Chapter 8

Sensorial and Experiential Marketing in Shopping Centers: Effects on Retailer Performance

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ABSTRACT

This chapter states the importance of sensory and experiential strategies for the retail companies, their degree of implementation, and their effect on retail companies’ performance. An interdisciplinary review of related studies links sensorial or experiential stimuli with consumer behavior. An empirical analysis answers the following: What degree of knowledge do retail managers have about experiential marketing? What actions and tools are used more frequently? Are their effects measured? What impact do they have on business performance? Survey data collected from 171 managers of Spanish shopping centers show the degree of knowledge of the concepts of sensory and experiential marketing is high, but there are differences in the actions implemented by type of company. Decision makers greatly consider investment in experiential marketing is profitable and effective.

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INTRODUCTION

In the new hyper-competitive context, one priority of companies is to implement marketing strategies that focus on the creation of sensations and memorable experiences for consumers. In this context, experiential marketing has become important for the companies due to the growing need to create these unique moments for their clients. That is why the classic tools used by managers to encourage sales and change customers’ attitudes or behaviors within the store, the so-called “4ps” (product, price, promotion and placement) are being updated if they are not linked to strategies and actions that are addressed to influence their clients’ emotions, memories and experiences. In this sense, managers are much more concerned now about other type of variables related to the retail environment and atmosphere.

As early as the beginning of the last century, when big schemes based on self-service system such as supermarkets and hypermarkets appeared on the scene, store managers became aware of the importance of variables such as the image. They start to feel the need of having a perfect arrangement of the products in the point-of-sale, giving rise to a new concept in marketing: merchandising. Merchandising is a group of techniques that promote the sales of goods in retail, helping customers in their purchasing process thanks to a good presentation of their products, its environment and the use of the space in a profitable way (Zorrilla, 2000).

Nevertheless, taking into consideration the high level of competition in the retail market due to the arrival of new shops, online shopping and the evolution of the consumer behaviors, managers had to find new formulas apart from the merchandising techniques to differentiate themselves. These new formulas refer to the creation of different ambiences and experiences for the customers within the store. Hence, they have made managers realize that the application of the rather traditional variables was not enough anymore (De Farias et al., 2014).

As Wright, Newman and Dennis (2006) said, ‘for decades, marketers and researchers have been aware that shopping is not just a matter of obtaining tangible products, but also about experience and enjoyment’. The result of this was the birth of a new discipline in marketing: sensorial marketing. The sensorial marketing is defined as the utilization of stimuli and elements which customers perceive by means of the senses, this is, sight, hearing, touch, smell and taste, to create specific ambiences (Gómez-Suárez and García-Gumiel, 2010).

What seems clear right now is that customers feel the need of making the most of their time. They prefer to spend their free time with leisure activities in which the hedonic component is high, what perfectly fits with the creation of experiences and atmospheres within the store using the sensorial and experiential marketing.

Therefore, due to the increasing level of competition in the retail market (Moser, 2012; Nell and Wiid, 2014), the emergence of online shopping and the evolution of consumer behaviour, commercial business managers have had to find new merchandising techniques to differentiate themselves (Sachdeva and Goel, 2015). These new techniques refer to the creation of unique experiences for clients (Verhoef et al., 2009; Vieira, 2013) that are based on the stimulation of the senses, which is a fundamental part of marketing actions.

Moreover, the use of sensory and experiential marketing variables to create a commercial atmosphere contributes positively to customer satisfaction, having an impact on commercial results (Gómez-Suárez and García-Gumiel, 2010). In other words, the consumer experience and the physical environment (atmosphere) should be related to the business result due to the value obtained from the client. Therefore, the main aim of this chapter is to provide a general overview of the sensorial and experiential marketing...