
Original Article

Creating the futuristic retail experience through experiential marketing: Is it possible? An exploratory study

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ABSTRACT The rapid pace of globalisation, increased competition and excessive brand clutter are changing the market landscape in retail and posing new challenges for marketers and customers alike. Coupled with economic slowdown, environmental crises and more discerning consumers, marketers are employing innovative strategies to address the changing consumer profiles. Marketers are building brands based on inputs, and aim to create experiences that shall be cherished forever. In today's global marketplace, it is all about feel, relate and act. This is driving the consumption and choice of brands. The human interface is becoming a critical component and is providing the necessary touchpoints for generating memorable experiences. This research article examines and analyses the aspects of experiential marketing, both from the marketer's as well as the consumer's point of view. This article further addresses the issue of how to create and implement experiences in retail segment, and explains a model that proposes a new way of looking at experiential marketing.

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INTRODUCTION

An experiential approach is the next logical stage in consumer demands, beyond commodities, goods or services. The experiences provided to consumers may be similar to those provided to other consumers.

However, the assimilation of this is deeply personal. For example, one person may wear a luxury chronometer to boost his social acceptance,

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another, as an aspect of self-actualisation, yet another because of a passion for chronology. Experiential marketing creates memorable experiences. The consumer fondly remembers them, and even shares them with peers and family, generating increasing sales through the power of word of mouth and consumer loyalty. The experience deepens with each successive interaction. Experiential marketing necessarily involves consumer participation and goes beyond the consumer's stated needs (addressed by the consumption categories), taking into account the sociocultural context. Thus, experiential marketing addresses not simply the wants and needs, but the self-image, social goals, dormant emotions, values and deeply ingrained desires of the consumer.

A necessary factor for the creation of an experience is a sense of brand identity. The product or service should be known not by its individual properties, but by its brand. Providing consumers with experiences allows the business to charge a higher price, and thus earn higher revenues. This is because the consumer is paying not for the product, or service, but for the experience, which is unique. The price point is a function of the value of remembering the experience. Hence, businesses must strive to create memorable experiences. Experiential marketing is entertaining to the consumer.

The experiential model is based on providing good experiences and ensuring consumer delight. It stresses on creating an emotional bond and a relationship with the customer. A drawback is that these traits are difficult to measure. Although customer turnover and even satisfaction in the traditional approaches can be measured, parameters such as delight are difficult to measure. Challenges in measuring these parameters may lead to some difficulties while implementing the experiential model, and determining its effectiveness.

Ishanya Mall, Pune

Ishanya is a Speciality Mall focused on the interior and exterior needs of a home or office owner, builder/developer or an architect. It facilitates shopping that is destination based. It is targeted at those who have an interest in interior design – either as consumers, or the real estate industry, such as architects, interior designers, builders or developers. Ishanya is designed as a venue for the latest in world-class design inspiration ideas, expertise and solutions. To its customers, Ishanya offers choices between a multitude of design possibilities. It offers the support through its services, which help lay consumers in resolving dilemmas, helping them find solutions, helping create dreams and bringing those dreams to fruition.

Mall design

Ishanya's architecture has a theme of concrete, glass and steel, housed in a 10-acre green, Zen-themed campus. Glass and water structures and carefully designed lighting are used to enhance the aesthetic beauty of the architecture. Ishanya has also used intelligent building systems that will result in functional safety, as well as energy conservation and efficiency through rainwater harvesting and waste management. The centre is equipped with a sophisticated fire-detection system, fire fighting



systems/sprinklers, CCTV and access control. The roofing is designed with special insulation, keeping in mind the energy consumption for air conditioning.

With over 52 Product and Service Categories, spread over 5 50 000 sq. ft., it provides ample exhibition space for hosting product launches, exhibitions and art shows, perfect for builders, developers, architects, designers, students and sculpture dealers.

BACKGROUND

The current trend in the business world reveals new solutions developed to offer customised products. This does not simply apply to product solutions. For example, relationship marketing emphasises the role of the relationship between a vendor and its customer, with particular importance to personal involvement and trust. This suggests an enhanced opportunity for applying the experiential view of consumer behaviour and implementing consumption experience (Addis and Holbrook, 2001).

Hedonic consumption has been defined as those facets of consumer behaviour that relate to the multi-sensory, fantasy and emotive aspects of product usage experience (E.C. Hirschman and Holbrook, 1992). Traditional and hedonic views of consumer behaviour differ significantly. The traditional school of thought emphasises mass consumption, widening the consumer base, and gaining new customers. This view is significantly different from the methodological implications of the latter approach. It has been proposed (James, 1984) that emotions experienced are an outcome of the bodily sensations experienced by the person. This is applied to generating experiences, wherein sensory inputs, emotions and relational recalls create an imprint on the consumers' minds. It has also been suggested that generating experiences does not necessarily require new tools (Holbrook and Hirschman, 1982), but better application of existing technology that intensifies the experience that the consumers gain.

The difference between a poor and a good use of these tools is that of relating to the consumer, instead of simply bombarding the senses (Holbrook, 1993).

Competition has intensified considerably in every sector, including retail. This has happened because the majority of players are doing broadly the same things more intensively. Forming a relationship with the consumer creates an exponentially profitable business model that is sustainable in the long term, across many business domains and customer types (Hirschman, 1992).

Holbrook (2000) believes that when we enter the era of experiential marketing, the focus will shift from product performance and benefit to experiences entertainment. Consumer demand gradually includes more fantasy, feeling and fun. The 'feel' experience is the consumer's intrinsic emotion and mood. The same experience may take diverse forms, and usually ranges from temperate to intense mood. At the same time, the 'think' experience stimulates, focuses and utilises the intelligence of the consumer to create cognition of experience (Lee *et al*, 2006).

According to Schmitt (1999), the 'think' experience stimulates curiosity and appeal to the consumers' creative thinking. This sensory marketing



provides joy, excitement and a satisfied mood (Lee *et al*, 2006).

Experience can provide consumers with sensory, illusion, touch/feeling in order to leave unforgettable value (Li, 2008). In fact, all the personal psychological senses of belief, motivation, learning and attitude influence customer's purchasing behaviour (Kotler, 1994).

RESEARCH METHODOLOGY

Research design

The study was aimed at young respondents below 30 years of age. The generation Y has a distinct personality and will behave differently in malls. They are usually independent at an early age and are willing to spend more to get their own definition of value for money. Malls are increasingly witnessing younger crowds visiting rather than middle-age customers.

Research tool

The questionnaire was administered to young people visiting the mall. Respondents above the age of 30 years were rejected.

Sample design

A random convenient sampling was used. The total sample size was 200, all in the age group of 20–30 years. Forty per cent were women and 60 per cent were men. The ratio is not in keeping with the gender ratio of the nation but is in keeping with earlier studies (Srivastava, 2008, 2009).

RESULTS/FINDINGS

Shopping draws consumers to malls, although more traditional entertainments are increasingly available within the air-conditioned space. Marketing practitioners and retailers are responsible for creating good shopping experiences. Malls to a great extent are dependent on young people (Shelja Jose Kuruvilla, 2008), who are usually the biggest spenders. There are some differences between the tastes and preferences of the younger and older generations. Hence, rather than taking the average statistic, we have considered preferences for those above and below 25 separately. This is given in Figure 1(a) and (b), respectively.

Young girls are more interested in shopping outlets (34 per cent), whereas young boys are slightly more interested in entertainment zones. Experiential marketing attempts to evoke a strong emotional (cognitive) response by the use of sensory techniques (Shukla, 2007). The same question to respondents below 25 years has a different outcome. This is given in Figure 1(b).

A majority of the people (98 per cent) interviewed have no idea how to define a shopping experience. People did, however, consider shopping bargains to be an experience (82 per cent). Entertainment while shopping is a totally different experience (79 per cent), and consumers enjoy coming to the mall because of this experience. Shopping is also clearly becoming a family outing (67 per cent). A variety of food courts and entertainment complexes were perceived as being provided within the experiences.

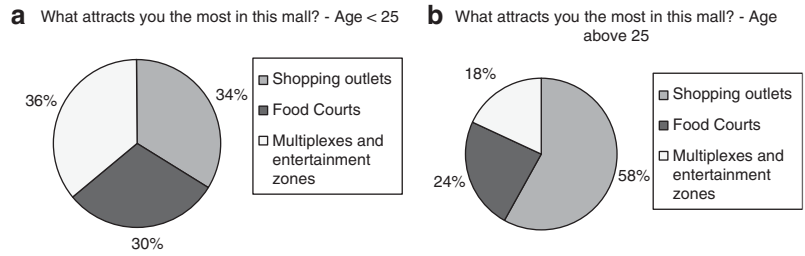


Figure 1: (a) Attraction to visit mall (below 25 years). (b) Attraction to visit mall above 25-30 years.

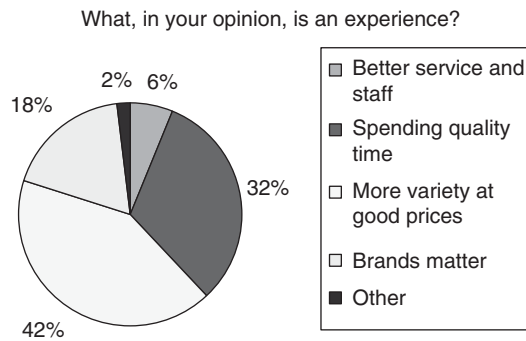


Figure 2: Important attributes affecting experience.

Businesses worldwide are realising that consumer decisions are much more influenced by emotionally generated feelings rather than by rationally derived thought (Shukla, 2007). Experiential marketing allows customers to have a personal touch according to Bashford (2004). Experiential marketing increases enjoyment (Brakus *et al*, 2008). The following study was conducted to identify the important factors that could affect the experience in stores. This is given in Figure 2.

Highly skilled staff help greatly in providing an experience to shoppers. However, the interaction of customers with staff is limited, and varies from outlet to outlet in the shopping mall. Experiential marketing improves touchpoints to connect staff to consumers. This was also reported by Meyer Ann (2006), as his study mentioned that experiential retailing means making connections with consumers who come to highly interactive stores for more than just merchandising. In fact, Meyer Ann (2006) reported that experiential retailing means making these connections with consumers more than merchandising. Therefore, actually designing an experiential curve can attract the customer’s attention and imagination. Wang (2003) mentioned that an experiential environment is an essential source of competitive advantage, which is difficult to be imitated and substituted.

The results show that 82 per cent were aware about a loyalty programme of the mall. This may be because of aggressive pushing by the retail chains coupled with the customer’s preference for better bargains. However, these cards are not perceived as an experience. They do not provide customers with better experiences, only better offers.

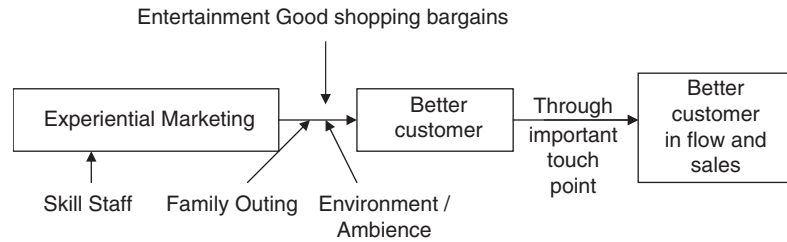


Figure 3: Proposed model.

Based on Ishanya Mall, the following factors could be used for developing an experiential model for retail store (Figure 3).

Experience stimuli focus and utilise the intelligence of the consumer to create cognition of experience (Lee *et al*, 2006). The retail industry in India is still in a nascent stage and still has a long way to go before it is in a position to skilfully apply this concept.

CONCLUSION

It is suggested that retailers should work on the environmental elements to increase satisfaction and encourage the return of shoppers. Retailers and mall developers should provide consumers with more favourable offers and a positive shopping experience based on ‘visual’ merchandising, that is, sight, sound, taste, smell and touch. Visual merchandising describes the presentation of merchandise to highlight its function and aesthetic appeal to a consumer considering a purchase. It creates an engaging, enjoyable atmosphere that invites consumers to spend more time in the store and increases the turnover potential. The shopping experience has to be created according to consumer shopping habits and market trends. This study also shows that most regular consumers are young females, who are generally more interested in shopping. Shopping outlets and food courts are the biggest attraction at malls. Overall, it is suggested that shopping malls should try to create a niche experiential approach.

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