

Original Paper

Application of Creative Experiential Marketing in Vanke Real Estate

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Abstract

With the continuous development of China's real estate market and the continuous improvement of people's living standards, the home buyers' demand for emotional experience has been constantly aroused, thus making emotional experiential marketing more important in customer behavior. In the era of pursuing personalized experience, experiential marketing has become a powerful means for enterprises to achieve strong competitiveness. It is usually connected with the creation of an atmosphere, an environment and a situation, the completion of a process and the making of a commitment, and sometimes it needs a customer's active participation. This paper is based on Vanke's real estate marketing, first gives a detailed introduction to the real estate experience in terms of the experience economy, experiential marketing and emotional experience, and then analyzes the application of experiential marketing in real estate marketing from product experience, user-friendly experience, scene setting experience and theme interactive experience to discuss how experiential marketing is implemented in Vanke's real estate, learn from it and provide reference of effective experience for future researches.

Keywords

Experience economy, real estate, experiential marketing

1. Introduction

In recent years, with China's real estate market becoming transparent and home buyers becoming more sensible, the real estate market has entered the rational consumption era dominated by consumers. The days of rushing or lining up overnight to buy houses have long gone. The real estate developers' traditional competitive advantages such as natural resources, capital and technologies are no longer the inevitable advantage with the increasingly fierce competition. They will not compete via products, prices, channels and promotion. Due to the regulated operation of markets and the transparent sales information, imitating and learning from each other have become faster. Therefore, the consumers' demand for property ownership does not seem urgent, and it is important to bring psychological needs and satisfaction through products and services. As a result, the real estate developers should start thinking about how to start the new strategy.

For the above reasons, and after a new round of elimination of weak players, the real estate developers discover that: during the transition from “product centered” to “consumer centered”, there must be an innovative marketing which can help them win in the “war”.

The experiential marketing has created a whole-process experience for target customers, where the customers can experience hardware standards, project quality, house structure, property services and view after moving in. The customers get close to the products by experiencing products, confirming values and trusting the developer and finally become loyal customers. Vanke has rich experience in experiential marketing. They pay much attention to customers’ properties and preferences, and bid the land, construct houses, establish experience area and improve services according to customers’ needs. As a result, the real estate developers understand that customers are the end consumers. The customers’ emotion, the improvement of customer’s experience and products’ additional value and the satisfaction of customers’ material and mental needs are the important marketing factors. Therefore, the marketing pattern that conforms to the era, namely, the experiential marketing pattern, is favored by consumers.

2. About Experiential Marketing

By means of observing, listening and trying, the experiential marketing enables target customers to improve the perception of product quality, performance or services and to have a kind of “unforgettable feeling”, thus winning the customers’ trust and loyalty and increasing the sale of products. The literature about experiential marketing discusses a theory based on marketing.

2.1 Experience Economy

In 1970, the sociologist Alvin Toffler first presented three arguments of manufacturing, service and experience in the book of *Future Shock*. The experience economist Joseph Pine points out: “The so-called experience means that people spend some time in a personalized way and present a series of recallable things during the process”. Dr. Bernd H. Schmitt in his book *Experiential Marketing* writes that: “Experience is an activity worth recalling and created by centering on consumers where companies take the services as the stage, the products as the prop”. It can be seen that experience is the economic product that produces knowledge and emotion as well as an intangible value. Joseph Pine (American) and James H. Gilmore (American) point out in an article entitled *Welcome to the Experience Economy* in *Harvard Business Review*: The experience economy has come. They think that following agriculture economy, industrial economy and service economy, the experience economy is a brand new economic form. According to the evolution of economic value, the economic pattern can be divided into four phases: commodities, goods, services and experience.

2.2 Experiential Marketing

According to the definition of the American economists Joseph Pine and James H. Gilmore in *Experience Economy*, experience is a feeling and wonderful memory left in the customers’ mind. The experiential marketing refers to “an unforgettable feeling created for the consumers that companies take the services as the stage and the commodities as the prop”. After accepting the idea of “experience economy”, many

companies successively consider it as “the key to future economic growth”. In the experience economy era, experiential marketing has become one of the important ways in marketing strategy. Through customers’ observing, listening and trying to experience products and services, the companies finally enable customers deeply perceive and like the products to purchase the products. It is an effective means for companies to get close to customers and has been widely applied in many industries.

Experiential marketing advocates practical “experience” and has changed the marketing idea of only emphasizing “products” or “customer service” in the past, thus making customers directly participate in and become the receiver of experience, creating a kind of “unforgettable feeling”, finally winning customers’ trust and loyalty, and increasing the sale of products. Experiential marketing breaks the traditional hypothesis of “sensible consumers” and thinks that consumers’ experience before, during and after sale is the key to studying consumer behavior and operation of company brands. Meanwhile, consumers are also regarded as the rational and emotional individuals for the study.

3. Introduction of Experiential Marketing in Real Estate

Buying a house is the biggest purchase in life for most people. Therefore, as far as it’s financially possible, the buyers’ requirements for houses are becoming higher and increasing, such as house type and size, property management, community infrastructure, greening, etc. Meanwhile, the real estate as a special commodity is fixed and durable. For home buyers, houses are not only a shelter but also a pursuit for life quality, spiritual enjoyment and experience. For real estate developers, the ones meeting the requirements will definitely succeed. In recent years, the marketing of real estate has adopted experience methods. It touches home buyers and achieves “exciting” effect, thus closing deals by “experience” methods.

The experiential marketing in experiential real estate, from the perspective of customers’ feelings, emotions, thinking and actions, re-defines and designs the marketing plan for real estate projects and regards the entire process of customers’ purchase as a whole to create pleasant and rich experience for customers, thus maximizing project sale and customers’ values. It includes everything from product design to the entire process of marketing and the feelings after buyers move in. It is usually connected with the creation of an atmosphere, an environment and a situation, the completion of a process and the making of a commitment, and sometimes it needs a customer’s active participation. Therefore, it is the key to the success of real estate marketing to explore customers’ potential needs and expectations and elevate their good experience and pleasant feeling to loyalty.

4. Specific Application of Vanke’s Experiential Marketing in Real Estate Marketing

Vanke Real Estate was founded in Shenzhen in 1984. For 30 years since its founding, it adheres to “the concept of letting buildings be a praise of life” and has left solid footprints in 62 large and medium-size cities. Vanke has always been committed to the innovation of experiential marketing. It has succeeded in basing products on customers’ needs, applying experiential marketing in every link of sale and innovating marketing according to consumers’ potential demands.

4.1 Vanke's Product Experiential Marketing Strategy

4.1.1 Product Level and Details

From the viewpoint of real estate developers, according to the overall product concept, the real estate can be divided into four levels in terms of space: House, which refers to the real property purchased by consumers; semi-open space, which refers to the public areas within the buildings, such as stairs, elevators; living environment, which refers to the broader public space, the entire real estate and nearby real estate, the space which seems to be a part of the living environment to home buyers; location, which refers to the location of real estate project in the entire city. As a living environment and a combination of physical products and intangible services, the real estate products (real property) often touch people on the macro level and some details.

The real estate originally has the attributes of aesthetics and symbolism. And the cues will become the important experience factors presented in products. Therefore, Vanke distinguishes the non-functional attributes such as aesthetics and symbolism in the experiential marketing mode, and divides the real estate into three dimensions: functional attribute, which refers to the part of the product that are indispensable to satisfy personal residential needs and it is indispensable in the context of the owners' daily life; social attribute, which refers to the part that cannot be ignored in the context of the owners' social interaction; aesthetic and symbolic attribute, which refers to the attribute that has symbolic meaning and aesthetic values in the environment, and it is attribute that real estate developers are trying to create.

4.1.2 Price Experience

For home buyers and developers, price has always been a sensitive and concerned topic especially when the country tries to control the real estate price and many home buyers are waiting to see. The developers dare not completely lower the price due to pressure. After all, there is market demand, and many customers think that the current price is still not reasonable. Then how can real estate developers provide price experience for home buyers while ensuring their own and home buyers' interests?

From the Vanke's point of view, proper time and place and reasonable pricing mean rapid return of money. As for home buyers, their experience is improved for the price lowered by the company in exchange of speed of turnover. The cost performance is better and payment is less, therefore there is a common and balance in both parties' interests.

4.2 Vanke's Humanistic Experience Strategy

4.2.1 The Meticulous Product Design Is the Foundation of Experiential Marketing

For Vanke's real estate design, they adhere to "people-oriented" idea and blend in more modern design concepts and cultural concepts. First, design for different consumer groups in size, proportion and layout and to consider the privacy. Vanke pays more attention to internal functional zoning and reserves some certain of space to the owners preferring self-service design in the structure. In addition, they promote green building materials to reduce pollution and improvement the indoor living environment quality.

4.2.2 Consummate Supporting Facilities and Community Environment

The consummate supporting facilities bring people convenient, comfortable and safe experience. Vanke

Real Estate does not only pursue the completeness of supporting facilities in the quantity, but also pays more attention to its own characteristics for differentiated marketing. In recent years, besides the strengthening of consummate supporting facilities, Vanke also advocates green ecology and the feelings of returning to the nature in the community environment for harmony among nature, architecture and people.

4.2.3 Vanke Carefully Creates Humanistic Environment

The humanistic marketing is one of the popular real estate marketing techniques in recent years, which is fundamental the passing of experience. More real estates have vivid description of target consumer groups, cultural education facilities and club supporting facilities to highlight a unique lifestyle through humanistic need. For example, high-end real estates mainly presents noble charm, status, and high quality and social circles of successful people; general real estates presents harmonious living space, strong family atmosphere, harmonious neighborhood relations, warm services and cultural and educational atmosphere. In addition, in humanistic marketing, it uses the charisma of celebrities who lived or live there to increase the value of real estates, which can usually achieve good marketing effects.

4.3 Vanke's Scenes Setting Experience Strategy

4.3.1 Vanke Sales Office

The sales office is the most important place in the display of real estate and the context of sales. Its layout of functional areas, scene design and atmosphere shall create comfortable, free and unique feelings. The details of reception area, landscape sensing area (photo albums of gardens, vegetation and flowers, background music, lighting, DV presentation, 3D design of computers and other multimedia display), coffee break area, sales contract area and other functional areas shall conform to home buyers' psychological and behavioral design routes. The indoor decorations and ornaments shall be consistent with the style of the theme of the real estate.

4.3.2 Vanke Theme Model Houses

The theme model houses have been paid much attention in recent years and introduced more forms of combining decoration arts and real estate sales display. The customized model houses with specific themes designed according to product features and living characteristics of target consumer groups can often bring different experience feelings. The design originates from target customers' life experience and is based on the combination of product features and living characteristics of target consumer groups corresponding to different decoration styles, instead of "common sense of beauty" space designed according to the structure of house type. It can make theme customized model houses get closer to target customers, real life, arouse their resonance and touch them.

By learning from the means of DIY (Do It Yourself), Vanke enables consumers to participate in the design experience of theme model houses, experience the happiness from their own creation and truly experience home layout they dream of. This strategy plays the role of consumers' participation, leaves a good impression on customers, and affects customers' decision. It is a typical "pull strategy".

4.3.3 Vanke House Exhibition

Vanke house exhibition usually uses a lot of exquisite and realistic models. They enables participants to experience life by the staff's detailed explanation, various information on the real state and lighting effects. It mainly displays useful selling points or clear breakthrough instead of all signs of the project or the company. In this way, the key is to form clear and unique experience.

4.3.4 Vanke Live-Action Demonstration Area

The live-action demonstration area refers to centralized display of landscape greening environment, exterior architectural effects and main house types by constructing buildings before official sales to make home buyers truly experience the living atmosphere. The introduction of live-action demonstration area does not only show the developer's strength but also the confident in the products. In addition, it allows home buyers to truly experience indoor lighting and overall layout, landscape design and future living environment, thus avoiding the limitation of experiencing single model house.

4.4 *Vanke Featured Interactive Experience Strategy*

4.4.1 Owners' Fellowship Club

Home buyers really care about construction planning, interior structure, noises, developer brands and even building materials and technologies. They expect to obtain much information and receive high-quality services. Vanke Real Estate has grasped customers' psychology, focused on experience values and experience themes to organize different experiential activities, make customers participate in different phases of buildings development, and improve customers' purchase experience from different perspectives. Such strategy includes customer club, owner fellowship club, thank you party for new and old customers, festivals and carnivals to actively establish the information and communication platform for customers and developers or owners. During the process of participation, communication and entertainment, it aims to gradually win their trust, make them familiar with products, enhance their confidence in the brand and make impulse purchase.

4.4.2 House Inspection Tour

The experiential marketing of Vanke Real Estate combines project culture, festival activities, services and personalized display. As a great combination of the above mentioned strategies, the house inspection tour can not only relax customers, but also provide perfect product experience and establish harmonious relationship. Take Vanke Guangzhou City Garden as an example. In order to make target customers truly experience the charm of the flower city Guangzhou and to enhance their confidence in the real estate, they organized an unforgettable experience tour in the flower city, which projected the experience to customers' beautiful feeling and expectation on the City Garden.

4.4.3 Move in Before Purchase

For high-end residential products including villas, customers usually have high requirements for external natural environment, supporting facilities and property management. Of course, the price is so high that many people will hesitate when buying. The measure taken by Vanke can effectively eliminate customers' concerns and help them make the purchase decisions. For example, Qingyuan Vanke City conducted the

“experiential” activity of moving in before purchase for home buyers and various interested and frequent customers, invited customers to live there, and the customers who had placed deposit could stay for free and decided whether to sign the contract. In this way, many home buyers fully experienced the true living pleasure and finally decided to buy the house.

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