

# Chapter 18

## Experience Marketing at Retail Environments

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### ABSTRACT

*The economy in which consumers live today is considered the experience economy. One of the industries that is growing in this economy is the entertainment industry. Additionally, this industry is not only limited to conventional entertainment contexts today. For instance, many retail contexts have started to operate according to the rules of this industry. Today, the entertainment value that consumers construct within and derive from the market is highly dependent on the experiences they find in retail contexts. Entertaining experiences play the focal role in most retail contexts due to the high level of positive managerial outcomes, such as economic value. Therefore, there is a growing need to understand the phenomenon of commercial experiences that provide entertainment and their role in various retail environments in different cultures. This conceptual chapter aims to understand how successful retailers utilize experience marketing to attract more consumers.*

### INTRODUCTION

Research shows that consumers have become increasingly concerned with meaning, happiness, and sensations in the market. Thus, they are increasingly interested in consuming experiences (Fortezza and Pencarelli, 2011), rather than functional material products. As a result, marketers have also become more interested in the commercial potential of offering experiences. There is a growth in this phenomenon, especially in industries that primarily involve entertainment

(Pine and Gilmore, 1999; Benedikt, 2001; Lonsway, 2007). The notion of experience has become the key element in understanding structure of many market environments (Berger, 1998; Sherry, 1998; Peñaloza, 1998; Kotler, 1999; Kozinets et al., 2002; Kozinets et al., 2004; Lonsway, 2007; Klingmann, 2007; Hollenbeck, Peters, and Zinkhan, 2008).

The main reason for the greater interest in experience by marketers and consumers is the associations the concept has with some characteristics of the contemporary consumer culture, such as fun, pleasure, leisure, fantasy, and dis-

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covery, which greatly attract people (Holbrook and Hirschman, 1982; Mukherjee and Venkatesh, 2008; Ritzer, 1999; Kozinets et al., 2002; Kozinets et al., 2004; Lonsway, 2007; Sundbo and Hagedorn-Rasmussen, 2008; Wikström, 2008; Goulding et al., 2009). A significant portion of everyday and extraordinary experiences that contemporary human beings find meaningful are created in the market. Furthermore, people are willing to pay more for these experiences (Pine and Gilmore, 1999; Schmitt, 1999; Diller, Shedroff, and Rhea, 2005).

In the experience economy (Pine and Gilmore, 1999), retail environments have become theaters wherein retailers interact with their consumers, and provide them entertaining spaces. However, it would be misleading to assume that all experiences are equally meaningful and important for market actors (Pine and Gilmore, 1999). The focus of this chapter is retail experiences that consumers find to be meaningful, and successful experience design tools utilized by marketers to make the retail spaces more attractive.

In this chapter, first, a discussion on the meaning of the concept of 'experience', and 'experience marketing' is provided. Second, the importance of experience creation for retailers is discussed. Finally, various dimensions of successful experience marketing at retail settings are analyzed.

## BACKGROUND

### Meaning of "Experience" Concept

Experience is a complex, multilayered construct. It is

*... both a noun and a verb and is used variously to convey the process itself, participating in the activity, the affect or way in which an object, thought or emotion is felt through the senses or the mind, and even the outcome by way of a skill or learning (Tynan and McKechnie, 2009, pp.502-503).*

Overall, it emphasizes active engagement (Kotler, 1999; Sherry et al., 2007; Deighton, 1992; Kozinets et al., 2004; Kozinets, 2002; Hetzel, 2007), knowing through sensory stimuli (Kotler, 1999; Kozinets et al., 2004; Kozinets, 2002; Firat, 2001; Arnould and Price, 1993), and multidimensional stories (Sherry et al., 2007).

Experience is considered to be personal. It highlights the internal and subjective reception and interpretation of current external social and cultural cues or events by individuals in the light of the culture in which one lives (Turner, 1986). "Life is to be produced and created, in effect, constructed through the multiple experiences in which the consumer immerses" (Firat and Dholakia, 1998, p.96).

Even though some marketing scholars have long discussed experiential aspects of marketing and consumption (Holbrook and Hirschman, 1982), and how experiences add value to consumers when used in conjunction with products and services (Healy et al., 2007; Voss et al., 2009), only recently has experience been recognized as a separate offering in the market; and its primary functions are proposed to be entertainment, aesthetics, escape from everyday routine, and learning-edutainment (Pine and Gilmore, 1999; Wikström, 2008).

According to Vézina (1999), experience is a central element of the life of today's consumer, who is looking for a higher level of sense in the market. For today's consumer, consumption is not a mere act of devouring, destroying, or using things. It is also not the end of the (central) economic cycle, but an act of production of experiences and selves or self-images. Experiences in the market are powerful, because they reveal the aspect of consumption that emphasizes the production of selves or self-images in order to conceive a multidimensional life, and multiple meanings (Firat and Dholakia, 1998). Darmer and Sundbo (2008) explains the importance of experiences for the consumers in detail:

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