Influence of Retail Store Aesthetics on Consumer Behavior: An Empirical Study on Retail Malls

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1. Introduction

In the Retail industry, a retail store space is no longer just for displaying or selling products. Rather, it functions as a crucial branding element, affecting store image. Retail atmosphere refers to the conscious designing of space to create certain effects on buyers' purchase. A retail atmosphere is believed to exert significant cognitive, attitudinal, and emotional impacts on consumer purchasing by “drawing consumers in, keeping them engaged, and enhancing their shopping experience” (Elliot & Maier, 2014). The atmosphere of a retail store space comprises such various sensory elements as color, layout, music, scent, temperature, and odor; each element makes its own contribution to the overall store image (Das, 2014; Chattopadhyay, 2012). From the consumer's perspective, the aesthetic factors of retail atmosphere can be most powerful in forming store image due to their visual ubiquity.

This role of aesthetic factors in retail atmosphere becomes further evident in luxury fashion, where purchasing decisions are based largely on hedonic values drawn from quality shopping environments (Chung, Youn,&Lee,2014). Consumers expect luxury retail environments to be significantly different from those of lower-priced fashion establishments, and they are aware that the high price of luxury items includes the costs of maintaining an exceptional store setting (Ex. Wills Lifestyle, Shoppers Stop). Every year, luxury fashion houses make huge investments into retail store spaces; however, the executive decisions depend mainly on personal taste and past experience of interior designers. As such, there is a lack of managerial guidelines for developing a luxury retail atmosphere. Although few researchers have examined retail stores' atmospheric effects on shoppers, effectiveness of the aesthetic factors of luxury retail environments on purchasing (Patrick, & Milne, 2013; Spence et al., 2014).

2. Objectives of the study

Based on the context of aesthetic psychology the following objectives are framed for the investigation (a) To know the interior color ambiance of the retail store influence on consumer perception (b) To understand the how perceived store luxury increases the positive emotions (c)To evaluate the positive emotions increase consumers store preference on buying products.

3. Literature Review

Brand and Retail Atmosphere in retailing refers to prestige, status, premium quality, rarity, and items that are perhaps nonfunctional or superfluous (De Barnier & Valette-Florence, 2013; Vigneron & Johnson, 2004). The legitimacy of price of luxury brands comes from an exceptional product quality and production processes (Chung et al., 2014). Consumer self-perceptions and expressive motivations from exclusive designs, images, and brand names; and hedonic values experienced through shopping activities within retail environments (Grigorian & Oetersen, 2014). An ultimate goal of branding is to create an exceptional consumption experience that significantly differentiates the brand from other brands targeting mass markets (Spence et al., 2014). Symbolic marketing factors, including the point-of-purchase contexts of retail stores, greatly impact brand buying decisions (Miller & Mills, 2012). A retail atmosphere is helpful in building a luxury
retail store environment that contributes to exceptional shopping experiences.

The atmosphere of a retail store space reflects the overall vibe and ambience. From a broader perspective, a retail atmosphere is a subset of a servicescape which is “a composite of three dimensions: ambient conditions; spatial layout and functionality; and signs, symbols, and artifacts” (Bitner, 1992). Store Interiors, Color is “the most influential ambient variable” (van Rompay et al., 2012) among various aesthetic factors in a retail atmosphere. It is a fundamental visual attribute of store layout and design (Das, 2014; Turley & Milliman, 2000). Color is believed to convey meaning that influences an individual’s cognition and behavior (Spence et al., 2014).

4. Consumer Perceived Store Luxury

A retail atmosphere of rich interior colors should increase perceived store luxury. Which can be measured through a rating system (De Barnier & Valette-Florence, 2013; Dubois, Czellar, & Laurent, 2005). A store space itself may reflect certain symbolic images to customers (Kotler, 1973). The symbolic role of color in creating referential meaning in branding contexts has been discussed in the literature of Olaza’bal, and Cava (2009) contended that color carries intrinsic meaning that becomes central to the brand’s identity and contributes to brand recognition. Indeed, Bottomley and Doyle (2006) and Labrecque, Patrick, and Milne (2013) suggest that color helps a brand to communicate the desired image in such branding forms as advertisements. Through color, a brand can establish an effective visual identity, form strong relationships with a target market, and position itself among competitors in the marketplace (Labrecque et al., 2013). A strong relationship has been suggested between the image reflected by the retail atmosphere and the store image; Cox and Brittain (2004) consider store atmosphere to be the major component of store image. Evans and Berman (2013) contend that a retailer’s image depends heavily on its atmosphere. Hence, consumer perception of interior color: H1 hypothesise are postulated to this study.

5. Emotions in Retail Environments

The perceived retail store from the high-luxury colors should increase positive in-store emotions in the retail atmosphere. Researchers highlight that various in-store emotions are derived from store images (Bottomley & Doyle, 2006; Yani-de-Soriano & Foxall, 2006). The stimulus–organism–response (S-O-R) model in environmental psychology explains the effects of atmosphere variables on consumers’ emotional states, their behavior, and the types of emotions experienced. The intervening variables are the three distinct emotional states: pleasure (P), arousal (A), and excitement, which play a mediating role for approach or avoidance response to the environment. Perceived store luxury increases the three positive in-store emotions. First, perceived store luxury will enhance pleasure. Elliot and Maier (2014) suggest that high quality and aesthetics in designs increase positive customer emotions. When consumers perceive a great degree of luxury in a store, they will feel a high degree of pleasure because the perception of luxury has pleasurable and hedonic values (De Barnier & Valette-Florence, 2013). Second, perceived store luxury will enhance arousal. The emotion of arousal involves a mental wake status of excitement rather than calm, aroused rather than unaroused, and wide awake rather than sleepy (Mehrabian & Russell, 1974). Referred with consumer emotions on store luxury influence hypothesis H2 is framed out.

6. Store Preference

Positive in-store emotions should increase luxury store preference. Store preference is expected as the outcome of the approach–avoidance decision derived from emotions (Donovan & Rossiter, 1982; Mehrabian & Russell, 1974). Pleasure (P) in a store is known to create willingness to purchase and is considered to be the most significant factor in increasing approach behavior (Lunardo & Mbengue, 2009). Arousal (A) creates a positive desire to interact with the store environment and increases the likelihood of return visits to the same environment as well as raising purchase intention and spending (Sherman, Mathur, & Smith, 1997). Arousal (A) increases willingness to approach a pleasant environment, but this decreases with unpleasant environments. Excitement, which is known to play the weakest role in the approach–avoidance decision (Russell & Pratt, 1980), has been inconsistently portrayed in prior research. Because excitement concerns whether you feel powerful or not from your reaction to the environment. One who feels excited on store ambiance and significant in the space will like the store and want to spend more time there. Keep in view of consumer positive emotions on store preference hypothesis H3 is assumed to this investigation.

Based on the literature in sum, the following is hypothesized:

Hypothesis 1: Interior rich colors of the retail store will increase consumers perceived store luxury.

Hypothesis 2: Perceived retail store luxury will increase consumers’ positive emotions: (a) pleasure, (b) arousal, and (c) excitement.

Hypothesis 3: Consumers’ positive emotions of (a) pleasure, (b) arousal, and (c) excitement will increase their store preference to buy the products.

7. Study Design

For the testing of hypothesis, selected the Hyderabad city luxury retail malls, reflected either a high or low luxury color retail atmosphere outlets, consist four most luxurious and four the least luxurious. The Survey was conducted with the sample of 219 respondents with a scheduled questionnaire. Participants are asked to provide a self-report on their evaluation of the store image by completing the survey. In the survey, a manipulation check on the perceived luxury level of store image was measured using a single 5-point Likert-type scale. The results of analysis of variance (ANOVA) on the item indicated a significantly higher perceived luxury for the store image of the high-luxury color condition than for the store image of the low-luxury color condition. For the investigation used established instrument items to measure the variables; in measuring perceived store luxury, used the following five adjectives: premium, expensive, prestigious, exclusive, and superior.
8. Results and data Analysis

Sample profile. The average age of the participants was 49.69 years (SD=14.93), with a range of 21–80 years (about 80% were between 25 and 65 years old). Of the total participants, 67.9% were female and 32.1% were male. Regarding education, 45.4% were high school graduates, 36.7% were college graduates, and 10.6% held graduate degrees. As for income, 17.0% earned less than INR 2.6 lakhs per year (17.0%), 29.8% earned between INR 2.6 lakhs and 3.6 lakhs, 28.4% earned between INR3.4lakhs and 4.8lakhs, 11.9% earned between 4.8lakhs and 6.8lakhs, and 12.8% earned INR 6.8 lakhs or more.

Validity and reliability. The measurement scales used in this study were subjected to commonly used tests of reliability, validity, and unidimensionality. First, the reliability of the constructs was evaluated using Cronbach’s a coefficients. The reliability coefficients for the variables ranged from .82 to .95, which is considered satisfactory (Nunnally, 1978). For this study tested the convergent and discriminant validity of the measures using confirmatory factor analysis and found that factor loadings of all indicators exceeded .6 for the latent variable, indicating that the measures had acceptable convergent validity for each construct. Likewise, the composite reliability and average variance extracted (AVE) from the constructs met the required levels of .7 and .5 (Fornell & Larker, 1981). The AVE for one construct was found to be greater than the squared correlation between that construct and any other, thereby confirming the discriminant validity of the measures. All the measures are shown in Table 1 along with their respective descriptive statistics, correlations, and discriminant validity analyses.

Testing Hypotheses

Hypothesis 1 predicted a positive effect of interior colors perceived to be highly luxurious on Perceived store luxury. ANOVA revealed a significant difference in perceived luxury between the low- and high-luxury color retail atmosphere conditions, $M_{low}=2.69$ vs. $M_{high}=4.91$, F(1, 219)=52.30, p <.001; this investigation, statistical support that the perceived luxury of retail store atmosphere in the hypothetical image increases perceived store luxury. In other words, the participants reported significantly higher levels of perceived luxury in the retail atmosphere using high-luxury colors than they did in the retail atmosphere of low-luxury colors. In sum, Hypothesis 1 was supported (Table 1).

Hypothesis 2 suggested a positive effect of perceived store luxury on consumers’ emotions, such as pleasure, arousal, and consumer excitement. The hypothesis was tested using three sets of hierarchical regression analysis, each of which adopted one of the three emotions as the dependent variable. Table 2 summarizes the results of the hierarchical regression analyses for the variables under investigation in Hypothesis 2. To control for the effects of socio demographic variables on the dependent variables, included four basic demographic characteristics (age, gender, household income, and education) as covariates in the first step. The results revealed a significant effect of perceived store luxury on pleasure (Hypothesis 2a: $\beta=.33$, p <.001) and arousal (Hypothesis 2b: $\beta=.31$, p <.001). However, no significant effect was found in relation to excitement (Hypothesis 2c: $\beta=-.01$, p >.05). To summarize, the results provided statistical support for the positive effect of perceived store luxury on pleasure and arousal (but not on excitement). Thus, Hypothesis 2 was partially supported (Table 2).

Hypothesis 3 predicted that consumers’ in-store emotions, such as pleasure, arousal, and excitement, would positively influence their preference for the store. The results of hierarchical regression analysis indicated that pleasure (Hypothesis 3a: $\beta=.57$, p <.001) and arousal (Hypothesis 3b: $\beta=.19$, p <.01) made important contributions to consumer preference for the store, however, no statistical support was found for an effect of excitement on store preference (Hypothesis 3c: $\beta=.03$, p >.05). To explain, the results revealed a significant positive impact of pleasure and arousal but not of excitement on store preference to buy the products. Hypothesis 3 was partially supported (Table 3).

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<td>1. Perceived store luxury</td>
<td>2.89</td>
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<td>4. Excitement</td>
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<td>0.65</td>
<td>.00</td>
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<td>1.15</td>
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<td>.77**</td>
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Note. N =219. The diagonal matrix is average variance extracted (AVE). **p <.01.

| S.N | Independent Variables | Pleasure (M1) | F Value | R2 | | Arousal (M2) | F Value | R2 | | Excitement (M3) | F Value | R2 |
|-----|-----------------------|--------------|---------|----|----------|--------------|---------|----|----------|--------------|----|
| 1   | Gender                | .057         | .089    | 5.179** | .065 | 4.025** | .047 | .023 | 1.242 | | |
|     | Age                   | .231**       | .212**  | .127 | | | | | | | |
|     | Education level       | .160*        | .140*   | .075 | | | | | | | |
|     | Household income      | .129         | .101    | .019 | | | | | | | |

Table 1. Construct Means, Standard Deviations, and Correlations.

Table 2. Hierarchical Regression Model 1.
This study empirically implied the managerial belief that a store space can be a critical branding tool to communicate a specific store image. In addition, it suggests that luxury retail managers should be highly careful in addressing the store design, because a specific retail atmosphere design attribute such as interior color alone can create the perception of luxury, and the perceived luxury of interior color significantly affects the overall store image, which in turn leads to in-store consumer emotions and preferences. This indicates that there is a possibility of a powerful symbolic effect of aesthetic factors on a retail atmosphere, and this will become more crucial with growing consumer demands for aesthetics and hedonic appeal, even in retail settings. Retail store ambiance simulates the consumers’ need for a quality shopping experience at various price levels. The significance of a retail atmosphere in results, forward-looking retail managers should put further emphasis on store design at the point of purchasing and the profile of customers is highly recommended for the better profits.

9. Conclusion and Implications

This investigation expands the research of color in marketing contexts, while most prior researchers have focused on the effect of color temperature or wavelength on emotion. In addition, it explores the effect of the perceived (luxury) meaning of colors on the consumer. It is empirically elaborated on the positive interactions among the emotional and cognitive states of consumers in a store hypothesized intervening role of excitement in the relationships among retail atmosphere, store image, and preference were not supported, while the predicted roles of pleasure and arousal were statistically found to be significant. This study contributes to the extant literature of in-store consumer psychology. Research on color psychology in branding has highlighted some discrepancies from actual retail branding situations; most prior researchers employed a single hue in retail environments using a top-down method in color temperature theories, and this lacks applicability to an actual retail atmosphere.

References