the customers must have a good attitude and be eager to serve and help the participants
- Being able to motivate employees to good performances is an important task of the project management
- No matter how successful a campaign is, if the customers dissatisfied with the service they get from the staff, it may have a very negative impact on their experience

**Summary: The people involved in the entire project can make or break the campaign. Having dedicated and friendly staff is a key factor in delivering a successful experiential marketing campaign.**

## 5. Process

The process mix refers to the set of actions that occur when a customer purchases a product or service.

- In the experiential marketing campaign for Herceg-Noví, the purchase of a product or service will happen with an outsourced company, which is out of the hands of those who execute the campaign
- The process mix must be applied to the interactive marketing event held as a part of the campaign
- The entire event must be well planned so that the participants are clearly instructed on how to act
- Waiting in line for a long time to take part in the event or other organizational faults like missing equipment must be avoided to ensure the event runs smoothly
- The participating process has to be made easy and clear for the participants to avoid frustration and unprofessional image of the event

**Summary: All processes happening during the interactive marketing event must be thought through from start to finish. All confusion within the event must be avoided and processes must be planned so that participants have easy access to the information needed to participate.**

## 3. SENSORY PERCEPTION

- The sensory perception as a marketing theory is based on the five human senses that are: sight, sound, smell, taste and touch
- Sensory perception is used widely in experiential marketing as marketers are able to draw to customers' emotions through their senses and therefore create value for their brand
- Sensory perception is widely used in marketing but many companies only incorporate the most common and easy to use senses
- Through sensory perception a customer experience can be taken to a much deeper level with engaging all the senses
- Sight, sound, smell and touch senses will be incorporated in the handbook for experiential marketing campaign for Herceg-Noví

**"Sensory marketing is marketing that engages the consumers' senses and affects their behaviour, perception and judgement."**

- Aradhna Krishna

# 1. Sight

Sight sense is considered to be the most trusted of human senses but in order to understand what something is, we often need the assistance of our other senses as well.

- The sight sense can be incorporated in the experiential marketing campaign in both the social media marketing as well as in the event
- In the campaign's social media marketing, it is important to have a clear vision in the style of posting and web page design
- All posts and designs must be linked to each other style wise to create an unanimous brand image and express the brand values and identity
- Creating a brand image for a new project can be difficult but what will help is creating for example a logo or some other signature element in the campaign
- In the interactive marketing event, sight sense should be taken into consideration when it comes to the event venue and the possible decorations and marketing material
- Staff must be wearing clean and neat clothes
- Event venue must be visually pleasing and all negative sights such as trash, dirt etc. must be eliminated as they can negatively affect the experience as a whole

Summary: Sight sense should be taken into consideration in the marketing campaign so that the social media material is created with a clear vision of design. In the interactive marketing event, visually pleasing sights should be created and endorsed whereas unpleasing sights should be eliminated.

# 2. Sound

The sound sense is an enormous part of our everyday lives as it cannot be turned off. Sound is both interpretation and expression as we experience and also give it meaning through communication.

- The sound sense will be taken into consideration in both social media marketing as well as in the event
- Sound sense is activated all the time and so it is utmost important to take advantage of it by embracing good and positive sounds and eliminating displeasing sounds
- Sound is an important part of social media marketing, as only two senses can be activated in online marketing (sight and sound)
- When using videos, sound must be clear and intact and if music will be used it needs to be of good quality and fit the overall brand image
- Background music can be a good addition to the interactive marketing event
- When choosing venue for the event, all negative and displeasing sounds must be eliminated so that the participants aren't affected by those

Summary: Sound sense cannot be turned off which is why all negative and displeasing sounds must be eliminated from the customer's experience. By embracing pleasant sounds, customer's emotions and mood can be positively affected.

### 3. Smell

The smell sense can be difficult to influence and it is one of the senses that is strongly linked to emotions, not facts.

- The smell sense cannot be used in the social media marketing but it should be considered when creating the interactive marketing event
- When creating the event and planning the venue, all possible bad smells should be eliminated as they will create a displeasing experience for the customer

Summary: Eliminate all possible bad smells that can be connected to your brand or event.

### 4. Touch

The touch sense is important for a customer when it comes to perceiving the quality and value of a product.

- The touch sense must be considered when creating the interactive marketing event
- The participants' touch sense will be affected through different equipment and material in the event
- All equipment, decorations and other materials used intact and in good condition

Summary: Use intact tangible materials in the event to give a professional image of the brand.

## 4. CONCLUSION

The experiential marketing campaign handbook for Herceg-Novi is a simple guide that helps the reader in the creation process of the campaign. The handbook uses experiential marketing theories and explains their use to the reader in the simplest way.

By using this handbook in the creation process of the event, the planning process can run smoothly from start to finish with the help of important theories.

The handbook does not give the reader instructions on how the campaign should be created, but instead, leaves room for creativity for those who plan the campaign.