

Real business experience drives experiential marketing trend

 By [Rafi Leigh](#)

30 Jun 2011

Real-life business experience appears to be sending the marketing industry an unmistakable message - the trend to experiential marketing and in-store theatre is not simply a short-term response to recessionary trading conditions. It's the new reality.

The assessment is driven by close examination of the change in business volumes at my own business, Special-FX, a provider of shopper marketing props, purpose-built displays and stage effects.

Bias increasingly evident

The original base of the Johannesburg-based business was skewed toward in-camera special effects for film and TV commercial production, but an experiential bias is increasingly evident. Yet we initially built the business by conceptualising and designing special effects for above-the-line advertising. Marketing's a dynamic industry and things didn't stay that way for long.

Changing business volumes over the last three years indicate that, by far, the greatest demand for special effect services now comes from experiential marketers.

Until 2008/9, about 50% of Special-FX billings derived from in-camera effects. A year later, the balance tipped toward in-store theatrical and stage effects for brands such as SAB/Miller, Pringle of Scotland and Exclusive Books.

In the six months to June 2011, the trend was even more marked, with 69.4% of billings attributed to production work for brand activation and point-of-purchase events.

Looks to continue

Will this continue? It looks like it, judging by next quarter's order book.

That's not to say that demand for special effects comes from a narrow customer-base. Demand can come from any sector of the industry: above-, through- or below-the-line. It is therefore necessary to run a balanced business, with operations geared toward the delivery of a wide range of effects.

Even within a specialisation like special effects, a company's positioning has to be inclusive, with no special allegiance to

either side of the business.

For my part, I certainly don't foresee a situation where demand from classic, mass media campaigns will dry up. But my reading of the market is that experiential marketing is becoming the bedrock of the business. Big demand for in-store theatre is the marketing industry's new normal.

Second opinion from agency side

I sought a second opinion from the agency side of the industry and confirmation was quick in coming from [Owen Kessel](#), a media-neutral advertising agency known for campaigns for brands such as Amstel Lager, Five Roses Tea and Cadbury's.

Co-founder and executive creative director Felix Kessel says their experience indicated an even more pronounced shift. Their experiential marketing volumes were as high as 85%. For Kessel, the trend had started five years ago and had gathered pace since then.

Stores have become media, according to Kessel.

He says today's clients are exceptionally choosy when selecting media channels. He believes in-store is so in demand because point of sale is the final channel where the advertiser has a chance to swing the purchase and affect emotions.

Affect the bottom line

In-store effects affect the bottom line as well. In the special effects business, the trend is underpinned by solid volumes of repeat business. A major contributor to that is the on-the-spot demonstration that in-store effects are working, whether it's new displays and lighting for the retailer or theatrical and stage effects for a brand.

It registers emotionally for the shopper and registers at the till for the client. When an effect reaches to the bottom line, it's got a lot going for it.

ABOUT RAFI LEIGH

Rafi Leigh is MD of Special-FX, a supplier to the shopper marketing sector and a provider of stage and other special effects. After training at the AAA, he specialised in film and special effects in the UK. He founded Special-FX in South Africa in 1996 and started providing experiential marketers with interactive sets, props, scenery and displays. Contact Rafi on tel +27 (0)11 493 9666 or email rafi@special-fx.co.za.

- Retailing faces a new reality... are shops, shoppers ready? - 16 Aug 2011
- Real business experience drives experiential marketing trend - 30 Jun 2011

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>