

EXPERIENTIAL RETAIL AND THE RISE OF SMART SHOPPER BEHAVIOURS: REDEFINING CONSUMER ENGAGEMENT IN THE DIGITAL ERA**Dr. K. S. BALAJI***Assistant Professor, Department of Management Studies
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East Asia Institute of Management, Singapore.***Contact no:** +65 88210855**Mail id:** aishsudha176@gmail.com**ABSTRACT**

The objective of the study is to examine the Experiential Retail and the Rise of Smart Shopper Behaviours: Redefining Consumer Engagement in the Digital Era. The respondents of the study are identified based on specific criteria, including individuals above 18 years of age who actively shop in Chennai's malls, supermarkets, and experiential stores, and who are familiar with both offline and digitally integrated shopping experiences. The sample size is calculated to be approximately 384 respondents at a 5% precision level. The findings indicate that modern consumer behavior is primarily driven by store design, discounts and offers, experiential engagement, smartphone usage, and endorsement behaviors, while factors such as social media influence, omnichannel integration, and direct purchase intention play a comparatively lesser role. It is concluded that Retailers in Chennai must focus on creating immersive and digitally supported shopping environments to sustain consumer engagement and strengthen purchase intentions in the highly competitive retail sector.

Keyword: *Experiential Retail, Smart Shopper Behavior, Consumer Engagement & Purchase Intention.***INTRODUCTION**

Retail landscape is undergoing a profound transformation as consumers increasingly prioritize immersive experiences over traditional transactional shopping. Experiential value in physical retail spaces is distinctive, with store adaptability and evolution regarded as essential aspects of design, emphasizing flexibility, integration, and entertainment (Alexander & Blazquez Cano, 2020). Retail technologies act as key enablers of this evolution (Ylilehto et al., 2021), shaping customer experience (CX) within increasingly integrated retail environments. Experiential retail integrates physical and digital touchpoints to create memorable, engaging, and value-driven interactions, influencing how consumers evaluate brands. Simultaneously, the emergence of the "smart shopper" a consumer who actively seeks value through technology, price comparisons, and sustainable choices reshapes decision-making patterns. Today's successful retailers understand that shopping is as much about the journey as it is about the destination. Consumer experience prioritizes creating meaningful interactions at every touchpoint. Take Apple Stores, for example they're designed not just as places to buy products but as interactive spaces where customers can immerse themselves in the brand ecosystem, receive personalized advice, and participate in workshops. The statistic that 81% of Gen Z prefer to shop in physical stores was reported in a study by A.T. Kearney, a global management consulting firm. Mohd Johan, et. al., (2022) Many companies have transformed and expanded their businesses from traditional physical stores to online stores. Artificial intelligence is increasingly employed in retail operations, from chatbots providing customer assistance to predictive analytics optimizing pricing strategies (Verhoef, Kannan, & Inman, 2015). John Jacob. M (2023); Nishat Nigar (2021) Purchasing from store which are next to the door minimize time, cost and effort, even there may work personal relationship. Customers are fascinated by new design, which are uncommon and avoid obsolete one, Berger, P. D., & Nasr, N. I. (1998); John Jacob. M (2023).

RESEARCH METHODOLOGY

The present study adopts a descriptive and analytical research design, as it aims to describe the characteristics of experiential retail and smart shopper behaviours while also analysing their interrelationship in the digital era. To achieve this, the survey method is employed, using a structured questionnaire as the primary data collection instrument. The research is conducted in Chennai city, which serves as the sample area due to its diverse mix of traditional and modern retail formats, including malls, supermarkets, and digital-integrated stores. The sample size for the study is determined using Yamane's formula (1967):

$$n = \frac{N}{1 + N(e)^2}$$

where n denotes the sample size, N the population size, and e the level of precision. Based on an estimated shopper population of 10,000 in selected retail outlets, the sample size is calculated to be approximately 384 respondents at a 5% precision level. To ensure representation across different retail formats, the study adopts a stratified random sampling technique, selecting respondents proportionally from malls, branded outlets, supermarkets, and experiential retail stores. Data for the study is collected from both primary and secondary sources. Primary data is gathered through the structured questionnaire, which includes closed-ended and Likert scale questions measuring experiential retail dimensions and smart shopper behaviours. Secondary data is drawn from journals, retail industry reports, and publications. The collected data is analysed using SPSS software, applying descriptive statistics such as mean and standard deviation, as well as advanced statistical tools including reliability testing (Cronbach's Alpha), mean and standard deviation, correlation analysis, and regression analysis test hypotheses.

Table-1: Reliability Testing

Variables	Cronbach's Alpha
Experiential Retail Environment	0.895
Smart Shopper Behaviours	0.789
Consumer Engagement	0.894
Digital Integration in Retail	0.952
Purchase Intention	0.714

The results of Table-1 confirm that all the constructs used in the study exhibit acceptable to excellent levels of reliability, with Cronbach's Alpha values ranging from 0.714 to 0.952. Since all values are above the minimum acceptable threshold of 0.70, the measurement scales for experiential retail environment, smart shopper behaviours, consumer engagement, digital integration in retail, and purchase intention are considered statistically reliable and internally consistent for further analysis. The respondents of the study are identified based on specific criteria, including individuals above 18 years of age who actively shop in Chennai's malls, supermarkets, and experiential stores, and who are familiar with both offline and digitally integrated shopping experiences. Respondents are approached directly at shopping locations as well as through digital platforms to ensure diversity and representativeness. This methodology ensures that the study effectively captures the experiential retail practices and evolving smart shopper behaviours shaping consumer engagement in the digital era.

ANALYSIS AND INTERPRETATION**Table-2: Experiential Retail Environment**

Experiential Retail Environment	Mean	Standard Deviation
The retail store provides an engaging and enjoyable shopping atmosphere	3.32	1.31
I feel emotionally connected when shopping in stores that offer unique experiences	3.41	1.17
The store layout and design enhance my shopping satisfaction	3.61	1.33
Interactive features (e.g., product demos, VR, events) make me more likely to visit the store	3.48	1.21
I prefer retail stores that focus on experiences rather than just selling products	3.44	1.09

Table-2 discuss the experiential retail environment of smart shopper. Mean and standard deviation were computed. The mean values indicated that the store layout and design enhance shopping satisfaction (3.61), Interactive features make them more likely to visit the store (3.48), retail stores focus on experiences rather than just selling products (3.44), emotionally connected when shopping in stores that offer unique experiences (3.41), and retail store provides an engaging and enjoyable shopping atmosphere (3.32). The findings show that experiential elements like store design and interactive features are play the most important role in increasing customer satisfaction and attracting their preference in retail stores.

Table-3: Smart Shopper Behaviours

Smart Shopper Behaviours	Mean	Standard Deviation
I actively look for discounts, deals, and offers before making a purchase	3.76	1.00
I use digital tools (apps, price comparison websites, QR scans) to make informed buying decisions	3.26	1.30
I feel proud when I get a better deal compared to other shoppers	3.27	0.97
I often share information about offers and deals with my friends/family	3.64	1.35
My shopping behavior is guided by maximizing value for money	3.44	1.24

Table-3 elaborate the Smart Shopper Behaviours. Mean and standard deviation were calculated. The mean values showed that the actively look for discounts, deals, and offers before making a purchase (3.76), share information about offers and deals with family (3.64), shopping behavior is guided by maximizing value for money (3.44), get a better deal compared to other shoppers (3.27), and use digital tools to make informed buying decisions (3.26).

It is revealing that discount-seeking and deal-sharing are the most influential aspects of smart shopper behavior, while the use of digital tools and feelings of pride play a comparatively smaller role.

Table-4: Consumer Engagement

Consumer Engagement	Mean	Standard Deviation
I feel more loyal to retail brands that provide memorable shopping experiences	3.69	1.14
I am more likely to revisit a store that engages me beyond transactions	3.93	1.22
I enjoy participating in store-based events, workshops, or experiential promotions	3.55	1.59
I engage with retailers both offline and online to enhance my shopping experience	3.27	1.32
Personalized interactions increase my engagement with the brand	3.61	1.27

Table-4 describes the experiential retail environment of smart shopper. Mean and standard deviation were computed. The mean values revealed that loyal to retail brands provide memorable shopping experiences (3.69), revisit a store engaged their transactions (3.93), participating in store-based events, workshops, or experiential promotions (3.55), engage with retailers both offline and online to enhance my shopping experience (3.27), Personalized interactions increase my engagement with the brand (3.61).

It is found that store engagement beyond transactions, memorable experiences, and personalized interactions are the most significant drivers of customer engagement and loyalty in retail settings.

Table-5: Digital Integration in Retail

Digital Integration in Retail	Mean	Standard Deviation
I use my smartphone or apps while shopping in physical stores	3.66	0.99
Integration of digital features improves my shopping experience	3.09	1.39
I prefer retailers that combine online and offline services seamlessly	3.22	1.56
Social media influences my decision to visit a store	2.91	1.09
Digital payment options make me more comfortable shopping in physical stores	3.47	1.33

Table-5 clarifies the digital integration in retail of smart shopper. Mean and standard deviation were computed. The mean values revealed that use smartphone or apps while shopping in physical stores (3.66), digital payment options make me more comfortable shopping in physical stores (3.47), prefer retailers that combine online and offline services seamlessly (3.22), integration of digital features improves my shopping experience (3.09), and social media influences my decision to visit a store (2.91). The finding indicates that smartphone use and digital payment are the most influential aspects of digital integration, while social media influence is comparatively minimal.

Table-6: Purchase Intention

Purchase Intention	Mean	Standard Deviation
Willingness to Buy		
I intend to buy this product in the future	3.29	1.43
I am likely to purchase this product	2.82	1.34
I will consider this product as my first choice when making a purchase	3.33	1.24
Endorsement		
I would recommend this product to others	3.83	1.43
The chances that I would encourage family to purchase this product are high.	3.24	1.24
I would speak positively about this product to others	3.58	1.33

Table-6 explains the purchase intention of the Smart Shopper. Purchase intention having two dimensions such as willingness to buy and endorsement. descriptive statistics applied to test the applied. Willingness to Buy, find the average values indicated that consider this product as their first choice when making a purchase (3.33), intend to buy this product in the future (3.29) and likely to purchase this product (2.82). Endorsement finds the average values shown that recommend this product to others (3.83), encourage family to purchase this product are high (3.24), speak positively about this product to others (3.58).

The findings highlight that store design, discounts and deals, experiential engagement, smartphone integration, and endorsement behaviours are the key drivers of modern consumer behavior, whereas social media influence, omnichannel integration, and direct buying intention remain relatively weaker factors.

SUGGESTIONS OF THE STUDY

- ✓ Since store layout, design, and interactive features were found to strongly influence satisfaction and revisit intentions, retailers should invest in attractive layouts, immersive displays, and interactive experiences such as product demos, AR/VR, and live events.
- ✓ With customers showing strong bargain-hunting behavior, retailers should provide attractive discounts, loyalty programs, and bundled offers. Regular promotional campaigns will help sustain interest and maximize value-for-money perceptions.
- ✓ As engagement is a strong driver of loyalty and repeat visits, retailers should host workshops, in-store events, and personalized experiences to deepen the emotional connection with customers. Personalized services and tailored recommendations can further enhance brand loyalty.
- ✓ Retailers should focus on optimizing smartphone usage in-store and ensuring smooth digital payment systems. While social media had less influence, integrating online-offline services and promoting digital features in a user-friendly manner could improve overall customer experience.
- ✓ Since customers are more willing to recommend and speak positively about products than directly purchase them, retailers should strengthen referral programs, encourage customer reviews, and leverage word-of-mouth marketing strategies to convert endorsement into purchase intentions.
- ✓ Retailers need to identify barriers that prevent customers from translating positive word-of-mouth into actual purchases. Offering exclusive deals for loyal advocates, personalized discounts, or “friends and family” referral schemes may help close this gap.

CONCLUSION

The study on Experiential Retail and the Rise of Smart Shopper Behaviours: Redefining Consumer Engagement in the Digital Era highlights the transformative shift in consumer behavior within Chennai's retail landscape. The findings reveal that experiential elements such as store design, layout, interactive features, and emotional connection play a critical role in shaping consumer satisfaction and loyalty. At the same time, the emergence of smart shopper behaviours, characterized by value-consciousness, technological adoption, and informed decision-making, is redefining traditional shopping patterns. The results confirm that digital integration in retail strongly enhances consumer engagement by bridging the gap between physical and online experiences, thereby creating a more personalized and interactive shopping journey. Furthermore, the study establishes that reliable and consistent measurement scales support the validity of the findings, with all constructs demonstrating acceptable levels of reliability. The experiential retail strategies, when combined with digital innovation, not only attract and retain customers but also align with the expectations of modern smart shoppers. Retailers in Chennai must focus on creating immersive and digitally supported shopping environments to sustain consumer engagement and strengthen purchase intentions in the highly competitive retail sector.

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