

A Comparative Study of Product-Centric and Experience-Centric Value Creation in Indonesian Fashion Retail

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Abstract

This study examines how Indonesian fashion retailers strategically respond to the rising demand for physical, shareable experiences among digitally-native Generation Z and Millennial consumers. It aims to compare two distinct strategic approaches to value creation: "product-centricity" and "experience-centricity"; and to derive practical insights for navigating the contemporary experience economy. This study employs a qualitative comparative case study approach to investigate the distinct mechanisms of value creation. Through a comparative case study of the product-centric brand Colorbox and the experience-centric brand Paddy Playstore, this research analyzes their divergent value creation mechanisms using Aaker's Brand Identity and Pine & Gilmore's Experience Economy frameworks. Findings show Colorbox leverages its physical store primarily to support transactions of affordable apparel. In contrast, Paddy Playstore's core offering is an immersive DIY experience, fostering value through co-creation and emotional engagement. The study concludes that both models are strategically viable, representing complementary strategic paths for retailers: layering experiential elements onto a product foundation or meticulously curating the core experience as the product itself.

Keywords: Experience Economy, Brand Identity, Indonesian Retail, Value Creation, Generation Z.

Abstract

Penelitian ini mengkaji respons strategis peritel fesyen Indonesia terhadap permintaan pengalaman fisik yang dapat dibagikan di kalangan konsumen Generasi Z dan Milenial. Penelitian ini bertujuan untuk membandingkan dua pendekatan strategis yang berbeda dalam penciptaan nilai, yaitu berorientasi pada produk (*product-centricity*) dan berorientasi pada pengalaman (*experience-centricity*), serta merumuskan wawasan praktis untuk menavigasi ekonomi pengalaman (*experience economy*) kontemporer. Penelitian ini menggunakan pendekatan studi kasus komparatif kualitatif untuk menginvestigasi mekanisme penciptaan nilai. Melalui studi kasus komparatif merek produk-sentris (*Colorbox*) dan pengalaman-sentris (*Paddy Playstore*), penelitian ini menganalisis perbedaan mekanisme penciptaan nilainya dengan kerangka Aaker's Brand Identity dan Pine & Gilmore's Experience Economy. Hasilnya menunjukkan *Colorbox* menggunakan toko fisik untuk mendukung transaksi produk siap pakai yang terjangkau. Sebaliknya, produk inti *Paddy Playstore* adalah pengalaman DIY yang imersif, menciptakan nilai melalui ko-kreasi dan keterlibatan emosional. Studi ini menyimpulkan kedua model tersebut secara strategis viable dan saling melengkapi. Temuan memberikan wawasan praktis bagi merek untuk menavigasi ekonomi pengalaman, baik dengan menambahkan elemen pengalaman pada fondasi produk maupun dengan mengurangi inti penawaran pengalaman secara mendalam.

Kata Kunci: Experience Economy, Identitas Merek, Ritel Indonesia, Value Creation, Generasi Z.

1. INTRODUCTION

The fashion retail landscape in Indonesia is currently undergoing a significant transformation. In this era where massive digitalization and the utilization of AI are often cherished as the sole solution for many business challenges, the physical retail concept has found its new momentum in a fundamental reinvention. The predicted complete dominance of transactional activity by e-commerce has been moderated in reality, leading instead to the revitalization of physical retail and the creation of novel value. Consequently, physical retail spaces have evolved beyond mere transactional points to become experiential destinations.

This phenomenon is reflected in modern consumer preferences. The generation born as digital natives has ironically pivoted to become pioneers in a digital runaway movement. Most of the younger generation, mainly Gen Z, now seek real-life, physical, and authentic experiences amid the flood of algorithmic content. According to research from Nuvoodoo.com, a survey and data company in February 2025, 50% of millennials and 48% of Gen Z often feel overwhelmed by their screen time (O'Connor, 2025). This phenomenon is also reflected in the change in Gen Z consumers preferences, as Firstevent.uk concluded that most of Gen Z have a stronger desire to create lasting memories rather than accumulate possession. The evidence for this paradigm shift is clearly visible in the rise and success of temporary physical markets that leverage experiential marketing, exemplified by events such as the Basha Market, Kepo Market and Projext X Market in Surabaya. These markets have become highly anticipated annual occurrences, generating a high volume of economic circulation and also supporting local brands. The robust performance of this business model confirms that 'experience' has effectively become a new, valuable commodity. Within the Indonesian context, this transformation holds high strategic significance. According to the Ministry of Industry of Indonesia, the fashion sector contributed 6.98 percent to the non oil and gas manufacturing GDP in the second quarter of 2025, underscoring its strategic role in the national economy (Antara, 2025). Consequently, the ability of fashion retailers, ranging from large-scale entities like malls to individual brands, to adapt to these shifts in consumer behavior is no longer optional, but has become a prerequisite for maintaining their vital contribution to the national economy.

Crucially, however, the evolution of these strategies does not follow a uniform model. In response to this trend, businesses are adopting diverse approaches, creating an intriguing spectrum of business models for further research. At one end of this spectrum, some models still prioritize product value and core functionality. Conversely, the other end features models that focus entirely on delivering immersive and personalized consumer experiences. While existing literature on retail transformation often examines the general shift towards experiential value, there is a lack of focused comparison between these two distinct, co-existing strategic archetypes: "product-centricity" and "experience-centricity" as viable business models. However, empirical comparative studies

examining how these two distinct models co-exist and operate within the same market context remain limited.

This study aims to provide a strategic roadmap for retail innovation by comparing these two distinct archetypes of value creation. To achieve this, it conducts a comparative analysis of two Indonesian fashion brands that represent opposite points on the spectrum: the product-centric Colorbox and the experience-centric Paddy Playstore. By examining their mechanisms of value creation, operational strategies, and brand-consumer relationships, the research offers practical insights for businesses navigating an era where differentiation must extend beyond the product itself. Specifically, it seeks to answer the following research question: How do product-centric and experience-centric fashion retail models in Indonesia, exemplified by Colorbox and Paddy Playstore, differ in their mechanisms of value creation, operational strategies, and brand-consumer relationships among Gen Z and Millennial consumers?

LITERATURE REVIEW

The Evolution of Value Creation in Retail

The evolution of the retail industry, both in its format and its value creation, consistently mirrors broader societal transformations, particularly influenced by technological advancements, demographic changes, and shifting consumer behaviors. These transformations, however, highlight the increasingly complex interactions between retailers and consumers, driven by the shift in digital strategies, consumer expectations, and collaborative business models. Furthermore, the digital transformation is at the forefront of these changes, enabling new approaches to value creation within every step of the customer journey (Hafez et al., 2021). Rapid technological innovations also help redefine how consumers and businesses interact, leading to an enhanced product or service personalization, and the dynamic rise of service response to consumer needs (Cao, 2021). The development of the omnichannel format in retail also pushed forward the change in the traditional retail value chain. An omnichannel retail strategy helps facilitate the coherence between online and offline experience to optimize the consumer interaction with the brand across touchpoint (Iftikhar et al., 2020).

The concept of experience-based retail represents a further evolution of the retail model, wherein businesses recognize the critical role customer experience plays in influencing purchasing behavior and brand loyalty. This concept, heavily influenced by the seminal work of Pine and Gilmore (2011), signifies a shift in the retail landscape where the creation of memorable customer experiences becomes the central strategy for achieving differentiation and competitive advantage. Specifically, Pine and Gilmore's book, *The Experience Economy*, propose that businesses must evolve from delivering mere goods and services to curating distinctive experiences that engage customers on multiple sensory and emotional levels. The four key dimensions of Pine and Gilmore: Entertainment, Education, Aesthetics and Escapism, each plays a unique role in enhancing customer engagement and providing memorable experiences that transcend simple transactions. The entertainment dimension, in which an experience engages consumers through enjoyment and

amusement, could be developed through interactive displays, live performances, or engaging store layouts that create a positive emotional association with the brand (White et al., 2023). The education dimension, is where the retail turns into an opportunity for consumers to learn and gain new insights. Retailers facilitate this through workshops, demonstrations, or informative digital displays, positioning the brand as a knowledgeable authority and fostering customer trust (Joo et al., 2023). Third one, the Aesthetics dimension, it focuses on the sensory and visual aspects of the retail environment, including design, décor, and ambiance. A visually appealing space significantly influences perception and emotion, making elements like lighting and color integral to an inviting atmosphere (Buonincontri & Marasco, 2017). Last dimension, Escapism, it is about the capacity to immerse consumers in a different reality, providing an escape from everyday life. Themed stores or experiential campaigns encourage customers to disconnect from routine, making the shopping experience more memorable and profound (Amanah et al., 2023). This evolution sets the stage for understanding how brands can strategically position themselves through identity frameworks, as discussed in the following section on Aaker's Brand Identity.

Aaker's Brand Identity

David Aaker's Brand Identity Model is a crucial framework for managing and marketing a brand. It offers organizations a structured method to both build and maintain their brand identity, emphasizing the multifaceted nature of branding by detailing the key components that shape a brand's overall character (Aaker, 2011). Aaker in his model stated there are four perspective in brand that must be catered in term to build a strong brand: (1) Brand as Product; where the functional features and emotional benefits of the products intersect and the value aligned with the customer expectations (Ianenko et al., 2020), (2) Brand as Organization; which explores the internal culture and ethical values of the organization behind the brand. This dimension acknowledges that consumers are increasingly inspired by brands that demonstrate corporate social responsibility and align with their personal values (Bottomley & Holden, 2001), (3) Brand as Person; which involves anthropomorphizing the brand and attributing human-like characteristics to it. This approach fosters more emotional connections between consumers and the brand, enhancing customer loyalty and advocacy (Hill & Vincent, 2006), and (4) Brand as Symbol; in which is about the visual and experiential representations of the brand. This includes logos, packaging, and sensory experiences that create associations in consumers' minds. Symbols play a vital role in brand recognition and recall, as they can convey complex messages about the brand's identity in an instant (Oppong & Phiri, 2019). The strength of a brand's identity is closely linked to its equity, which is examined next to understand how consistency across touchpoints reinforces value creation.

Brand Equity

Aaker (1991), in his book *Managing Brand Equity*, defines brand equity as the differential effect that brand knowledge has on consumer response to brand marketing (Jha & Sarabhai, 2024). Higher brand equity allows businesses to command premium prices, drive consumer preference, and foster customer loyalty, which ultimately translates into improved financial performance (Tiwari, 2010). To build strong brand equity, consistency must be maintained across all operational and

communicative facets, spanning in four areas: message deliveries, product quality and service, customer experience and brand identity and values alignment. Specifically, consistency in Brand Message, such as how a brand communicate its values, mission and promises uniformly across every channel for instance advertising, social media, in-store is essential for establishing consumer trust and clarity (Gammoh et al., 2018; Kumar et al., 2018). Simultaneously, maintaining Product Quality and Service Consistency is crucial, as customers expect a reliable, high standard of quality; any lapse can severely damage reputation and trust (Joko & Hurriyati, 2020; Sierra et al., 2015; Wang et al., 2025). Furthermore, this reliability must extend to Customer Experience Consistency, ensuring that customers have a uniform and seamless brand interaction whether digitally or physically, thus fostering strong brand attachment and loyalty (Gill & Dawra, 2010; Sarker et al., 2021). Finally, consistency in Brand Identity and Values Alignment, where a stable, recognizable identity (logos, slogans) reinforces the brand's core promises thus strengthens long-term customer associations (Abdullah & Siraj, 2016) and positively impacts brand equity (Zhang et al., 2016).

Gen Z and Millenial Consumers in Indonesia

Indonesia's current demographic is characterized by a significant demographic bonus, with 70.72% of its population within the productive age range 15 to 64 years old. The cohort born between 1997 and 2012 (Gen Z) constitutes the largest generational group at 27.94% of the total population, followed by Millennials, who account for 25.87% refer from IDN Research Institute (2025). These two cohorts collectively form the most significant consumption engine in the archipelago. Although these Indonesian Gen Z and Millennial consumers are fundamentally defined by their digital fluency, they still demonstrate a marked inclination toward offline shopping, which is largely motivated by the experiential and recreational aspects of the process. Furthermore, the allure of recreation, discovery, and social interaction plays a significant role in driving Gen Z to the physical retail experience, where they become actively involved in activities that deepen their connection with the brand (Branca et al., 2025; Vojvodić, 2019). Consequently, research concerning Indonesian Gen Z and Millennial behavior towards retail experiences remains limited and warrants further investigation.

Unique Value Proposition and Positioning

A well defined Unique Value Proposition (UVP) allows brands to differentiate themselves amongst their competitors within the marketplace. It helps to address the target audience's needs and preferences, especially for the digital natives such as Millenials and Gen Z demographics that are currently dominate Indonesia's consumer landscape. Research shows that these consumer groups inclined towards the brands that could offer more than product or service quality but also offers a sense of belonging and social connection with the brand. Thus, emotional engagement is a crucial element of the UVP (Martaningrat & Kurniawan, 2024; Nagy et al., 2024; Nurzaman & Herdiani, 2024). Positioning strategy, refers to the process of establishing brand's identity and unique spot within the market. A successful positioning strategy involves the use of clear brand messaging that resonates with the needs and wants of the target audience (Widian & Dellyana, 2025). Whereas in the context of physical retail, these experiential elements such as customer interactions,

immersive brand experiences, could help reinforce these positioning strategy (Alexander & Ling, 2023)

2. RESEARCH METHODOLOGY

Research Design

This study employs a qualitative comparative case study approach to investigate the distinct mechanisms of value creation in Indonesian fashion retail. The case study methodology was selected as the overall research strategy because it is suited to tackling complex, real-world issues with multiple variables (Ebneyamini & Moghadam, 2018). As a research method, the comparative case study serves not only to document phenomena but also to explore the underlying "how" and "why" behind them.

These two contrasting brands, Colorbox and Paddy Playstore, were selected to represent the divergent points on the value creation spectrum. Colorbox exemplifies a product-centric model that has evolved to incorporate experiential elements, while Paddy Playstore embodies an experience-centric model where the primary product is the immersive, interactive experience itself. This deliberate contrast allows for an in-depth exploration of how different strategic orientations operate within the same market, enabling the identification of patterns and insights that would be less visible in a single-case study. These two brands were chosen for their distinctly different generational targets, core value propositions, and retail execution, making them ideal for a comparative analysis that can yield strategic lessons for a wide range of business models. Surabaya was selected as the research site due to its status as Indonesia's second-largest metropolitan area and a vibrant hub for youth-driven retail innovation. With a dense concentration of universities and a thriving middle-class consumer base, Surabaya reflects the behavioral shift among Gen Z and Millennial shoppers toward experiential consumption. Both Colorbox and Paddy Playstore operate flagship outlets in the city, offering comparable access to core customer segments and enabling direct observation of their retail environments in a real-world urban context.

Data Collection Methods

To ensure a comprehensive and triangulated understanding, data was collected from multiple sources between September - October 2025. The primary data collection that were conducted are as follows:

1. Direct store observations were conducted at the physical stores of both brands in Surabaya. Each store was observed during peak and off-peak hours over a total of (e.g., three separate days/one week). The researcher adopted a non-participant observer role, systematically documenting the store environment, design elements, customer-staff interactions, and experiential features using a structured observation protocol and field notes.
2. In-Depth Consumer Interviews, with semi-structured interviews from two consumers from each brand. The consumers were approached and interviewed on-site at the respective stores. This on-site, intercept approach allowed for the recruitment of actual

consumers who had just engaged with the retail environment, ensuring their feedback was immediate and grounded in a real experience.

The semi-structured interview protocol was designed to directly address the research question and objectives. Questions explicitly probed into their perceptions of the brand's identity, for instance What words come to mind when you think of this brand?, their assessment of value received for instance What makes a purchase here worth it to you?, and the emotional/experiential dimensions of their visit, for instance How did you feel while you were in the store?, enabling a comparative analysis of value creation mechanisms between the two models.

3. Visual Documentation, extensive photographic documentation was undertaken to capture store interiors, product displays, packaging, and visual branding elements. The data taken used as critical evidence for analyzing the symbolic and aesthetic dimensions of both brands.

Furthermore, a secondary data collection also conducted to gain more view from another perspective. From both brands social media contents to gain their brand communication strategies, to their websites, marketing materials, and other public relation content to be able to understand their brand positioning and communication strategies. Lastly, for this secondary data collection, data on competitors' strategies and market positioning were also gathered through supplementary store visits and online research to contextualize the findings within the broader retail landscape.

Data Analysis

The data analysis followed a systematic comparative approach using Aaker's (1996) Brand Identity System and Pine and Gilmore's (1998) Experience Economy as theoretical lenses. A structured analytical framework was developed by integrating the two theoretical lenses. From Aaker's model, the four identity dimensions were used: Brand as a Product, as an Organization, as a Person, and as a Symbol. From Pine and Gilmore's model, the focus was placed on experiential value, operationalized through their 4E framework (Educational, Escapist, Aesthetic, Entertainment), to analyze how value is created within each brand identity dimension. The analysis proceeded in two main phases: first, a within-case analysis where each brand was examined holistically to understand its unique value creation ecosystem through synthesis of observational, interview, and documentary data; followed by a cross-case analysis involving systematic comparison to identify contrasts in value proposition formulation, differences in operational execution, variations in customer experience design, and distinct brand-consumer relationship patterns. Emergent patterns were identified through thematic analysis of interview transcripts, comparative mapping of customer journeys, analysis of experiential touchpoints, and synthesis of brand identity configurations.

The synthesized findings from this two-phase analysis are presented in a comparative matrix in Table 1, which juxtaposes the two brands across Aaker's four identity dimensions, with a final column explicating their primary manifestation within the 4E experiential framework.

In Depth Cross Case Analysis: Colorbox & Paddy Playstore

Table 1. Cross Case Analysis

Brand as a Product				
Aspect	Colorbox (Product-Centric)	Paddy Playstore (Experience-Centric)	Contrast & Strategic Insights	Manifestation on 4E Framework
Scope & Attributes	Ready-to-wear casual apparel. Attributes: stylish, feminine, soft colors, comfortable.	Customizable lifestyle merchandise and accessories (DIY keychains, bags, stationery). Attributes: Playful, colorful, quirky, personal.	Contrast: Colorbox offers ready-to-wear fashion products, while Paddy offers products that function as a medium for creative experience.	Colorbox: Functional & aesthetic value. Paddy: Educational value (in creation process) & Escapism value (in creative escapism)
Quality / Value	Value for money. Colorbox offers affordable, good-quality products. Value is defined by the product's material, design, and construction.	Material quality may vary and could be considered a secondary value. The primary value Paddy offers is the DIY process experience and the uniqueness of the creation. Ultimately, value is developed by the consumer.	Value Mechanism: Colorbox develops value through the functional utility of the product itself. Paddy develops value through psychological ownership and achievement derived from the co-creation process.	
Uses & Users	For an everyday stylish look. Users: Young women (16–25 years old) concerned with appearance and price.	For people to express their personality. Users: Creative, expressive, and experience-seeking Gen Z (15–25 years old).	Psychographic Segmentation: Colorbox serves the need to "look nice and good," while Paddy serves the need to "look different and unique."	

Brand as an Organization				
Aspect	Colorbox (Product-Centric)	Paddy Playstore (Experience-Centric)	Contrast & Strategic Insights	Manifestation on 4E Framework
Organization Attributes	Structured under PT Delamibrands. Values: Design innovation, consumer focus, teamwork.	Fast, adaptive, creative. Values: Happiness, creativity, and community.	Operational Strategy: Colorbox operates like a typical fashion industry business, with design R&D and distribution management. Paddy, conversely, operates as an experience curator, focusing on store concept development, events, and community management.	Colorbox: Organized and predicted aesthetic value. Paddy: Entertainment and Escapism through innovative store concept.
Local vs. Global	A local brand with a global style (typically following Korean and global trends) modified to suit Indonesian taste and climate.	A local brand that utilizes global trends and aesthetics (e.g., K-pop, pop culture) to create a 'glocal' experience.	Market Position: Both are local brands, with Colorbox positioned in the fashion market and Paddy in the lifestyle and creativity experience market.	
Brand as a Person				
Aspect	Colorbox (Product-Centric)	Paddy Playstore (Experience-Centric)	Contrast & Strategic Insights	Manifestation on 4E Framework
Personality	Classy, young, modern, stylish, reliable, and minimalistic.	Cheerful, playful, creative, spontaneous, best-friend material, and energetic.	Brand Personality: Colorbox is a trustworthy, stylish friend. Paddy is a creative and playful friend.	Colorbox: Inspirational relationship (Education)

Brand-Customer Relationship	Inspirational relationship. Colorbox offers fashion style inspiration, which is then bought and adopted by consumers. The communication between the brand and the consumer is top-down.	Collaborative and co-creative relationship. The brand offers the stage and tools, while the consumers are the main actors. The communication between the brand and the consumer is peer-to-peer (in the same line).	Relationship Mechanism: Colorbox's relationship is built through inspiration and trust, while Paddy's is built through engagement and emotional connection.	Paddy: "besties" (Entertainment, Escapism)
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Brand as a Symbol

Aspect	Colorbox (Product-Centric)	Paddy Playstore (Experience-Centric)	Contrast & Strategic Insights	Manifestation on 4E Framework
Visual Imagery	Simple logotype with an elegant touch. Clean, bright and minimalist store interior. Neat product display.	Cartoony logo style with touch of colorful and playful design. The store interior design is thematic, instagrammable, interactive and colorful.	Sensory experience: Colorbox offers predictable experience while Paddy offers full of stimulation and emotion.	Colorbox: Minimalism Aesthetics Paddy: Immersive aesthetics, entertaining and drive escapism.
Brand Heritage	Brand that offers stylish and affordable fashion apparel products since 1994.	Brand that offers happiness and creative playroom since 2017.	Heritage core values: Colorbox's values are trustworthiness and affordability whilst Paddy offers freedom to express and freedom.	

The integrated analysis through the dual lenses of Aaker's Brand Identity and Pine & Gilmore's Experience Economy reveals two fundamentally distinct paradigms of value creation. For Colorbox, the physical retail experience functions primarily as a supporting act to the core product. Elements of the 4E framework, particularly Aesthetics through its minimalist store design and Education via

its inspirational social media content, are employed to enhance and facilitate the transaction of its ready-to-wear apparel. The brand identity is coherently built around product functionality, reliability, and a top-down inspirational relationship.

In contrast, for Paddy Playstore, the immersive experience is exactly the main act. The brand's identity is orchestrated to deliver a holistic experience where all four "E's are deeply integrated: the Entertainment of its thematic stores, the Education inherent in the DIY process, the Instagrammable Aesthetics of its environment, and the Escapism into a playful, creative world. Here, the product serves as a medium for co-creation, fostering a peer-to-peer relationship and deriving value from psychological ownership and emotional connection. This clear dichotomy illustrates a strategic spectrum where Colorbox optimizes the selling of products through an experience, while Paddy masterfully orchestrates the sale of an experience through products.

3. FINDINGS AND DISCUSSION

The Core Strategic Dichotomy: Product-Transaction vs. Experience-Co-Creation

This study set out to compare product-centric and experience-centric value creation models. The findings reveal a fundamental strategic dichotomy. For Colorbox, the physical store primarily serves as an enabler for product transaction, while for Paddy Playstore, the immersive experience itself is the core product.

Colorbox positions its physical store as an enabler of functional and aesthetic product evaluation. Consumers value its ready-to-wear apparel for its affordability, soft color palettes, and wearable femininity, which align with a "look good without overspending" ethos. Observational data and consumer interviews confirm that the store environment, characterized by its clean, minimalist, and well-organized layout, functions as a supportive backdrop, not the main attraction. As one respondent noted: "Warna-warnanya colorful tapi soft, jadi nggak norak", underscoring a preference for subtle trendiness over theatricality. This reflects Aaker's "Brand as Product" dimension, where value is derived from attributes like design, quality, and price-performance alignment.

In contrast, Paddy Playstore takes a different approach: the product is secondary to the process. The DIY keychain station, thematic interior, for instance Cosmic Tennis in Surabaya, and collectible merchandise transform the store into a creative playground. Consumers are not just buyers but co-creators. As one Paddy customer shared: "Aku suka soalnya customizable... lucu banget". The value emerges from psychological ownership, like the pride in crafting something unique, and emotional engagement through nostalgia, joy, and social sharing, for instance Instagrammable photobooths. The brand thus provides a holistic experience, turning the retail environment into a creative playroom. This orchestration immerses customers, ensuring value is derived not only from the product but also from the co-creation process and the resulting psychological ownership (Abid et al., 2025). This model fully implements Pine and Gilmore's concept of the "Experience Economy," integrating four core dimensions: Entertainment through a playful store environment, Education via hands-on, do-it-yourself learning, Aesthetics embodied in

bold, visually-driven design that resonates with Generation Z, and Escapism by creating an immersive, whimsical world that offers a departure from the everyday.

Therefore, the central contrast is unequivocal. Colorbox exemplifies a product-centric model that uses experiential elements to support and enhance the transaction of tangible goods. Conversely, Paddy Playstore embodies an experience-centric model where the curated, co-created experience is the primary offering, and physical merchandise serves as its medium or souvenir. This dichotomy answers the "how" of their differing value creation, establishing the two archetypes this research aimed to investigate.

Mobilizing Brand Identity for Strategic Advantage

The strategic dichotomy between product and experience-centricity is executed through fundamentally different mobilizations of brand identity. By examining Aaker's dimensions, we can dissect how each brand's identity apparatus is configured to deliver its unique value proposition.

At the organizational and symbolic levels, the contrast is stark. Colorbox operates within the structured, scalable framework of PT Delamibrands, a model that prioritizes efficient distribution and consistent brand messaging (Anggapratama & Purnomo, 2025). This is mirrored in its symbolic expression: minimalist logos, neutral store interiors, and tidy displays that signal reliability and refined accessibility, reducing cognitive load for the transaction-focused shopper. In contrast, Paddy Playstore's organization behaves as a community curator and experience designer, valuing happiness and creativity (Nuresa, 2023). Its symbols are engineered for immersion and shareability, like cartoony logos, vibrant color-blocking, and immersive thematic stores (e.g., retro-futuristic tennis courts) that create a multisensory playground. This environment actively fuels user-generated content, a critical currency for organic reach among digital natives (Lynch et al., 2020; Tawseef et al., 2025). Thus, one identity is built for consistent product delivery, the other for unique experience generation. This operational divide cascades into the relational dynamic with consumers. Colorbox adopts the persona of a 'stylish, reliable friend,' offering inspiration through top-down communication like seasonal lookbooks and mix-and-match guides. Paddy Playstore, however, cultivates a peer-like or "bestie" persona, which characterized by cheerfulness, spontaneity, and approachability, to foster collaborative engagement and emotional intimacy. This peer-like relationship fosters co-creation and emotional intimacy, making consumers feel the brand authentically 'gets them,' a factor critical in building modern brand loyalty (Joshi & Garg, 2020). The former relationship transmits style, while the latter facilitates self-expression.

Therefore, the brand identity is not merely a static set of traits but a strategic toolkit. Colorbox's identity is streamlined to support and validate the product at the point of transaction. Paddy Playstore's identity is orchestrated to stage and facilitate the core experience. This comparative analysis reveals that in the experience economy, a brand's organizational structure, symbols, and personality are not just for communication; they are primary vehicles for executing its chosen model of value creation.

4. CONCLUSION

Each strategic model, while viable, is exposed to distinct vulnerabilities. The product-centric model faces the perpetual challenge of novelty. Colorbox users express a desire for greater design innovation and consistent inventory, with comments like 'Modelnya tidak upgrade' highlighting the risk of stagnation for a brand whose value hinges on tangible product appeal.

Conversely, the experience-centric model is vulnerable where it is most potent: in its emotional promise. For Paddy Playstore, quality inconsistencies in DIY materials ('Capnya kayak bisa ngefade... gampang patah') threaten the very foundation of psychological ownership and trust. As co-created products become vessels of emotional attachment, material flaws can sever the brand's emotional contract with its consumers (Isroni et al., 2025). Beyond these model-specific tensions, both brands confront a shared imperative: the integration of the digital and physical realms. Gen Z expects seamless synergy between in-store experiences and digital expression (Dibda & Ahmad, 2025). This gap points to the next frontier of innovation, whether through virtual try-ons for product validation or AR-powered design playgrounds for experiential extension.

These findings translate into a clear strategic roadmap for practitioners navigating Indonesia's experience economy. For brands anchored in a product-centric model, the imperative is to selectively layer experiential elements onto a solid product foundation, such as using the store environment to deepen trust, facilitate evaluation, and inspire purchase, without letting the experience overshadow the product itself. For experience-centric brands, the mandate is to meticulously curate and protect the core experience. This requires institutionalizing quality control, sustaining thematic novelty, and fostering community to avoid the commoditization of the very experience they sell.

Theoretically, this study offers three contributions. First, it empirically validates the coexistence and complementary viability of product and experience-centric models, challenging linear narratives of retail evolution (Verhoef et al., 2021). Second, it demonstrates the adaptive application of classic frameworks; Aaker's 'Brand as Product' dimension, for instance, expansively encompasses the designed experience itself (Brakus et al., 2009) where sensory cues become core product features (Mostafa & Kasamani, 2020). Third, it highlights the culturally specific role of physical experience in Indonesia, where offline retail fulfills social and creative needs in ways digital channels cannot fully replicate.

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