

DEFINING EXPERIENCE

CHALLENGE

Despite becoming a ubiquitous term amongst real estate practitioners, “experiential retail” still lacks a rigorous definition. A metric is needed to unequivocally establish what constitutes an experience.

STRATEGY I

This study uses Yelp and Google Places ratings as a proxy for experience creation, relying on consumers’ electronic word-of-mouth. This implicitly defines experience on a spectrum, rather than in a binary fashion.

STRATEGY II

This study also adapts Pine and Gilmore (1998) and “Beyond Buying” (2018) to develop two experiential retail identification rubrics. Each uses a set of sufficient conditions as a proxy for experience creation. This method defines experience in a binary fashion – either experiential or not.

Recently, consumer preferences have shifted away from goods and services toward experiences.

Experiences differ from goods and services by providing more value for a consumer in the form of memorability. Whereas non-experiential offerings are external to the consumer and more objective in nature, experiences are personal, exist only at the individual level, and are rarely the same between individuals.

Memorable experiences tend to exhibit the following characteristics: (1) they are themed in nature; (2) they harmonize impressions with positive cues and eliminate negative cues; (3) they mix in goods and memorabilia; and (4) they engage all five senses.

Impactful experiences are usually described as being intuitive, interpersonal, meaningful, immersive, accessible, and/or personalized.

EXPERIENTIAL RETAIL RUBRIC

CONDITIONS	WEAK	STRONG
Artistic Installations	✓	✓
Customization (Apparel/Accessories)	✓	✓
Customization (Food/Beverage)	✓	
Customization (Hair/Nail/Skin)	✓	✓
Customization (Household Goods)	✓	
Entertainment	✓	✓
Events	✓	✓
Experiential Grocer	✓	
Fitness Classes	✓	✓
Memorabilia	✓	✓
Mixed Program	✓	✓
Spa Program	✓	✓
Technology Integration	✓	