Role of Store Atmospherics on Customer Experience

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ABSTRACT:
Now days retailers are creating enticing décor and ambience for the store interiors to make customers replete with sights, sound, texture and movement. The present research focuses on aspects whether the shoppers were attracted to the visual extravaganza or did they stay longer; or eventually returned with a purchase. Observations and interactions with customers and store owners (from organized as well as unorganized retail stores) indicated that most of the customers visiting these stores were inspired, desired to purchase the merchandise even though they were window shoppers, felt satisfied with the store design and wanted to visit the store again. The research revealed that the customers got enticed by the look of the store and eventually converted this attraction towards the jewellery acquisition / purchase.

Key words: Retail store design, store atmospherics, customer experience

1. INTRODUCTION

The look of the store entices a customer through the doors and motivates the customer to buy. The 'story' has to begin with the façade and/or the display windows outside and then is carried through the store and the merchandising till the 'happily ever after' end with the shopper leaving with the bags filled with product (Collins, 2002).

Retailers and retail developers are banking on the fact that given a more three-dimensional shopping experience replete with sights, colors, sounds, textures and movement, consumers will stay longer, shop more, and leave with lasting memories ” (Gester, 2007).

The function of store design is critical in creating a connection with the consumer and his experience. The markets have become more competitive; consumers have become more aware, more particular and more discerning in terms of where they want to spend their time. (Michael, 2007).

In a highly competitive environment, retailers are under constant pressure to create a marquee or signage that would first attract and arrest the attention of the shopper, create traffic at the store, convert the traffic into potential customers by engaging the customers’ needs and translating these desires into purchases.

Good design can transform a store from something typical to something exceptional. Today’s progressive retailer is looking to be continually ahead of the competition. New design and state of the art equipment will enable a retailer to attract more customers while increasing turnover.
Retail experts say the progressive steps for any sale are attention, interest, desire, conviction, and the close. Thus, each of the showcase presentations must attract attention, stimulate interest, and create the desire upon which your sales associates can build to persuade a customer to buy a piece.

Numerous surveys indicate that over 70% of purchase decisions are made in the store while shopping, which underlines the importance of getting the customer into the premises to make that decision. By placing emphasis on design, in-store promotion and the shopping environment, it increases the influence on impulse and mood-related purchasing (McGrane 2008).

Attracting the customer’s attention is very critical in a cluttered marketplace. An attractive marquee and an appealing signage are crucial factors. As most shoppers enjoy the idea of seeing-touching-feeling and then buying the product, the layout and design of the outlet should enable them to move around and enjoy the shopping experience (Gopal, 2006).

Whatever the different motives are for buying a product, the fact that most purchase decisions are made or influenced on the sales floor makes the point of sale an ideal marketing tool for both the retailers and manufacturers (Ebster, Garaus, 2011).

Store design helps in differentiating competitive retailers from each other and can influence shoppers’ right where they make most of their buying decisions. Unlike traditional forms of marketing communication, such as media or print advertising or direct mailings, the influence that the store environment has on the consumer is immediate and three-dimensional. A store appeals to all senses. The right store design can lead customers through the store, provide them with information, entertain them and even sell products to them. Store atmosphere has more immediate effects on a customers in-store behavior than do other marketing tools and techniques (such as advertising), which are not present at the point of sale. (Danzinger, 2006)

The store environment influences a shopper’s emotions and mood, which in turn influence the shopper’s behavior. The basic proposition, that a shopper’s behavior is influenced by the environment was given by the environmental psychologists Albert Mehrabian and James Russell in 1984.

In order to make customer happy the store atmosphere should be decent as it is an essential part of store environment. Factors such as lighting, color, music, scent, exterior store design can be controlled in order to create right store atmosphere.

Influencing customers to stay longer should also be a goal in a retail setting. In general, the longer the shoppers stay in a store, the more contact they will have with the products in that store, which in turn results in higher purchase rates. For example, the use of music and scents that match each other in terms of arousing qualities will positively influence impulse buying, customer satisfaction with the shopping experience, and even approach behavior. (Danzinger, 2006)
Competition is driving retailers to engage the attention of potential shoppers by creating a visual extravaganza. (Rabolt, Miller, 1997)

Three main variables – aesthetics, semiotics and ergonomics – have an enormous influence on the success of retail store design. “The application of aesthetics in retail is about designing unique and memorable spaces that reflect the visual triggers of our target customers. Stores create an image of their environment and product values and elicit memories and emotions about familiar products (Kirkpatrick, 1996).

Retailers need to realize that change is a constant in retailing and building flexibility into store design is an important consideration. The use of interchangeable signage and graphics systems allows stores to change elements seasonally or even weekly (Gopal, 2006). In the store, the customer encounters many static elements that are a part of the brand experience (the architectural/interior design, store decorations, ad panels etc.) as well as dynamic elements that are a part of the customer interface (interaction with salespeople and service staff).

Experience has shown that customers will react positively to subtle changes in store environment, so retailers should use as many of the store design tools at their disposal as possible (Taverner, 2007).

Customer value is created through sight, sound, touch, taste and smell by appealing to all five senses (sensory experiences), engaging the customers creatively (cognitive experiences), affecting their inner feelings and emotions (affective experience) and through interaction with people and culture (social experiences).

Retailers are finding new ways to offer customers something unique or special in order to encourage traffic to physical stores. People like to touch, feel, smell, taste, inspect, test and try on. Merchandise that is kept in boxes or behind glass restricts such interaction. Furthermore, a retail experience that appeals to the senses differentiates the shop floor from the online platform.

Consumers are looking for experiences that stimulate, elicit psychological excitement, and produce sensory pleasure. Lighting, color, music, ambient noise, odor, temperature, touch and crowding are all environmental stimuli that can meet the shoppers’ psychological needs that include sensory stimulation, social interaction, security, and comfort (Ng 2003).

1.1 Store design
Hasty and Reardon, 2007 see design fit as the satisfaction of shopper needs via interior and exterior design elements that produce an operationally efficient store, the desired store image and a central location that effectively displays merchandise. Elements of store design include atmospherics, visual elements (such as colour, lighting, size and shape of objects).

1.1.1 Atmospherics
The study of the ambient dimension of store design was driven by the realization for a store’s appeal. It covers atmosphere of store design. Atmospherics is defined as an effort to design buying environments to produce specific emotional effects in the buyer that enhance purchase probability. It comprises of visual, aural, olfactory, and tactile and taste elements. It assists in stimulating correct shopper, mood & improve store shopping experience. The retail store is a complex environment that contains multiple atmospherics cues that can be categorized as exterior, general interior layout, point-of-purchase, decoration and human variables. (Turley and Milliman, 2000).

Atmospherics is the effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability (Kotler, 1973). These elements present a multitude of possibilities, including ambient cues such as color, smell, music, lighting and textures as well as architectural and artifactual elements. (Eroglu and Machleit 1993, 34).

Markin, Lillis, and Narayana acknowledge that space affects customer behavior and that design and atmosphere may be used to shape and modify the behavior of shoppers. An inviting atmosphere not only brings people into the store, but also keeps them there longer. Studies show that the longer shoppers remain in a store, the more money they are likely to spend. (Ries, et al. 2005)

Atmospherics include various dimensions:-

1.1.1.1 The Visual Dimensions
- Color
- Lighting levels
- Size and shapes of objects

a. Color
Colors attract attention, assist evaluation and highlight certain product or store features. They are classified as: Light (high white content), warm (at end of the red spectrum), cool (at end of the blue spectrum), neutral (shades), bright (intense warm colors). Colors have physiological and psychological effects on the individual. Physiological Effects are related to an unthinkable or instinctive physiological reaction to a color and are used to the moods of the shopper. Psychological Effects are based on the link between color and mood. Color is the biggest motivation for shopping. Color says something about the kind of store, the kind of merchandise, the kind of market the retailer hopes to appeal to (Pegler, 2006).

Warm color environments reduce perceived store shopping experience. It encourages shortened shopping times that clash with shopper’s required decision-making time. Shoppers are likely to become too aroused & unable to make realistic judgments about the about potential purchases. Cool color environments enhance store-shopping experience. It facilitates purchase -related decisions. It is more attractive & pleasant; shoppers are less likely to become aroused.
b. Lighting.
Task performance improves with increased brightness. Major implication for the retailer concerns browsing, or the extent to which a shopper will actively seek out additional information before making a purchase decision. (bizgeeks.rediffiland.com/, Feb 2007)
- Better visibility: it may be easier for the customers to find products or discriminate between alternatives.
- More attractive products: it is possible that visual quality provided by lighting, with high color rendition and three dimensional modeling, may make products more appealing.

c. Size and Shape of objects.
The size and contrast of objects affect their impact on the individual. An object gains the shopper’s attention as the degree of contrast with the surroundings and/or relative size increases.

1.1.1.2 Aural dimension-
Music creates mood and ambience of the store environment.
Music affects perceptions of time. Presence of any music may increase expenditure & time spent in store. Soft music is more peaceful. Louder music may decrease expenditure & time spent in store. Fast music increases rate of in-store traffic flow. Has little effect on expenditure. High pitch in music is seen as more exciting whereas low pitch sad. The Popular music has an effect on time duration, more popular music increases the time spent in store.

Elements Forming Distinctive Store Image
The elements combine to form a distinctive image that not only reaches out and grabs the customer’s attention, but makes a positive impression within those precious few seconds. An effective store name sets the tone and provides a store’s identification by conjuring up an image in the customer's mind. A store name should be easy to say and remember, indicative of the images and feelings you want the customer to retain and unlikely to sound dated in a few years. An identifiable trademark adds a visual image to the memory recall of a store name, by combining words and pictures, color, shape, typeface, texture and/or style to make it stand out.

Exterior storefront must provide instant recognition and recall by projecting a welcoming, clear and concise image of what’s in-store. A store's exterior look is often referred to as the architecture, and comprises aspects such as building materials, architectural style and detail, colors and textures. A store in a Victorian brownstone building, for example, will exude images associated with the building’s architectural era, such as cozy, tastefully cluttered and comfortable. The store sign is a vital element of the storefront, identifying your store and beckoning the customer to take notice and stop. A store's exterior windows or glass storefront provide an additional opportunity to reach out and grab the passing customer. Windows are an integral in creating a positive impression since they offer an opportunity to begin telling your store's unique merchandise story immediately. The entrance to the store is the division between the outside and inside environments. Mall retailers have an easier chance of luring customers into the store with a wide, open entrance, creating a seamless entry from the mall to the store. An inviting entrance is crucial in stopping the customer and establishing a
positive first impression, but if the inside store messages create feelings of inconsistency or confusion, all is lost. For example, a clear and well-articulated store entrance that is followed up with a barrage of inconsistent aisle patterns, sloppy merchandising and confusing signs signals to the customer that the exterior image will not be fulfilled on the inside. Truly impressive stores are consistent in all efforts from the storefront right through to the stockroom. Street retailers and some mall tenants who require portals due to climate control or a need for intimacy or security, have less opportunity to give customers a tantalizing taste of the interior, therefore have a greater challenge of persuading them through the door. For these retailers, an unobstructed and welcoming doorway combined with a great window display can provide the lure. In all types of store entrances, customers need to get the impression that they will be comfortable and welcome. Obstacle courses, visual clutter and "Do Not" signs on the doors are negative turn-offs that often result in a negative first impression and a lost customer. A visual hook is a call to action that diverts a customer's attention to your store with a "Stop! There's something here for you!" Powerful visual hooks are created by marrying other visual merchandising components for a more memorable first impression. Display affects store image, store experience, traffic flow by presenting the assortment in such a way to maximize the sales.

The visual merchandiser may create a display that stimulates, tantalizes or arouses the shopper’s curiosity to such a degree that he or she is “challenged to enter the store and wander through it, even though the shopper is not motivated by the displayed product itself. It gives the display person and the merchant many more opportunities to sell that shopper once he or she is inside the store. To make a shopper a stopper and a walk is a commercial achievement (Pegler, 2006). Within the first few seconds of catching their interest, the customer’s focus moves beyond the store’s exterior for a visual scan of the interior while they mull over whether to enter or not. Getting a customer through the door is indeed a victory. A well-planned retail store layout allows a retailer to maximize the sales for each foot of the allocated selling space within the store. Store layouts generally show the size and location of each department, any permanent structures, fixture locations and customer traffic patterns.

An exciting entrance presentation, an effectively signed promotional offering, a powerful interior display, in-store animation or events all serve as magnets to draw the customer in. Successful hooks ensure that the impressions they project are consistent with the store's overall image. Many of today's retailers are extending their store hooks into the realm of sensory appeal for a total image package.

2. FINDINGS OF THE RESEARCH

2.1 Profile of Jewellery Stores

The jewellery stores selected were categorized into three as High end stores, middle level and local stores. Diamond and precious stone jewellery predominated in High end stores as compared to diamond and gold in middle level and local stores. Most of the shop owners whether from high end, middle or local stores took good care of their customers by offering certain luxury services like personal shopping attention, free alterations, free delivery and exchange of merchandise even after a long period to enable customers to get value for their money in future as well.
Footfall in high end stores was more as compared to the other two stores where, too many customers were not visiting the store at a given point of time. Therefore, in order to serve more customers, they had hired more salespersons.

Majority of the respondents (70%) reported that their annual income was more than 4 lakhs. All the high end stores had income more than four lakhs whereas the majority of local stores (75%) and middle level stores had income less than four lakhs. Even though the trend seemed realistic that bigger and branded stores comparatively derived higher revenue as compared to smaller and local stores, yet the total income earned per annum was under reported probably due to fear of revealing factual information or they might have quoted income filed in ITR (Income Tax Return).

2.2 Decisions for Store Design

Visual Merchandising. The high level stores placed more emphasis on visual merchandising and hired experts as compared to middle level and local level stores probably due to lack of funds or less emphasis placed on visual merchandising.

Storefront Design. Storefront design held greatest importance in the entire design of the store as stated by shop owners. In majority of middle level and local level stores owner was the main person behind the storefront design whereas in high end stores, the visual merchandising team and the designer in tandem with the owner were the main deciding people for the storefront design. 75% of the high end shop owners also believed that the season or occasion dictated the storefront design which was further enhanced by their design team.

Theme. Most of the stores visited, based their decor and store design using a certain theme, e.g. ‘Soothing theme, contemporary theme, traditional theme. In most of the middle and local level stores the owner decided the theme for its store whereas in 63% high end stores, architect / visual merchandising team or designer, season/occasion decided the theme for the store.

Music. Only a few high end and middle level stores incorporated music to influence their customers.

Lighting. Lighting was given due importance in most of the stores as it influences the overall store design and creates different moods.

On-shelf Merchandise Presentation. The owners decided the on–shelf merchandising (75%) in all the types of store. Some retailers felt that the design on display is also influenced by season and occasion. It fosters an image among the minds of the customers that how trendy, exclusive, fashionable the merchandise is.

Window Display. Prime decision maker for window display was the owner of the jewellery store in all three types of stores. In the high end stores, visual merchandising team and occasion were also significant deciding factors.

Analysis of store design as per the responses by shopkeepers revealed that he himself contributed maximum towards the all factors of store design. Besides the owner, visual
merchandising team had a significant role in store design particularly in high end store. In the middle and local stores owner seem to be the main person responsible for the store design.

2.3 Store design aspects
According to the shop owners majority of the customers (35%) visit / see the right side first soon after entering inside the store. This was found more obvious in high end stores as compared to middle level and local stores. Layout of the store could be another factor responsible for this finding which may have been followed intentionally or by default by the shop owners to place it on the left side.

Majority of the retailers (70%) changed the outside display of their store to catch the attention of the passing shoppers, enticing them inside the store. Some of the retailers changed the inside display of the store as well as displayed nice jewellery on–shelf. A few of them also increased lighting, made the store ambience nicer in order to enhance the merchandise and entice the shoppers to browse and buy.

Many retailers felt that store should be neat and clean and spacious to display more designs. The more the merchandise is exposed to, that is presented in an orderly manner the more the customers tend to buy. Some retailers also felt that nice ambience was a significant aspect in designing of the store as it creates its own identity in the minds of the customer. Twenty per cent of them also found that lighting had a greater impact in store design. Brighter in–store lighting can also influence shoppers to examine and handle more merchandise in the jewellery store. Other factors impacting the store design equally were display of latest trends; safety and security for the customer as well as the merchandise; maintenance free finishes; etc.

Importance of Visual Merchandising of Store. Majority of the retailers (50%) felt that visual merchandising was important to attract customers to the store. 30% of the retailers felt that the first impression is built outside the store at window display. Some (20%) of them felt that whatever jewellery is presented outside gives an idea of exclusive merchandise present inside the store. According to 15% of retailers, visual merchandising was a great way of converting the window shoppers to actual buyers.

2.4 Customers Visiting the Jewellery Stores
Majority of the customers visiting the jewellery stores were younger in age i.e., less than 30 years working in government/private organizations and were serious buyers as it was interesting to find that among all the customers interviewed 95% of them visited these stores for purchasing the jewellery, and very few (5%) were there either for window shopping or for repair. Since majority (58%) of the customers was determined of their purpose therefore they spent good amount of time (minimum half an hour to one hour) at the store.

First Impression of the Customer at the Retail Store. Most of the customers were inspired on their first visit to the store, as the display was highly appealing to them. More than 32% desired to purchase the merchandise even though they were window shoppers. 55% of the customers felt satisfied with the store design and they wanted to go further with this experience. Thus, the positive responses indicated by the customers were encouraging for the
store owners as they had very nicely done up the store design to entice the customer. The analysis of first impression of customers was quite encouraging as it displayed and surfaced the right emotions among the customers due to which they were attracted towards the store, motivated to see more and feel.

On questioning the negative aspects of first impression, it was amazing to find that more than 95% of customers were not at all disgusted, indignant, contempt, disappointed, dissatisfied, bored and unpleasant surprise which suggests that they were very happy in the store and they wanted to be there for long hours. Hence, some of them might convert into sales later.

Findings further suggest that shop owners had designed the stores as per the customer’s psyche and were doing justice to provide a pleasant shopping experience to them.

The analysis of the first impression of customers indicated that 67% of the customers had good first impression, which was an important driving force to take them inside the store and have a look at the merchandise. So, most of the stores seemed to have good store design to attract more customers. 90% of the customers were attracted by lighting as it really sets the mood and 80% of the customers were enticed by the use of mirrors in the décor adding up the glamour quotient. Other elements such as color, contrast, props, fragrance, and music also helped in drawing customer attraction.

The study findings revealed that most of the customers bought from a store because of good quality of jewellery and store ambience along with the services provided from the retailer. The retailers also included multi sensory approach to entice the customer completely by exploiting all of his five senses i.e., sight (visual communication), sound (music), smell (fragrance), and touch (on-shelf merchandizing) and the experience (inviting ambience).

Frequency of customers depended on various factors like time of the day, wedding season, festival season or special occasion. Shop owners informed that there were more customers during wedding season and festivals (70%) in all the three levels of stores as compared to any average day. Most of the high end stores received higher footfall (75%) as compared to local and middle level stores. The shopkeepers looked forward to higher footfall during wedding or festival season particularly in high end (75%) and middle level (55%) stores wherein they received more than twenty customers in a day.

The shopkeepers informed that whether on an average day or during festival or wedding season 50%-75% of customers frequenting a store returned with merchandise bought by them in all the three types of stores. Some shop owners said that more than 75% customers returned after purchasing the product in all the three periods.

2.5 Store Image
It involves visual communication, store design, exterior design, store planning and merchandise presentation.

Visual Communication. Visual communication includes signage, store name and logo.

An attractive signage works like a magnet in drawing customers towards a store. Observation showed that majority of stores (80%) had attractive signage.

The store name was memorable according to most of the retailers (70%) as the stores were named after their family name or the founder of the store. But customers (70%) did not find the store name catchy. 75% of the retailers felt that their store logo was easily identifiable as
compared to the customers (22%) probably because the stores did not advertise their store logo and some stores had not been able to build their brand image among the customers. Association of store image with visual communication indicated that those stores who scored high on store image also had good visual communication parameters like catchy store name, meaningful and memorable logo, and bold signage. The findings suggested that visual communication was an important parameter impacting the store image. The findings were significant at <0.05 and focus on the above factors by shop owners.

**Store design.** Store design encompasses both the exterior and the interior of the store. The exteriors include the storefront design, entrance, all of which are critical to attracting passing shoppers and enticing them to enter. The interiors include the architectural elements and finishes on all surfaces, such as wall coverings, floor coverings, and the ceiling. All the details of store design must work together to create the desired store ambience, which is the overall feeling or mood projected by a store through its projected appeal. 85% of the shopkeepers felt that their store design was good followed by the customers (75%). It shows that most retailers were able to provide the ambience liked by the customers. It was observed that most of the high end stores had good store image as compared to some middle level and local stores. Majority of retailers felt that the store design does make an impact on sales of the store. Many retailers were focusing on in–store marketing by spending more on the merchandise presentation, store design and visual displays leading to significantly greater sales. Personal observation showed that majority of the stores felt that good store design had an impact on sales. Therefore retailers today are spending a great deal of time and effort making sure the right things happen in their stores, and that their targeted customers enter these stores, shop, and spend money.

**Lighting.** Most of the stores were brightly lit according to the store owners and customers. Personal observation also revealed that majority of the stores (70%) was visually comfortable as the lighting was free from glare and was appealing. It has been found that glare or overly bright, strong lighting can be irritating and detrimental to selling. The study indicates that customer who is comfortable while shopping will stay longer, spend more money and enjoy coming back time and time again. Various types of lighting effects were created in the high end stores to increase the probability of sales. Association of store design with store image indicated that store with good store design also had good store image. Hence the shop owners give lot of emphasis to store design parameters like lighting, wall and floor finish, color scheme and theme.

**Exterior Design.** The impression of the customer for the store starts outside the store even when the customer has not stepped in. The exterior designs of the store include the storefront design and display window.

The stores had attractive entrance, unique wall display, good lighting which drew attention of the shoppers towards their stores. The stores which were less noticeable were not exclusive, did not display anything new and were plain and simple. Since most of the high end and middle level stores were well located, spacious and had wide open entry therefore were eye-catchy.
Most of the high end stores (87%) had attractive storefront design whereas the middle level and local stores had poor storefront design which shows that they were able to present and promote the products to the customers. most of the high end stores designed their window display better than middle level and local stores. The window display was changed according to the season or occasion. Those stores who had good exterior design also scored high on store image.

Merchandise Presentation. It includes the on-shelf merchandise presentation and visual merchandising. The on-shelf presentation of merchandise appeared attractive to everyone. It was interesting to find that most of the high end stores displayed the desired merchandise effectively which helped to inform as well as entice its customers to buy the latest innovation by the stores as compared to middle level stores where merchandise was kept far away from the counters.

The visibility of the store window was found to be good as the products were displayed well in these stores. Some of the stores had certain deterrents like glare, cluttering of merchandise, poor color scheme and lighting.
Visual merchandising of the window display was appealing as most of the shop owners had taken extra care to get their window display professionally designed. Illumination level in the window display was found to be good this made the appearance of the show window highly attractive.

Most of the stores had good merchandise presentation as all of them were quite conscious of the fact that first impression is extremely significant. Association of merchandise presentation with store image revealed that stores having good store image also had good merchandise presentation and vice versa.

Store Planning. It includes the Space Allocation i.e. Vertical display design, Distribution of sale counters in the store, Wall –Merchandise space, Circulation space.

Most of the stores were spacious even if they were not big in size they created an illusion of spaciousness by using various elements of design like color, mirrors, display of merchandise, lighting and find details used discretely. All the stores were planned well and did not give the appearance of cluttering whether vertically or horizontally. The layout was efficient therefore there was good flow of movement in stores.

Association of store planning with store image indicated that majority of the stores who had good store planning also have good store image. The ones which did not have good store image but had good store planning could be because they were small so good planning could not help in elating their image and also subsequently some stores had poor store planning but good store image probably these were the stores who were big and spacious therefore appeared attractive.

The findings revealed that store image and store planning were highly and significantly related with each other. Association of Store Image with first Impression exhibited that majority of the stores which had good store image also created a good first impression on their customers and vice versa.
Association of store image with complete shopping experience exhibited that those stores which had poor store image had customers with poor shopping experience and vice versa. Findings revealed that majority of the stores had good store image and also provided good customer shopping experience.

The study reveals that store design helps to draw attention of the customers, motivate them to remain in the store and see the merchandize, be delighted by being there at the store, feel relaxed so that all details are visible including the merchandize and thus, turn out from the store with the merchandise shopped and satisfied.

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