

## Relationship between Experience Economy Dimensions and Perceived Experiential Value in the Context of Indian Shopping Malls

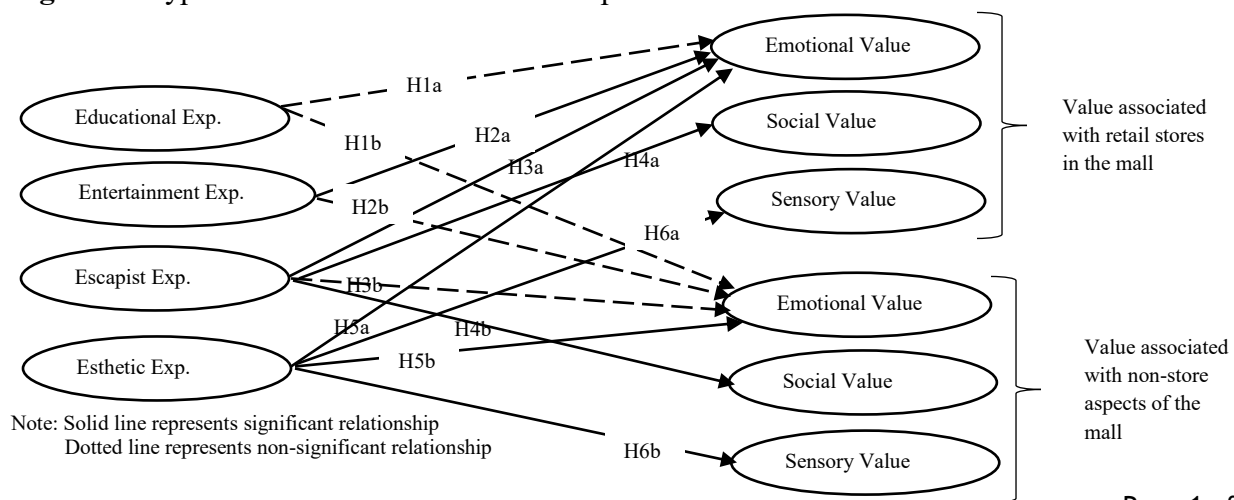
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**Background and Hypotheses** There has been monumental growth in the number of malls in India in the last decade. In 1999, there were just three malls opened in India; that number grew to 220 malls in 2006 and is expected to reach 715 malls by 2015 (Kuruvilla & Joshi, 2010). However, this growth has not been accompanied by profitability and return on investment, which is a matter of concern for investors (“Pulse of Indian Retail,” 2014). Pine and Gilmore (1999) posited that to fully engage the consumer, the consumer environment should offer four experience realms (i.e., educational, entertainment, escapist, and esthetic experiences), which they termed “the 4Es”. Innovative marketing strategies, such as the experience economy 4Es, may create value for mall shoppers. Given the importance of hedonic/experiential value to shopper, the 4Es may lead to a distinct competitive advantage for the mall, thus contributing to its success (Srinivasan & Srivastava, 2010). The present study examined the effect of the 4Es on creating a better shopping experience for Indian consumers, which may help ensure profitability alongside growth.

The combination of retail stores (e.g., apparel, electronics, fashion accessories, footwear, and beauty & skincare products) and non-store aspects (e.g., hair salons, massage parlors, restaurants, cafes, food courts, theatres/multiplex, and gymnasiums), which distinguishes the mall from most other retail venues, provides ample opportunities to offer the 4Es. For instance, entertainment experiences are offered by multiplex theaters and children’s amusement activities, and esthetic experiences come from lavish interiors of high-end brands. Therefore, the purpose of the present study was to explore the relationship between the 4Es and perceived experiential value (i.e., emotional, social, and sensory value) (Sweeney & Soutar, 2001) associated with both retail stores and non-store aspects of Indian malls.

**Figure 1.** Hypotheses between the 4Es and experiential value



Based on the consciousness-emotion-value (C-E-V) model within the Stimulus-Organism-Response (S-O-R) framework as proposed by Fiore and Kim (2007), hypotheses were developed for the study (see Figure 1).

**Method** Following the guidelines outlined by Sudman (1980), the data were collected through a mall intercept survey in two malls in New Delhi, India. Five hundred and fifty-two completed surveys were used for the statistical analysis. The survey included 7-point Likert-type scales with items adapted from existing scales with acceptable reliabilities ( $\alpha > .70$ ). Descriptive and exploratory factor analysis (EFA) was carried out with SPSS 21.0. Using Mplus 7.0, structural equation modeling was performed with goodness of fit measures (e.g., CFI) for confirmatory factor analysis and structural modeling, and estimation parameters were used to assess hypothesized relationships.

**Results** The majority of the respondents were male (66.8%), below 31 years of age (91.3%), with a bachelor's degree (52.4%), and single (69.6%). The measurement model ( $\chi^2 = 1716.37$ ,  $df = 774$ ,  $p \leq .05$ , CFI = .93, RMSEA = .05, SRMR = .04) and structural model ( $\chi^2 = 1889.29$ ,  $df = 786$ ,  $p \leq .05$ , CFI = .92, RMSEA = .05, SRMR = .07) had acceptable fit. All hypotheses were supported except for H1a, H1b, H2b, and H3b. Thus, experience economy constructs, except for the educational dimension, contributed to the perceived experiential value associated with retail stores and/or non-store aspects of the mall. Esthetic experiences had the most consistent positive impact ( $\beta$  ranged from .20 to .48) out of the 4Es on perceived experiential value.

**Conclusions and Implications** The theoretical and conceptual contribution of the present study lies in expanding and applying Pine and Gilmore's (1999) 4Es in a non-Western consumer context and different consumer venues (i.e., retail stores in the mall and non-store aspects of the mall). Moreover, the results of this study provide empirical support for the idea that the experience economy constructs have a significant impact on the perceived value associated with retail stores in the mall and non-store aspects of the mall. In future studies, a cross-cultural study involving the 4Es in malls in other Asian countries where organized retail (especially malls) is developing at different rates, and the effect on actual spending, should be undertaken.

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