Impact of experiential marketing on customer purchase intention: a study of the Indian apparel retail industry

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Abstract
The presence of multiple brands in the Indian apparel retail industry is turning out to be beneficial to the customers in terms of wide variety, and is also creating immense competition amongst the apparel retailers. The marketers are continuously looking for strategies to attract, retain and make customers loyal to their brand. An apparel customer has traditionally been viewed as one whose purchase decision is based upon functionality and the aesthetic appeal of a product. But now, the apparel retailers have realised that they aspire for something more. Experiential marketing provides an answer to customer desire for something more in the form of ‘creating an experience’. According to Pine and Gilmore (1999) the use of experiential marketing as a communication tool is growing within companies as it is believed to provide a competitive advantage in comparison to traditional communication. This was also supported by Kotler (2003). Experiential marketing has been the focus of several studies in the area of consumer buying behaviour with respect to fast moving consumer goods, consumer durables, luxury goods and services; but in the absence of research on the relationship between experiential marketing and customer purchase intention for apparel retail in the Indian context; there is a gap of knowledge. This paper is an attempt to fill this knowledge gap, looking at the impact of experiential marketing on customer purchase intention for apparel retail in India. The data of 1224 respondents was analysed in this research. The results from the study concluded that emotional, creative cognitive and physical experience have significant positive impacts on the customer purchase intention, while the sensory and social experience were not found to have significant positive impacts on the purchase intention of the customer.

Introduction
Holbrook and Hirschman (1982) were the first to introduce the experiential marketing concept under the domain of consumer buying behaviour. Pine and Gilmore (1999) carried forward the study on experiential marketing and stated that this form will emerge as a new strategic tool to stay ahead of the competitors. Kotler (2003) also pointed out the importance of modern marketing over traditional marketing. In all these studies, experiential marketing emerged as a revolutionary marketing strategy and a strategy for the future.
Various researchers have defined customer experience as an experience that excites, ignites and dazzles customers. Schmitt (1999), one of the pioneers in the area of experiential marketing stated that experience created using sense, feel, think, act and relate enhances customer experience. This finding was further studied and tested by various researchers in different parts of the world for different products and services. These studies have also brought out the relationship between various components of experiential marketing and purchase intention.

On the basis of the available literature, it has been observed that there is a lack of research in establishing relationships between the various components of experiential marketing and purchase intention in the Indian context for the apparel retail industry. Indian apparel retailers have acknowledged the importance of experiential marketing and thus would like to understand the impact of the various components of experiential marketing on customer purchase intention in an Indian context. Thus, a study was undertaken with the objective given below.

**Research Objective**

To study the impact of various components of experiential marketing on customer purchase intention.

**Literature review**

The literature review in the paper examines two aspects: (a) the concept of experiential marketing and (b) purchase intention and the relationship between experiential marketing and purchase intention.

**Concept of experiential marketing**

Stringent global competition has forced companies to develop new business strategies with a customer focus, so as to develop competitive advantage. Marketers have realised that differentiating their business through traditional marketing elements such as product, price, promotion and place will not give them competitive advantage. The future of business lies in creating experience.

The work of Holbrook and Hirschman (1982:17-21) on experiential marketing was carried forward by Taranto (1998:6-8), through his research on brand experience where he pointed out that events are increasingly being used to change perceptions and build relationships. Through these live brand experiences the consumers foster an emotional attachment and create a relationship with the brand. Pine and Gilmore (1999:97-105) in their book on ‘Welcome to the experience economy’, explained experiential marketing as a strategic concept, and emphasized that mere experience will not give brands competitive edge; the experience should be special which gives customers unforgettable memories. These types of experiences and memories will not only attract customers, but will also influence customer purchase intention.

Wood (2009:247 – 268) attempted to find out the reason for the growth of experiential marketing, and stated the reasons as: firstly, the overuse of traditional media and therefore the need to do something unique from competitors; secondly, the consumer’s desire for novelty, individualism; and thirdly, the need to build an
emotional attachment to brands which cannot be differentiated on the basis of their functionality.

In-depth work in the area of experiential marketing was done by Schmitt (1999:13-68), this brought out different components of experiences: sensory experiences (sense), emotional or affectionate experiences (feel), creative cognitive experiences (think), physical experiences (act) and social-identity experiences (relate). The sensory experience is created through sight, sound, touch, taste, and smell. If companies want customers to easily differentiate their products from competitors and emphasise product function and benefits to create product value, they would use sense. The affectionate experience is created through emotion. The emotions are devoted to the creation of moods and emotions that adhere to the company and brand. Think has been stated as a third type of experience in which marketers engage customers on a deeper level. Schmitt explained that the objective to think marketing is to create cognitive, problem-solving experiences that engage customers creatively. The fourth type of experience as brought out by Schmitt is act marketing. The purpose of act marketing is to enrich customer’s lives by targeting their physical experiences, showing them alternate ways of doing things, as well as alternate lifestyles and interactions. The goal for companies in using act marketing is to change long-term behaviour and habits in favour of a particular product or service. The fifth and final type of experience is relate marketing. The relate marketing expands beyond the individual’s private sensations, feelings, cognitions and actions by relating the individual self to the broader social and cultural context reflected in a brand. These five components of experiences are connected, and companies must employ experiential hybrids that combine two or more experiences in order to broaden experiential appeal. The big challenge for the companies is to develop a right combination of these five components of experience for a particular demography and a particular product category.

The work done by Schmitt was further diagnosed by various researchers in different demographics and derived some interesting conclusions. McCole (2004:531-539) in his study studied one of the dimensions of Schmitt i.e emotional experience, and observed that through emotional experience a relationship is built which leads to purchase intention, purchase and repurchase. Andreani (2007:1-8) also supported the findings of Schmitt (1999) and pointed out that in experiential marketing, customers are able to differentiate one product or service from another since they experience themselves emotional aspects of product or service in the process of selecting and consuming the product or service.

Gentile et al. (2007:71-93) took forward the work of Schmitt and suggested that the customer experience has six components that can be explored by marketers:
1. Sensorial component
2. Emotional component
3. Cognitive component
4. Pragmatic component: stimulates acting, use of something.
5. Lifestyle component: stimulates people’s values and beliefs through the adoption of lifestyle and behaviours
6. Relational components: stimulates relationships, social life, communities, social identity, related to the previous component.
The marketers have realised that just stimulating these components is not enough. To be significant, the experiences need to be extraordinary; something which helps people re-define themselves.

Gupta and Vajic (2000: 33-41) brought a new dimension to experiential marketing by introducing the word interaction, and stated that ‘an experience occurs when a customer has any sensation or knowledge acquisition resulting from some level of interaction with different elements of a product or service created by a brand.’ Their work was supported by Lasalle and Britton (2002:30-33), stating that experiential marketing is ‘an interaction, or series of interactions, between a customer and a product; customer and company or its representative that lead to a reaction’. This reaction emerging from interaction results in building a relationship between customer and product. Smilansky (2009:1-297) took forward the work of Lasalle and Britton (2002) related to interaction, and stated that the experiential approach is focused on a two-way interaction in real-time, a live brand experience and thereby a significantly deeper consumer bonding process. In order for brands to facilitate that two-way interaction, the consumer and the brand must be able to engage with each other.

Pine and Gilmore (1999:13-44) looked at experience from a different perspective and identified that retail experiences consist of holistic realms (aesthetic, entertainment, education, escapist), which allow flow between the static and dynamic elements within the experiential environment.

The static elements are aesthetic qualities that include:
1) Physical goods (its functional attributes)
2) Look and feel of the store, which includes logos and signage, packaging, brochures and advertising that help to establish the store's identity and brand experience
3) Experiential theme/message.

These elements provide benefits such as sensory pleasures, feelings of status, privacy and security. In addition, static design elements are represented by the atmospheric/ambient conditions of the store (visual, aural, olfactory and tactile attributes), which are used to increase consumer's consumption rate, and influence customer product evaluations and purchase buying behaviour. The dynamic elements are related to exchange of dynamic information, which is an outcome of human interaction through the customer–staff–store interface. This element helps to create a sense of belonging.

A study by Pandey and Darji (2011:27-32) for Indian malls revealed that both the static as well as the dynamic parameters hold more or less equal importance in defining a satisfactory experience for the customer. These parameters would help many new entrants in the designing of their store as well as enhancing customer shopping experience. As brought out by the study, it even helps the existing players to make the necessary improvements.

Cuellar, et al. (2015:534-553) described that repurchase and loyalty created through experiential marketing leads to increasing sales and profit. These studies covered the entire spectrum of business through the use of experiential marketing, i.e customer acquisition to loyalty and sales to profit generation.

**Purchase intention and relationship between experiential marketing and purchase intention**

Having discussed the literature available on the different components of experiential marketing, the next stage is to look at purchase intention, and the relationship between experiential marketing and purchase intention.

Dodds, Monroe et al. (1991:29) defined purchase intention as an inclination or showing interest to buy something. Purchase intention means the likelihood that a consumer will buy a particular product; the higher the purchase intention, the greater the purchase probability. Assael (1998: 21-23) explained that purchase intention is a behaviour that emerges in response to an object. Purchase intention is also a repeat purchase indicating the desire of customers to make purchases again. Consumers tend to make purchases of an item if the customer has obtained the expected level of satisfaction. Bellman, Loshe and Johnson (1999:11:17) supported the previous studies and concluded that purchase intention is influenced by the levels of consumer experience. Schiffman and Kanuk (2000:77-86) in their consumer buying behaviour study concluded that the greater the purchase intention, the greater is consumer desire to buy a product. Turney and Littman (2003:45-47) supported the findings of Schiffman and Kanuk and asserted that intention to buy is the buyer’s prediction of which company he will select to buy. The study also emphasised that intention to buy is a reflection of real purchase behaviour.

An experiment conducted by Igbaria, Guimaraes and Davis (1995:73-81) examined the result of customer experience within the structure of the customised Technological Acceptance Model and discovered that the customer experience creates immediate and oblique effect on purchase intention. In different research works, several scholars, including Hsieh and Li (2008:17-24), Blackwell, R. D. and Holbrook (2000:67-72) also indicated that there is a positive correlation between experiential marketing and purchase intention. A study of 2100 online customers by Boyer and Hult (2006:33-37) on customer behavioural intentions for online purchasing pointed out that behavioural intention will be at variance based on customer experience level. If the customers increase their positive shopping experience, then their chances of intention to purchase the products and services would be higher.

Researchers have also contributed in developing the relationship between various components of experiential marketing and their impact on customer purchase intention. The research work done by Krishna (2012:23-27); Grębosz & Wronska, (2013:49-51) have contributed to the topic of using sensory marketing as a strategy which has a positive impact on purchase intention. Sensory marketing engages the five senses, and subsequently exert an impact on their emotion, judgment and buying behaviour. But the research work is limited to purchase intention; whether this has resulted in actual purchase was not analysed.
Nasermoadeli, Choon, Maghnati (2013:17-23) found out that only emotional experience and social experience are positively related to the purchase intention. In addition, the research findings also established the relationships between various components of the customer experience as: the sensory experience is positively related to the emotional experience; the emotional experience is positively related to the social experience; the sensory experience is positively related to the social experience. The findings of the study were on the basis of a survey of students of a private university in Malaysia.

The review of literature brought out through various research by researchers have clearly pointed out the importance of experiential marketing in the modern era, and some researchers have also established the relationship between the various components of experiential marketing with customer purchase intention. But no research work has been found in the context of Indian apparel retail which establishes the relationship between components of experiential marketing, and customer purchase intention. The section below indicates the hypothesis formulated between various components of experience and customer purchase intention. These hypotheses are based on the components of experiential marketing as brought out in the review of literature by Schmitt (1999).

Hypothesis

On the basis of research objectives and literature review hypotheses were formulated which are:

H1: There is a significant positive influence of sensory experience on customer purchase intention
H2: There is a significant positive influence of affectionate experience on customer purchase intention
H3: There is a significant positive influence of creative cognitive experience on customer purchase intention
H4: There is a significant positive influence of physical experience on customer purchase intention
H5: There is a significant positive influence of social identity experience on customer purchase intention

Methodology

The study was conceptualised in 2018. The data collection was done during May-July 2018. Primary data was gathered using survey as a mode of data collection. To conduct customer surveys structured questionnaire was prepared. The methods used for primary data collection were:

i. Personal interview
ii. Electronic mailing questionnaires

The major source of secondary data in the review of literature was research papers published in national and international journals. The sampling type for the customer survey was non-probability sampling method. Within non-probability sampling method, judgmental sampling method was used. The sample size for the customer
survey was 1351, of which after editing 1224 responses were processed for analysis. The sampling frame comprised individual males and females in the age group of 18-50 years. The researcher used a structured questionnaire with close-ended questions, a Likert scale questionnaire and respondents’ profile. After developing the questionnaire and before starting the survey, a pilot test was conducted to find out whether respondents are comfortable to answer the questions. It was also tested to see if they understand the questions in terms of language and technicalities. The questionnaire was also tested for typographical and grammatical errors. The pilot testing was done by sending the questionnaire to 25 respondents whose profile matched with the profile of the respondents who are in the sampling frame of the research study. On the basis of problems found out while filling the questionnaire, changes were made and a final questionnaire was prepared for the consumer survey. The primary data from consumers were collected from Delhi, Mumbai, Chennai, Bangalore and Hyderabad. Before performing the analysis of data, the data collected was processed, comprising data editing, data coding and data entry. This was followed by data analysis using frequency table and t test using SPSS 18.0 Version.

**Analysis**

The customers’ perceptions were studied to determine the influence of different components of experiential marketing on customer purchase intention. The opinion of customers was sought using a five point Likert scale. The analysis of the opinions of the respondents on these five attributes of experiential marketing is presented in Tables 1 to 7. The frequency data is presented in Tables 1 to 5.

Table 1 clearly indicates that only 34% of the respondents are in agreement with the opinion that experience created by sensory factors influences customer purchase intention.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>438</td>
<td>36</td>
</tr>
<tr>
<td>Disagree</td>
<td>262</td>
<td>21</td>
</tr>
<tr>
<td>Neutral</td>
<td>112</td>
<td>9</td>
</tr>
<tr>
<td>Agree</td>
<td>162</td>
<td>13</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>250</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>1224</td>
<td>100</td>
</tr>
</tbody>
</table>
Table 2 below shows that more than 60% of the respondents indicate that experience created by emotion influences customer purchase intention.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>183</td>
</tr>
<tr>
<td>Disagree</td>
<td>159</td>
</tr>
<tr>
<td>Neutral</td>
<td>97</td>
</tr>
<tr>
<td>Agree</td>
<td>342</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>416</td>
</tr>
<tr>
<td>Total</td>
<td>1224</td>
</tr>
</tbody>
</table>

Table 3 shows that more than 75% of the respondents indicate that experience created by creative cognitive factors influences customer purchase intention.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>101</td>
</tr>
<tr>
<td>Disagree</td>
<td>120</td>
</tr>
<tr>
<td>Neutral</td>
<td>61</td>
</tr>
<tr>
<td>Agree</td>
<td>321</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>621</td>
</tr>
<tr>
<td>Total</td>
<td>1224</td>
</tr>
</tbody>
</table>

Table 4 shows that more than 60% of the respondents indicate that experience created by physical factors influences customer purchase intention.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>251</td>
</tr>
<tr>
<td>Disagree</td>
<td>132</td>
</tr>
<tr>
<td>Neutral</td>
<td>99</td>
</tr>
<tr>
<td>Agree</td>
<td>181</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>561</td>
</tr>
<tr>
<td>Total</td>
<td>1224</td>
</tr>
</tbody>
</table>
Table 5 shows that 40% of the respondents indicate that experience created by social identity factors influences customer purchase intention.

Table: 5 Influence of social identity experience on customer purchase intention

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>408</td>
<td>33</td>
</tr>
<tr>
<td>Disagree</td>
<td>201</td>
<td>25</td>
</tr>
<tr>
<td>Neutral</td>
<td>21</td>
<td>2</td>
</tr>
<tr>
<td>Agree</td>
<td>249</td>
<td>20</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>245</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>1224</td>
<td>100</td>
</tr>
</tbody>
</table>

The discussion of frequency tables above clearly indicated that in three components of experiential marketing (affectionate, creative cognitive and physical) more than 60% of the respondents agree or strongly agree with the opinions that their purchase intention is influenced by these types of experiences.

The above result was also tested using mean values of the opinions. The scales used were 1 to 5 (where 1 is strongly disagree, 2 is disagree, 3 is neutral, 4 is agree and 5 is strongly agree). A mean value above 3 indicates that the opinion is averaged towards the agreement on the opinion. In three cases the mean value is above 3 which indicates agreement of the respondents for these three attributes of experiential marketing in influencing customer purchase intention. While in two cases the mean value is below 3 which indicates disagreement of the respondents for these two attributes of experiential marketing in influencing customer purchase intention.

Table 6: Customer perception –mean value

<table>
<thead>
<tr>
<th>Statements related to components of experiential marketing influencing customer purchase Intention</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory experience influences customer purchase intention</td>
<td>1224</td>
<td>1.711</td>
<td>1.54</td>
</tr>
<tr>
<td>Affectionate experience influences customer purchase intention</td>
<td>1224</td>
<td>3.417</td>
<td>1.61</td>
</tr>
<tr>
<td>Creative cognitive experience influences customer purchase intention</td>
<td>1224</td>
<td>3.918</td>
<td>1.22</td>
</tr>
<tr>
<td>Physical experience influences customer purchase intention</td>
<td>1224</td>
<td>3.518</td>
<td>1.27</td>
</tr>
</tbody>
</table>
The opinions were finally tested for significance. To test the opinions for the significance, the following hypotheses were used.

H1: There is a significant positive influence of sensory experience on customer purchase intention
H2: There is a significant positive influence of affectionate experience on customer purchase intention
H3: There is a significant positive influence of creative cognitive experience on customer purchase intention
H4: There is a significant positive influence of physical act experience on customer purchase intention
H5: There is a significant positive influence of social identity experience on customer purchase intention

Table: 7 T test for customer perception on influence of attributes of experiential marketing on customer purchase intention

<table>
<thead>
<tr>
<th>Test Value =3</th>
<th>T</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory experience influences customer purchase intention</td>
<td>-13.271</td>
<td>1223</td>
<td>.000</td>
</tr>
<tr>
<td>Affectionate experience influences customer purchase intention</td>
<td>18.430</td>
<td>1223</td>
<td>.014</td>
</tr>
<tr>
<td>Creative cognitive experience influences customer purchase intention</td>
<td>11.407</td>
<td>1223</td>
<td>.000</td>
</tr>
<tr>
<td>Physical experience influences customer purchase intention</td>
<td>19.953</td>
<td>1223</td>
<td>.014</td>
</tr>
<tr>
<td>Social identity experience influences customer purchase intention</td>
<td>-13.112</td>
<td>1223</td>
<td>.000</td>
</tr>
</tbody>
</table>
In three out of five cases, the t value is found to be significant, hence the null hypothesis is rejected and alternate hypothesis is accepted, thus, H2, H3, H4 are accepted. It is proved that:

- There is a significant positive influence of affectionate experience on customer purchase intention
- There is a significant positive influence of creative cognitive experience on customer purchase intention
- There is a significant positive influence of physical experience on customer purchase intention

However in remaining two out of five cases, the t value is found to be insignificant, hence the null hypothesis is accepted, and the alternate hypothesis i.e. H1, H5 are rejected. It is proved that:

- There is no significant influence of sensory experience on customer purchase intention
- There is no significant influence of social identity experience on customer purchase intention

Conclusions and implications

Conclusion

In this study, the relationship between various components of experiential marketing and customer purchase intentions for the Indian apparel retail industry has been examined. The lack of research about the impact of various components of experiential marketing on purchase intention in the context of the Indian apparel retail industry and the interest for the topic led the author to undertake this study and develop this research paper.

The author reviewed the research work done by various researchers in this area and compiled this in the form of review of literature. On the basis of the review of literature, the hypotheses were formulated. This was followed by primary data collection where customers were interviewed through structured questionnaires to capture their perceptions about experiential marketing and purchase intention. The five major independent variables as brought out through secondary research (Schmitt, 1999) were sensory, emotional, creative cognitive, physical act and social identity. The study has one dependent variable i.e. purchase intention.

The findings brought out that there is a positive significant relationship between emotional, creative cognitive, physical act experiences with purchase intention. But experiences created using sensory and social identity were found to have no impact on customer purchase intention.

Business implications

The research findings provide some advice for the industry players in drafting various managerial strategies to increase the purchase intention, by emphasizing the different components of customer experience, especially emotional, creative cognitive and physical experience. As brought out in the research findings; emotional
experience increases customer purchase intention; the apparel marketers should emphasize experience created through emotions by building the product story, showing the product philosophy to touch the hearts of consumers. Also, by creating free and relaxed store atmospherics, the store can enhance the marketing feel which will ultimately lead to an increase in consumers’ purchase intention. The objective of the marketers should be to build an emotional connection of the customer with the brand.

Marketers should also try to engage consumers in a creative manner during their promotions involving consumers in creative problem-solving tasks, and thus enabling them to think, and interact accordingly with the product or service.

The experience created should also emphasise the Physical experience which offers consumers alternative behaviour and lifestyle models in a potent mix of commercial logic and artistic/cultural expression.

An appropriate use of these three components would contribute to the creation of a favourable retail environment for the apparel retail industry, and subsequently trigger consumer purchase intention. The apparel retailers should also look at creating hybrid experiences in the store so that it stimulates customer emotions, and provides them with physical and creative cognitive experience. This hybrid experiential strategy will enhance customer purchase intention.

References


