Chapter 5

Experiential Marketing: Understanding the Nature of Experiences in Emerging Markets’ Grocery Retailing

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ABSTRACT

The purpose of this study is to examine the influence of experiential marketing on experiential values of young customers and respectively on their satisfaction and word of mouth, intention to pay more and revisit. Primary data were gathered through questionnaires conducted with 489 respondents to examine young customers’ experiences in well-known grocery retails in Phnom Penh, Cambodia. Structural equation modelling using partial least square (PLS) method results were adequate in terms of reliability and validity. Empirical results revealed that some of strategic experiential modules and service quality perceptions of young customers have positive influences on customer experiences (functional and emotional). This research contributes to shed light on the role of shopping experiences of young retail consumers on experiential values, customer satisfaction, and post-purchase attitudes. It is anticipated that by filling this knowledge gap, strengthening retail-shopping strategies, which require an adjustment in the current business environment, can be developed.

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Globalisation and integration in the emerging economies, together with the rising interdependence of national economies driven by the reduction in mobilisation, elimination of trade barriers and increasing innovations in technology, have both facilitated and compelled companies to learn to rapidly adapt to changes in the business world (Grönroos and Voima, 2013). Despite the well-known definition of consumption, which refers to production in general in global economy, modern capitalist societies differentiate consumption and consumerism, which include the stages of ‘having’, ‘being’ and ‘using’ goods and services. Though customers’ wants, needs and use/disposal attitudes indicate differentiation, consumer products/services create inevitable negative/positive experiences as outcomes, and these experiences are the key modules of experiential marketing. Organisations consistently create various distinct stages for their customers to become involved in these experiences through special incentives, including goods/services, environments, and so on (Fuentes-Blasco et al., 2017). When customers participate in or observe these experiences, they develop various perceptions and reactions to the stages. In other words, customers’ perceptions may be evaluated as the result of organisations’ marketing efforts and traditional perspectives on goods/services are not adequate for global competition; therefore, experiential marketing concentrates more on process of creating customer experiences, which includes all purchasing stages (Schmitt, 1999). Therefore, creating a memorable consumption experience is becoming a critical indicator for existing customers as well as for attracting new customers in certain industries, including retailing, due to the combination of tangible and intangible natures of these experiences (Varshneya and Das, 2017; Wu and Tseng, 2014).

Industries that primarily concentrate on use and disposal of goods/service and experiences, such as retailing, are among the fastest growing industries in global economy. According to Kim et al (2014), the industry is defined as retailing primarily sells a holistic shopping experience to their customers and retailers’ central productive activity is creation of a value for their customers. Although experience has a solid foundation in this industry, application of strategic experiential marketing modules in this industry has not yet been successfully harmonised (Varshneya and Das, 2017; Fuentes-Blasco et al., 2017; Kim et al., 2014). Consumers’ fundamental impulse is desire to authentically experience gratification associated with a product or service as they have imagined it, and each ‘new’ services and/or product is seen as offering an opportunity for this motivation (Storey, 2017). From this perspective, one of the key arguments for business success is ‘holistic experience’. Therefore, the aim of this study is to contribute to the literature on this industry and its applications in different destinations by examining strategic experiential marketing in grocery retails in Cambodia.
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