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## Experiential retail – a paradigm shift in the retail industry

**New Delhi, December 09, 2023 :** In a transformative shift within the retail landscape, the industry is gaining significant traction, revolutionizing the traditional concept of shopping malls. A notable shift seen in consumer preferences, who now prioritize spending on experiences over material possessions is pushing the mall industry to their approach. A report by CBRE reveals that experiential retail is challenging the growing preference for e-commerce, leading to enhanced profitability through the expansion of the brand's physical presence. In the post-pandemic scenario, there is a significant focus on the productivity of retail spaces, emphasizing an evolution towards enriching the overall customer experience, surpassing the primary goal of driving sales.

The new-age mall development emphasizes experiential retail and it has become the driving force behind the transformation of India's retail landscape. By embracing immersive and social dimensions, malls are evolving into dynamic hubs, focusing on consumer experiences and propelling the growth of experiential retail. Mall developers are focused on creating shopping malls and retail spaces which are emerging as a retail destination offering a perfect mix of shop, dining, and leisure. In the evolving consumer scenario, the goal is not just simplified shopping but customized experiences that captivate customers for longer periods of time and repeated visits.

**Aman Trehan, Executive Director, Trehan Iris** says "shopping malls are adapting to the evolving dynamics of a consumer-centric market and are now surpassing traditional norms by turning malls into dynamic retail destinations that also serve as community hubs. In the past, malls were centered around singular awe-inspiring focal points. However, post-pandemic, malls have witnessed significant changes in consumer behavior, which has altered the way the mall industry has functioned so far."

He further adds, "Today, new-age malls are reconceptualized as experiential retail destinations that encourage social interaction and focus on offering experiences to visitors. The objective is to ensure that each mall visit becomes a memorable experience, leaving a lasting impression that goes beyond the act of shopping. The integration of design, art, and

shopping services, along with entertainment and recreational factors, plays a pivotal role in the success of experiential retail. All these factors create immersive environments that outshine the shopping experience, providing a meaningful experience and encouraging multiple visits.”

Experiential retail aims to create memorable customer visits by allowing retailers to demonstrate personalized recognition and establish a more immersive connection with customers. Hence, emerging technologies like AR, VR, AI, IoT, and cloud platforms leverage consumer interactions on digital platforms, such as reviews and suggestions, to enable successful in-store digitization. This technological advancement is a valuable gift, serving as the backbone of development and evolving rapidly. These involve crafting memorable shopping experiences for customers, directly engaging them, and inviting them to experience your brand in a live, in-person setting.

By engaging consumers at various touch points, technologies supporting experiential retail empower retailers to influence consumer behavior and offer unique experiences and amenities, making retail more customer-centric. Meaningful experiences create a desire to revisit due to great service, providing repeatable value distinct from online experiences. Hence, meeting shopper’s expectations leads to increased willingness to spend. Globally, a large number of consumers are ready to pay more for enhanced shopping experiences.

**Kaustubh Chandra, Manager, Brahma Group, says,** “Experiential retail represents a paradigm shift in the retail landscape, transforming the shopping experience from a mere transaction into an immersive journey. It’s about engaging all the senses and creating a connection with customers that goes beyond the product itself. The essence lies in evoking emotions—be it joy, excitement, or inspiration. However, achieving a truly personalized experience demands more than surface-level customization. It necessitates a deep dive into the customer’s psyche, understanding their aspirations, emotions, and motivations. Crafting unique experiences that align with individual identities becomes paramount. Besides, experiential retail, coupled with genuine personalization, has the power to transform customers from passive shoppers into engaged participants in a captivating narrative. It’s about creating experiences that resonate with their hearts and minds, fostering a lasting connection with the brand. Moreover, true personalization isn’t just about adapting every detail, it’s about creating an emotional bond that goes beyond the purchase, solidifying the brand-customer relationship.”

Now, retailers prioritize customer engagement to entertain and retain their customer base. Employing various strategies, they create elements that foster connections with loyal customers. Today, to keep up with the customer's short attention spans, besides mall developers, retailers are also keeping up with the new trends in facilitating customer experiences. The growing demand for experiential retail spaces is providing businesses with opportunities to craft memorable shopping environments.