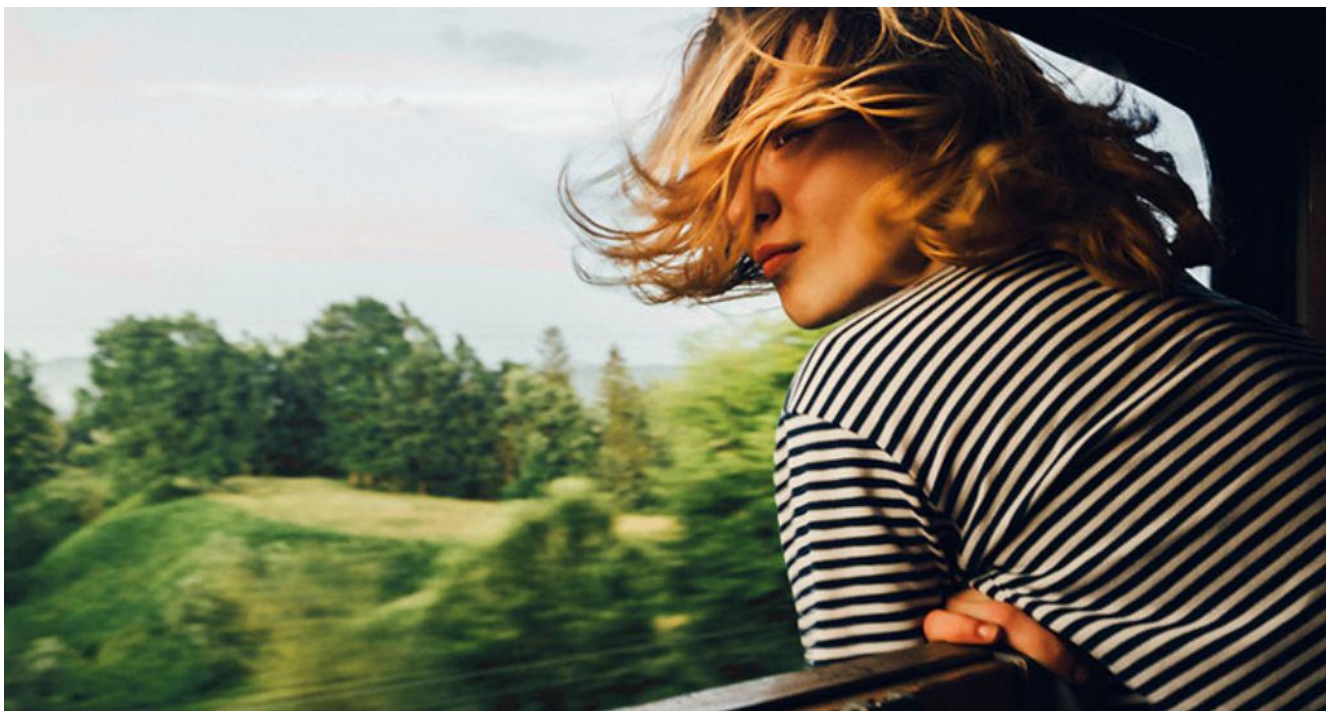


Heart Over Head: How to Sell an Experience

What would make a better gift for the graduating college student in your life: a new laptop or an exotic getaway? And as a marketer, what tactics can be used to sell one option or the other? The rules for experiential marketing, insists IESE's Iñigo Gallo, are completely different from those for marketing material goods.



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Your grandfather, who is obsessed with horse racing, is turning 75. Should you get him a framed original ticket of a famous race, or a day at the races for two?

One is a material good, the other an experience. In recent years, experiential consumption has been on the rise, and as the millennials get set to become the largest group in the

workforce, this is expected to continue. But for marketers, despite famous experiential campaigns for brands such as Nike and Harley Davidson, how and when to market experiences vs. material goods are not always obvious.

It comes down not only to the "product" itself, argues IESE's [Iñigo Gallo](#) in a paper with Sanjay Sood from UCLA Anderson School of Management and Thomas C. Mann and Thomas Gilovich from Cornell University. Behind each material or experiential decision is a different kind of logic — analytical or intuitive. While analytical logic is most frequently used to make decisions on buying material goods, it is intuition that guides us on our quest for valuable experiences.

Testing intuition

The authors devised a series of five studies to test the relationship between intuition and practicality, and experiential and material purchases.

In the first study, participants concluded that they would prefer to choose experiential purchases intuitively (which experience felt right), but material purchases analytically (comparing sensor size and megapixels when buying a camera, for example).

Interestingly, the use of intuitive or analytical logic also affected the second study, on the ways participants experienced regret when they made a poor choice. Those who purchased material goods (say, a camera) using intuition rather than analysis felt worse about it than those who had chosen badly after comparing different features. Or rather, it is going against the correct form of logic we regret, as much as the item itself.

Tied to this preference, the third study found that participants liked potential experiential purchases to be presented as alternatives (a hot air balloon ride vs. camping in the desert), while they preferred to compare attributes on material products (screen size and picture resolution between two televisions).

Marketing ideas

The study also highlights that the relationship between intuition and experience isn't a one-way street. In the fourth and fifth studies of the series, the authors demonstrated that not only were those who purchased experiences inclined to use their intuition; the reverse was also true: Participants who had been primed to think intuitively were more likely to opt for experiential, rather than material, purchases.

Furthermore, study participants primed to think intuitively were also prepared to pay *more* for an experience than those who were thinking about it deliberately, suggesting that marketers can win big by couching experiential purchases in the right terms. How you structure information may affect not only whether something sells, but how much it can sell for.

These findings don't always hold true, the authors hasten to add. There are reasons or situations in which consumers may be more likely to consider their experiential purchases from a less-intuitive point of view — families with young children or people with mobility problems, for example, are unlikely to purchase a vacation package hiking in the jungle, however much it may tug at their heartstrings.

Meanwhile, experiential marketing can help sell experiences, but may not always work effectively selling material goods. It may be less a case that people think with *either* the head or with the heart when deciding how to spend their money, and more a case that they think with *both*, in different situations.

As the authors conclude: "People seem happy to mimic Luke Skywalker and let 'the force' be with them when it comes to choosing experiences, but when it comes to material possessions they're more inclined to mimic Mr. Spock."

Methodology, very briefly

The authors conducted seven studies in total, two of which were repeated. Studies 1, 4 and 5 were completed using people recruited on Amazon's Mechanical Turk for modest compensation. Studies 2 and 3 were tested on American university students, some for course credit, others for monetary compensation.

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