

# Meaningful advertising: pervasive advertising in the experience economy

Peter van Waart<sup>1</sup>, Ingrid Mulder<sup>2</sup>

<sup>1</sup>School of Communication, Media &  
Information Technology  
Rotterdam University  
Pieter de Hoochweg 129  
NL-3024 BG Rotterdam  
p.van.waart@hro.nl

<sup>2</sup>ID-StudioLab, Faculty of Industrial  
Design Engineering  
Delft University of Technology  
Landbergstraat 15  
NL-2628 CE Delft  
i.j.mulder@tudelft.nl

**Abstract** In traditional marketing advertising is part of product promotion, one of the four P's of marketing. In the 20th century media channels such as papers and magazines, and later on radio and television, were used to distribute and broadcast advertisements in order to create product and brand awareness and preference amongst consumers, in order to raise product sales. In the last two decades however, economical developments resulted in the experience economy: a new era of marketing and branding, in which traditional advertising is becoming less effective and meaningful experience branding is key. Meaningful (brand) experiences can make a difference to consumers, because of the personal relevance for people with regard to their personal values and beliefs that are the basis of people's consumer behaviour and brand preferences. Pervasive advertising should seek for applications with which people can interact with brands in an intellectual, an emotional and a physical way.

## Introduction

Where in pre-industrial societies commodities delivered economical value, industrialisation made manufacturers compete on product quality, and modern society produced more and more value from delivering services (see Figure 1). For companies and brands however, it is getting harder to differentiate from each other with products and services because of an endless choice that promises personal freedom, but at the end results in a confused consumer that is not able to value the worth of his choice [Sc04]. Pine and Gilmore [PG99] described the economical development towards an experience economy. In this experience economy meaningful (brand) experiences can make a difference to consumers, because of the personal relevance for people with regard to their personal values and beliefs which are the basis of people's consumer behaviour and brand preferences [Ro73; Ba09] and identity and lifestyle [Bo84].

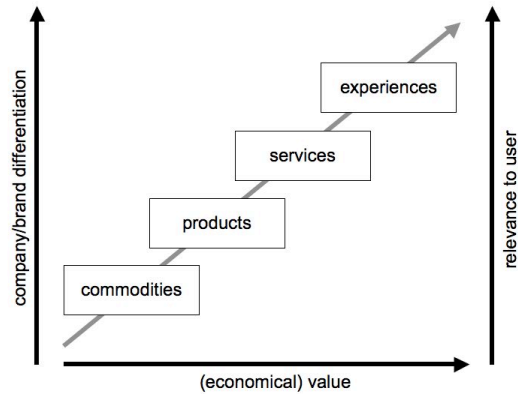


Figure 1. Towards an experience economy [PG99].

This economical development shows the transformation of product- and sales-driven organisations, for which cost-reduction and pricing became less and less competing factors, into experience brand-based organisations. The experience brand strategy differs fundamentally from the traditional marketing strategies. Traditional marketing focused on the product or corporate profit, resulting in an advertising industry that Godin [Go03] calls the TV-industrial complex: buying advertisement space in the media to promote products, sell the products and then use the profit to buy even more advertisement space. At the end this resulted in an advertising rat-race where the companies with the largest budgets end up as the winners of the competition. But what about the relevance for people? Goldhaber [Go97] proposed that the so-called information economy is actually an attention economy where attention of consumers became scarce due to the enormous amount of information [DB01]. Attention can be seen as a scarce resource, which drives economical value. Experience branding differs from attention economy in the way that it put human values as drivers of economical value. From that point of view, attention is triggered when messages are relevant to people, that is, when they adapt to human values of people.

In the current experience brand strategy the consumer is more than ever in the centre of the brand experience more than ever. In fact, the emphasis is on 'humans', rather than the consumer. Experience brands aim to provide 'meaningful experiences' to people for which a real understanding of human values is required, because at the end something can only be of meaning to someone when it comes to what one values in life [PG99; SDR06].

In the field of experience branding, or meaningful branding, the traditional concept of advertising has been reconsidered. When the product or corporation is no longer in the center of the marketing strategy, advertisements that solely communicate product features and benefits fail to lead to a meaningful human experience. Without taking into account the personal beliefs and former history of (life) experiences, a true experience will not appear because an experience has to be constituted by an individual even more than by the experience (brand) provider [PG99]. Brand and person really have to interact with each other. Brand experience has a behavioural impact; it affects consumer satisfaction and loyalty [BSZ09].

In experience branding the concept of ‘touch points’ is key. A touch point is any contact or moment in which one is physically or virtually interacting with a brand. All touch points together influence one’s brand experience. It is not so that every touch point tells the same story, but that every touch point contributes to the entire expression of brand meaning to a person [Ma08; SDR06; Wh06].

Consequently, traditional advertising no longer holds in the experience economy. Instead of pushed and persuasive advertisements, experience brands need to develop a consistent architecture of touch points that is naturally intertwined within the context of the user and that addresses his values.

## **2 Technological opportunities facilitating meaningful brand experiences**

Current technological developments such as pervasive and ubiquitous computing changed the media landscape dramatically through the shift from broadcasting to personal and interactive media. Today’s audience is able to interact with the sender or, even more important, is able to interpersonally exchange information immediately with thousands or billions of other consumers. Additionally, these emerging media provide access to information on production and sales strategies and processes resulting into a transparency that now give powers to consumers that is beyond control of advertisers. Brands cannot have the entire control of the brand experience and learn to share the control with the users, the people. At best, a brand finds itself in a co-creation with people [PG99] (See Figure 2.)

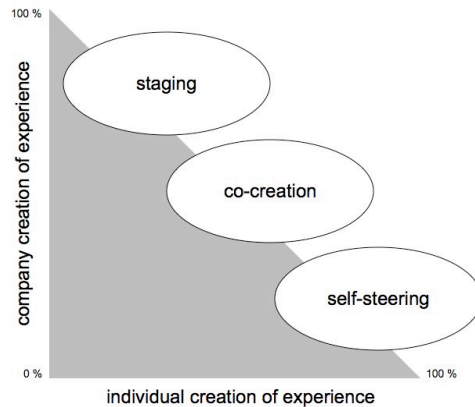


Figure 2. Co-creation as shared control between brand and people [PG99].

An interesting example of co-creation and the use of pervasive technology in experience branding is Nike+. Nike joins efforts with Apple's iPod to come up with a service that enriches people lives in what people value: health. Nike+ is of meaning to people by enriching their experience of keeping in physical shape by running. The Nike + iPod Sports Kit uses a sensor in one's running shoe that keeps track of your running. The running data is stored onto the iPod (or iPhone) and also the iPod serves you appropriate music to inspire your running. Back home, the running data can be uploaded to nikeplus.com where you can monitor all your runs and share motivations with other runners. This example shows that the brand experience is facilitated by the brands Nike and iPod combined with a pervasive application designed for this experiences. However, the actual experience is created by individuals themselves. Together these individuals co-create a branded running universe in which they share their data, bond with each other in training programs or compete with each other in for instance man versus women competitions.

Pervasive and interactive media offer immense opportunities to become interactive touch points and act as 'meaningful' media [HY08]. For centuries, myth/story, arts and rituals, respectively addressing the intellect, emotions and physical experience, proved to be powerful 'media' to constitute meaningful experiences. Pervasive and interactive media enable people to constitute brand experiences, individually as well as socially. Differently put designers and practitioners cannot design *an* experience, they just can design *for* an experience [MW07). Those pervasive systems and applications that enhance social capital as collective goods involving shared goals and values and social norms of reciprocity, are most usable to be of meaning over time [CM08]. What people experience with YouTube or Flickr or in social networks like Facebook or Twitter, is not so much defined by 'product features' or by 'brand values'. The perceived value is for the larger part constituted by people themselves based on their personal values. People use these brands not only because they are useful, but foremost because they are meaningful: people don't share their movie clips, photo's and stories, they enjoy sharing experiences in their social network!

### 3 Pervasive advertising in the era of meaningful branding

In the era of experience economy, persuasion of consumers might become obsolete. It is not anymore about the effort a manufacturer has to put in creating a high volume of consumers buying his product through persuasive advertisements. Meaningful brands can only express themselves to people in a way that they respect and endorse people's choices and lifestyle as expression of their personal values and beliefs. This is in keeping with the vision of pervasive computing, which foresees novel scenarios of highly interactive environments in which communication takes place between single users and devices, between devices and devices, and between users and users. Moreover, technology becomes increasingly invisible and personal. Who fears technology that is of personal meaning? The fear for annoying or even harassing people is, in a way, superfluous in the paradigm of meaningful branding. In similar vein: has there been any truly believing Christian being annoyed by the view of a church?

In this way, brands can make use of pervasive technology in various touch points facilitating meaningful brand experiences (co-)created by people themselves. Therefore, pervasive advertising should seek for the embedding of brands into the natural living environment of people, in which people can interact with brands in an intellectual (symbolic) way with which meaning can be transferred between brand users, an emotional way by which users will hold a sustainable memory of the experience, as well as a physical (experiential) way in which the immediate conscious and unconscious impact takes place through the interaction with the applied technology. The era of advertisement not to persuade, has just begun.

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