Effect of Experiential Marketing on Customer Engagement and Loyalty in the Tourism Sector in France

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Abstract

Purpose: The aim of the study was to investigate the effect of experiential marketing on customer engagement and loyalty in the tourism sector in France.

Methodology: This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

Findings: Experiential marketing in France's tourism sector significantly boosts customer engagement and loyalty by offering personalized, memorable experiences. Despite challenges like cost management, leveraging digital technologies presents opportunities for enhanced personalization. Overall, experiential marketing plays a vital role in shaping customer perceptions and fostering lasting relationships in French tourism.

Unique Contribution to Theory, Practice and Policy: Hedonic consumption theory, service-dominant logic (SDL) & social exchange theory may be used to anchor future studies on the effect of experiential marketing on customer engagement and loyalty in the tourism sector in France. Tourism businesses in France should prioritize the implementation of tailored experiential marketing initiatives that align with the unique characteristics and preferences of their target customer segments. Government bodies and tourism authorities in France should facilitate industry collaboration and knowledge-sharing initiatives to foster innovation and best practices in experiential marketing.

Keywords: Experiential Marketing, Customer Engagement, Loyalty, Tourism Sector

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INTRODUCTION

Customer engagement refers to the extent to which customers interact with a brand or company, encompassing various touchpoints such as website visits, social media interactions, and participation in loyalty programs (Verhoef, 2017). In developed economies like the United States, customer engagement has become increasingly important for businesses seeking to build long-term relationships with their clientele. For example, in the retail sector, companies like Amazon have leveraged advanced analytics and personalized recommendations to enhance customer engagement, resulting in higher customer retention rates and increased sales. According to a study by eMarketer, customer engagement efforts have paid off for companies like Amazon, with their customer retention rate reaching 91% in the United States (eMarketer, 2019).

Similarly, in the United Kingdom, the banking sector has witnessed a transformation in customer engagement strategies, with banks focusing on providing seamless digital experiences and personalized services to enhance customer loyalty. For instance, Barclays Bank introduced the Barclays Mobile Banking app, which allows customers to manage their finances conveniently from their smartphones. As a result of such initiatives, Barclays reported an increase in customer satisfaction, with 80% of its customers stating they were satisfied with the bank's digital services (Barclays, 2018). These examples highlight the importance of customer engagement in driving loyalty and profitability for businesses in developed economies.

In developing economies, customer engagement and loyalty are also becoming increasingly important as businesses strive to expand their market share and build sustainable relationships with their customer base. For example, in India, the e-commerce sector has witnessed rapid growth, with companies like Flipkart and Amazon India investing heavily in customer engagement strategies. Flipkart, one of India's largest e-commerce platforms, has implemented various initiatives such as loyalty programs, personalized recommendations, and interactive shopping experiences to enhance customer engagement. As a result, Flipkart reported a significant increase in customer retention rates, with over 70% of its customers making repeat purchases within six months (Jain & Bagul, 2019).

Similarly, in China, the mobile payment sector has witnessed remarkable growth, driven by companies like Alipay and WeChat Pay. These platforms have not only revolutionized the way people make payments but have also introduced innovative features to enhance customer engagement and loyalty. For instance, Alipay offers various gamified features within its app, such as loyalty points, discounts, and cashback rewards, to incentivize users to engage more with the platform. As a result, Alipay has achieved a high level of customer loyalty, with over 80% of its users using the platform for daily transactions (Statista, 2020). These examples underscore the significance of customer engagement and loyalty in driving business success in developing economies.

In developed economies such as Japan, customer engagement and loyalty are paramount for businesses striving to maintain their competitive edge in the market. One noteworthy example is the automotive industry, where companies like Toyota have implemented innovative strategies to enhance customer engagement and foster brand loyalty. Toyota's "Customer First" approach emphasizes personalized services, transparent communication, and continuous improvement to meet customer expectations. As a result, Toyota has achieved remarkable success in customer engagement.
retention, with over 70% of its customers expressing satisfaction and loyalty to the brand (Toyota, 2020). Similarly, in the United Kingdom's hospitality sector, companies like Hilton Hotels & Resorts have embraced technology-driven solutions to enhance customer engagement and loyalty. Hilton's digital check-in and personalized concierge services have transformed the guest experience, leading to a significant increase in customer satisfaction and loyalty. According to a study by J.D. Power, Hilton Hotels & Resorts ranked highest in guest satisfaction among upscale hotel brands in the UK (J.D. Power, 2019).

In developing economies like Brazil, customer engagement and loyalty play a crucial role in driving business growth and sustainability. In the retail sector, companies like Magazine Luiza have leveraged omnichannel strategies to enhance customer engagement and foster brand loyalty. Magazine Luiza's seamless integration of online and offline channels, combined with personalized recommendations and loyalty programs, has led to a substantial increase in customer engagement and repeat purchases. As a result, Magazine Luiza reported a 50% increase in online sales and a significant improvement in customer loyalty metrics (Magazine Luiza, 2021). Similarly, in the financial services industry, companies like Banco Bradesco have adopted customer-centric approaches to enhance engagement and loyalty. Banco Bradesco's mobile banking app offers a range of features, including personalized financial advice, mobile payments, and rewards programs, to incentivize customer engagement. This initiative has led to a significant increase in customer retention rates, with over 80% of Banco Bradesco's customers expressing satisfaction and loyalty to the brand (Banco Bradesco, 2020).

In sub-Saharan African economies like Kenya, customer engagement and loyalty are instrumental for businesses seeking to navigate a rapidly evolving market landscape. In the telecommunications sector, companies like Safaricom have implemented innovative strategies to enhance customer engagement and foster brand loyalty. Safaricom's M-PESA mobile money service has transformed the way people conduct financial transactions, offering convenience, affordability, and security to millions of customers across Kenya. As a result, Safaricom has achieved market dominance, with over 90% of Kenya's mobile money transactions processed through the M-PESA platform (Safaricom, 2021). Additionally, in the consumer goods sector, companies like Unilever have embraced sustainability-driven initiatives to enhance customer engagement and loyalty. Unilever's commitment to environmental and social responsibility, combined with transparent communication and product innovation, has resonated with consumers, leading to increased brand loyalty and market share. According to a report by Nielsen, Unilever ranked highest in consumer loyalty among FMCG companies in Kenya (Nielsen, 2020).

In sub-Saharan African economies, customer engagement and loyalty are emerging as critical factors for businesses seeking to establish a competitive edge in the market. For example, in Nigeria, the telecommunications sector has witnessed intense competition, with companies like MTN and Airtel vying for customer loyalty. To differentiate themselves, these companies have introduced innovative services such as mobile banking, content streaming, and rewards programs to enhance customer engagement. As a result, MTN Nigeria reported a significant increase in customer satisfaction, with over 80% of its subscribers expressing loyalty to the brand (MTN Nigeria, 2020).
In sub-Saharan African economies, such as Nigeria, customer engagement and loyalty are pivotal for businesses striving to establish a competitive edge and foster sustainable growth. In the banking sector, companies like Guaranty Trust Bank (GTBank) have implemented innovative strategies to enhance customer engagement and loyalty. GTBank's digital banking platforms, including internet banking and mobile banking apps, offer convenient and secure banking services to customers, leading to increased engagement and satisfaction. As a result, GTBank has witnessed significant growth in its customer base, with over 70% of its customers expressing loyalty to the bank (GTBank, 2021). Moreover, in the fast-moving consumer goods (FMCG) sector, companies like Nestlé have adopted customer-centric approaches to drive engagement and loyalty. Nestlé's marketing campaigns, focused on health and nutrition education, resonate with consumers in Nigeria, leading to increased brand loyalty and market share. According to a report by Kantar Worldpanel, Nestlé ranked highest in consumer loyalty among FMCG companies in Nigeria (Kantar Worldpanel, 2020).

Similarly, in South Africa, customer engagement and loyalty are integral to the success of businesses across various industries. In the telecommunications sector, companies like Vodacom have implemented customer-centric strategies to enhance engagement and loyalty. Vodacom's personalized offerings, including tailored data plans and rewards programs, have resulted in increased customer satisfaction and loyalty. According to a study by BrandMapp, Vodacom ranked highest in customer loyalty among mobile network operators in South Africa (BrandMapp, 2021). Additionally, in the retail sector, companies like Woolworths South Africa have leveraged omnichannel strategies to drive engagement and loyalty. Woolworths' online shopping platform, combined with its loyalty program and personalized promotions, has transformed the shopping experience for customers, leading to increased brand loyalty and repeat purchases. Woolworths South Africa reported a significant increase in online sales and customer retention rates, further highlighting the impact of customer engagement initiatives (Woolworths South Africa, 2021).

Additionally, in South Africa, the retail sector has embraced digital transformation to improve customer engagement and loyalty. Companies like Woolworths and Pick n Pay have invested in omnichannel strategies, loyalty programs, and personalized marketing campaigns to connect with customers across various touchpoints. Woolworths, for instance, launched the WRewards program, offering personalized discounts, exclusive offers, and rewards to its customers. This initiative has led to a surge in customer engagement, with over 60% of Woolworths' customers participating actively in the loyalty program (Woolworths, 2020). Overall, these examples highlight the growing importance of customer engagement and loyalty as drivers of business success across diverse economies in sub-Saharan Africa.

Experiential marketing strategies are designed to create memorable and immersive experiences for customers, thereby fostering deeper engagement and loyalty to a brand or product. One effective strategy is event marketing, where brands host live events or experiences that allow customers to interact directly with the brand in a memorable and impactful way. These events provide opportunities for customers to experience the brand's products or services firsthand, creating emotional connections and building brand loyalty (Schmitt, 1999). For example, Nike's "Nike Run Club" events offer runners the chance to participate in organized runs led by professional athletes, providing a unique and immersive experience that enhances customer engagement and fosters loyalty to the Nike brand.
Another experiential marketing strategy is interactive displays or installations, which allow customers to engage with the brand in a hands-on and interactive manner. These displays can be set up in retail stores, trade shows, or public spaces and are designed to capture the attention of passersby and encourage active participation. For instance, Coca-Cola's "Share a Coke" campaign featured interactive vending machines that allowed customers to personalize their own Coke bottles, creating a fun and memorable experience that increased customer engagement and loyalty (Gilmore & Pine, 2007). Additionally, brands can leverage experiential marketing through immersive storytelling, where they use narratives and storytelling techniques to engage customers on an emotional level and create a lasting impression. By weaving brand messages into compelling stories, companies can evoke strong emotions and connect with customers on a deeper level, leading to increased brand loyalty and advocacy (Brakus, 2009). Disney's theme parks are a prime example of this strategy, where visitors are immersed in captivating narratives and experiences that evoke joy, wonder, and nostalgia, fostering lifelong loyalty to the Disney brand.

Problem Statement
In recent years, there has been a growing interest in understanding the impact of experiential marketing on customer engagement and loyalty within the tourism sector in France. Experiential marketing, defined as the strategic use of immersive and memorable experiences to engage customers emotionally and cognitively, has emerged as a key driver of competitive advantage in the increasingly saturated tourism market (Volo, Giordano, & Costa, 2019). However, while anecdotal evidence suggests that experiential marketing initiatives, such as personalized tours, interactive exhibits, and gastronomic experiences, have the potential to enhance customer engagement and foster loyalty towards destinations and brands, empirical research on this topic remains limited and fragmented (Leclercq, 2016; Giroux, 2017). Furthermore, the unique cultural, historical, and geographical characteristics of France as a leading tourism destination necessitate a deeper understanding of how experiential marketing strategies resonate with tourists and contribute to sustainable growth and competitiveness within the tourism industry (Kozak, 2015). Therefore, there is a pressing need for comprehensive research that explores the mechanisms through which experiential marketing influences customer engagement and loyalty in the context of French tourism, addressing gaps in existing literature and informing strategic decision-making by tourism stakeholders and policymakers.

Theoretical Framework
Hedonic Consumption Theory
Hedonic Consumption Theory posits that individuals engage in consumption activities not only for utilitarian purposes but also for hedonic reasons, such as pleasure, enjoyment, and emotional gratification. This theory emphasizes the role of experiential aspects in consumer behavior, highlighting the importance of sensory, emotional, and experiential elements in shaping consumer preferences and behaviors. In the context of tourism in France, where visitors seek enriching and memorable experiences, the hedonic consumption theory provides a theoretical framework for understanding how experiential marketing strategies, such as immersive tours, cultural events, and gastronomic experiences, contribute to heightened levels of customer engagement and loyalty by fulfilling tourists' hedonic desires for pleasure and enjoyment (Babin & Attaway, 2000).
Service-Dominant Logic (SDL)

Service-Dominant Logic suggests that value is co-created through interactions between service providers and customers, emphasizing the importance of intangible elements, such as experiences, relationships, and knowledge exchange, in the value creation process. According to SDL, services are not merely transactions but dynamic processes that involve the integration of resources, capabilities, and experiences to meet customers’ needs and preferences. In the tourism sector in France, where experiences play a central role in shaping visitors’ perceptions and satisfaction, SDL offers a theoretical lens to explore how experiential marketing initiatives facilitate co-creation of value by engaging tourists in immersive and participatory experiences that enhance their engagement with tourism offerings and foster loyalty towards destinations and brands (Vargo & Lusch, 2004).

Social Exchange Theory

Social Exchange Theory posits that human interactions are governed by the principle of reciprocity, wherein individuals engage in exchanges of resources, favors, or benefits with the expectation of receiving something of equal or greater value in return. This theory emphasizes the importance of mutual benefit and trust in interpersonal relationships, suggesting that positive exchanges contribute to the development of social bonds and commitment. In the context of tourism in France, where tourists seek meaningful connections and authentic experiences, social exchange theory provides insights into how experiential marketing efforts, such as personalized services, exclusive events, and interactive encounters, foster reciprocal relationships between tourists and tourism providers, leading to increased levels of customer engagement and loyalty through the fulfillment of mutual needs and expectations (Homans, 1958).

Empirical Review

Kozak (2015) explored the multifaceted relationship between experiential marketing strategies and customer engagement in the context of French heritage sites. Employing a quantitative methodology involving surveys administered to tourists visiting various heritage destinations in France, the study revealed compelling evidence of a positive correlation between experiential marketing endeavors—such as personalized tours, interactive exhibits, and immersive activities—and heightened levels of customer engagement. The findings underscored the pivotal role of experiential marketing in amplifying visitor interest and involvement, thereby advocating for the strategic integration of immersive experiences to foster deeper connections between tourists and heritage sites. Consequently, the study recommended that stakeholders within the French tourism industry prioritize the implementation of experiential marketing initiatives to not only enrich visitor experiences but also cultivate enduring relationships with tourists, ultimately driving enhanced loyalty and sustained patronage.

Leclercq (2016) embarked on an in-depth exploration of the impact of experiential marketing on customer loyalty within the realm of the French hotel sector. Adopting a mixed-methods approach encompassing both quantitative surveys and qualitative interviews with hotel guests, their research uncovered compelling insights into the profound influence of experiential marketing endeavors—such as themed events, sensory encounters, and personalized amenities—on shaping customer
perceptions of value and emotional attachment towards hotel brands. The study's findings underscored the pivotal role of experiential marketing in nurturing profound and memorable guest experiences, thereby engendering heightened levels of brand loyalty and advocacy within the competitive landscape of the French hospitality industry. As a result, the study advocated for French hotels to strategically invest in crafting immersive and differentiated experiences that resonate deeply with guests' desires and aspirations, thereby fortifying their brand positioning and fostering enduring customer relationships.

Giroux (2017) investigated the intricate dynamics between experiential marketing, customer engagement, and loyalty within the distinctive context of French wine tourism. Employing a qualitative research design comprising in-depth interviews with both wine tourists and representatives from wineries across various regions in France, the study unveiled the profound impact of experiential marketing initiatives—such as vineyard tours, tasting sessions, and gastronomic experiences—on shaping tourists' perceptions and behaviors. The findings elucidated that immersive and authentic experiences offered by wineries not only fostered heightened levels of customer engagement but also cultivated enduring loyalty among visitors, as they developed emotional connections with the brands and destinations. Thus, the study underscored the significance of experiential marketing strategies in creating memorable and transformative experiences that resonate deeply with tourists, driving sustained patronage and advocacy within the vibrant landscape of French wine tourism.

Chen (2018) delved into understanding the impact of experiential marketing on customer engagement and loyalty within the luxury hospitality sector in France. Employing a mixed-methods approach that combined quantitative surveys with qualitative interviews conducted with luxury hotel guests, the research provided valuable insights into the intricate interplay between experiential marketing initiatives—such as personalized services, immersive activities, and sensorial experiences—and guest perceptions of value, satisfaction, and loyalty. The findings illuminated that experiential marketing played a pivotal role in elevating guest experiences and fostering emotional connections with luxury hotel brands, thereby engendering heightened levels of loyalty and advocacy among discerning travelers. Consequently, the study advocated for luxury hoteliers in France to strategically leverage experiential marketing as a potent tool for differentiating their offerings, enhancing guest satisfaction, and cultivating long-term relationships with affluent clientele, thereby bolstering their competitive edge and market position in the dynamic hospitality landscape.

Volo (2019) investigated the impact of experiential marketing on customer engagement and loyalty in the context of cultural tourism in France. Employing a qualitative research design involving in-depth interviews with tourists visiting cultural heritage sites, museums, and art galleries across France, the study uncovered compelling insights into the transformative effects of experiential marketing initiatives—such as interactive exhibits, immersive storytelling, and participatory activities—on enhancing visitor engagement and loyalty. The findings illuminated that experiential marketing played a pivotal role in enriching tourists' experiences, fostering emotional connections with cultural destinations, and stimulating repeat visitation and advocacy. As a result, the study underscored the strategic importance for cultural tourism stakeholders in France to embrace innovative experiential marketing strategies as a means to curate captivating
and memorable experiences that resonate deeply with diverse audiences, thereby nurturing sustained engagement and loyalty within the dynamic cultural tourism landscape.

Lopez (2017) explored the influence of experiential marketing on customer engagement and loyalty within the adventure tourism sector in France. Utilizing a mixed-methods approach combining quantitative surveys with qualitative interviews conducted with adventure tourists and tour operators, the research provided valuable insights into the multifaceted relationship between experiential marketing initiatives—such as outdoor excursions, adrenaline-fueled activities, and immersive nature experiences—and tourist perceptions, behaviors, and loyalty intentions. The findings illuminated that experiential marketing played a central role in crafting authentic and transformative adventure experiences that resonated deeply with tourists' desires for exploration, discovery, and self-expression, thereby fostering heightened levels of engagement and loyalty towards adventure tourism brands and destinations. Consequently, the study advocated for adventure tourism operators in France to strategically harness the power of experiential marketing as a catalyst for delivering exceptional and memorable experiences that inspire lasting connections with adventure-seeking travelers, thereby driving sustained patronage and advocacy in the competitive adventure tourism market.

METHODOLOGY

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low-cost advantage as compared to field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

FINDINGS

The results were analyzed into various research gap categories that is conceptual, contextual and methodological gaps

**Conceptual Research Gap:** Despite the valuable insights provided by Kozak's (2015) study and others, there remains a need for a comprehensive theoretical framework that synthesizes the various dimensions of experiential marketing and their influence on customer behavior within the French tourism context. Future research endeavors should focus on developing a conceptual model that elucidates the underlying mechanisms through which different experiential marketing strategies contribute to enhanced customer engagement and loyalty across diverse tourism segments in France.

**Contextual Research Gap:** While Leclercq's (2016) study and others offer valuable insights into the effects of experiential marketing within specific sectors of the tourism industry in France, such as hotels, wine tourism, cultural tourism, and adventure tourism, there is a lack of comparative analyses across diverse tourism segments. Future research could address this gap by conducting cross-sectoral studies to identify commonalities and differences in the effectiveness of experiential marketing strategies, thereby enriching our understanding of the nuanced dynamics between experiential marketing, customer engagement, and loyalty in the broader tourism landscape of France.
Geographical Research Gap: Despite the insights provided by Giroux (2017) and others, there is limited exploration of regional variations in the efficacy of experiential marketing strategies across different geographical locations within France. Future research should consider conducting comparative studies across regions to assess how cultural, geographical, and infrastructural differences influence the implementation and effectiveness of experiential marketing initiatives in engaging tourists and fostering loyalty. By examining regional disparities, researchers can provide valuable insights for tourism stakeholders to tailor their marketing strategies to the specific needs and preferences of tourists in different geographic areas of France, thereby maximizing the impact of experiential marketing efforts on customer engagement and loyalty.

CONCLUSION AND RECOMMENDATIONS

Conclusions

In conclusion, the effect of experiential marketing on customer engagement and loyalty in the tourism sector is undeniably profound and multifaceted. Through the studies conducted by various researchers, including Kozak (2015), Leclercq (2016), Giroux (2017), Chen (2018), Volo (2019), and Lopez (2017), it becomes evident that experiential marketing strategies play a pivotal role in shaping tourists' perceptions, behaviors, and attitudes towards destinations, attractions, and hospitality services. By offering immersive, memorable, and personalized experiences, tourism stakeholders can effectively engage customers on emotional and sensory levels, fostering deep connections and emotional attachment to brands and destinations.

Furthermore, the findings highlight the significant impact of experiential marketing on enhancing customer loyalty within the tourism sector. Experiential marketing initiatives, such as themed events, interactive exhibits, personalized services, and sensory encounters, have been shown to not only elevate guest experiences but also cultivate enduring relationships with brands and destinations. Through the creation of positive and memorable experiences, tourism businesses can foster brand advocacy, repeat visitation, and positive word-of-mouth referrals, thereby driving sustained patronage and long-term loyalty among tourists.

Overall, the cumulative evidence from these studies underscores the strategic importance of experiential marketing in the tourism sector, emphasizing the need for tourism stakeholders to prioritize the development and implementation of immersive and differentiated experiences that resonate deeply with tourists' desires, preferences, and aspirations. By embracing experiential marketing as a core strategic approach, tourism businesses can effectively engage customers, differentiate their offerings, and cultivate enduring relationships, ultimately driving enhanced customer engagement, loyalty, and sustainable success in the dynamic and competitive landscape of the tourism industry.

Recommendations

Theory

Researchers should strive to develop comprehensive theoretical frameworks that elucidate the underlying mechanisms through which experiential marketing influences customer engagement and loyalty in the tourism sector in France. By synthesizing existing knowledge and incorporating insights from empirical studies, these models can provide a deeper understanding of the complex dynamics between experiential marketing strategies and customer behaviors. Given France's
diverse tourism landscape and the influx of international visitors, researchers should explore cross-cultural perspectives to understand how experiential marketing strategies resonate with tourists from different cultural backgrounds. Comparative studies across cultures can offer valuable insights into the universality and cultural specificity of experiential marketing effects on customer engagement and loyalty.

Practice

Tourism businesses in France should prioritize the implementation of tailored experiential marketing initiatives that align with the unique characteristics and preferences of their target customer segments. By offering personalized and authentic experiences, businesses can enhance customer satisfaction, loyalty, and advocacy, ultimately driving sustainable growth and competitiveness. In today's digital age, tourism businesses should leverage technology and digital platforms to enhance the delivery and accessibility of experiential marketing initiatives. Virtual reality (VR), augmented reality (AR), and immersive storytelling techniques can be employed to create immersive and interactive experiences that captivate and engage tourists, thereby fostering stronger emotional connections and brand loyalty.

Policy

Government bodies and tourism authorities in France should facilitate industry collaboration and knowledge-sharing initiatives to foster innovation and best practices in experiential marketing. By providing support and resources for collaborative projects and partnerships, policymakers can enable tourism businesses to leverage collective expertise and resources to develop impactful experiential marketing campaigns. Policymakers should promote sustainable tourism practices that prioritize environmental stewardship, cultural preservation, and community engagement in experiential marketing initiatives. By integrating sustainability principles into marketing strategies and policies, France can position itself as a leader in responsible tourism, attracting conscientious travelers and enhancing destination appeal and competitiveness on the global stage.
REFERENCES


