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# Servicescapes and Experiential Marketing: A Conceptual Framework and Research Propositions for Memorable Customer Experience

1. **Rajesh Ittamalla**, Research Scholar,  
School of Management Studies,  
University of Hyderabad, Hyderabad, Telangana

2. **Daruri Venkata Srinivas Kumar**, Assistant Professor  
School of Management Studies,  
University of Hyderabad, Hyderabad, Telangana

## Abstract

*E- Tailing has emerged as a significant retail force. Consumers are shopping online. Despite the significance and influence of digital marketing and e-commerce, traditional brick-and-mortar retail is blossoming for some reasons. Online shopping is convenient but doesn't mean an end for offline shopping, especially as retailers continue to improve the memorable customer experience. Moreover, today shopping has become a weekend leisure activity. Retail stores are perceived as theme parks, more than just shopping complexes.*

*Customer experience literature suggests that hedonic factors have a strong impact on customer emotions and feelings. What constitutes the hedonic factors in retail settings is one of the research questions. Review of the literature reveals that store atmospherics can improve the hedonic perception of the customer and in turn can create a memorable store experience. The main objective of this paper is to propose a conceptual framework for an extraordinary customer experience. In this context, a review of the theories on store atmospherics and customer experience, both related to the retail setting was done.*

*The research study follows the critical literature review methodology. The study has identified 32 most cited research articles as suitable for consideration. The criteria followed to the selection of these papers are high impact factor and peer review. Articles/ research papers published in Science Cited Index (SCI) and Scopus journals were considered for the study. The period of the study ranges across 65 years from 1950 to 2015. Content analysis was performed manually, and data extraction form was used to segregate and summarize the data.*

*The study also provides some research propositions aiming to develop the knowledge in this field. It is concluded that it is essential for retailers today to take in account store atmospherics as a relevant tool to manage retail operations and the customer's experience in a scenario of global completion.*

**Keywords:** *Store Atmosphere; Retail; Experience Marketing; Consumer Behavior*

## 1. Introduction

Most shoppers share the experience that, irrespective of the stock offered, some stores are more attractive than others, and some stores induce a feeling of wellbeing, while in other stores one becomes irritated or even angry. One of how the shopping experience is changing is that more consumers are turning their attention to the question of whether shopping itself is a pleasant experience or just a routine task (Bäckström & Johansson, 2006). Baker, Parasuraman, Grewal, and Voss (2002) point out that, when retailers begin to find it tough to gain advantages regarding the product, price, promotion, and place (channel), the store itself becomes an opportunity for market differentiation. It is no surprise that customer experience is important in the retail industry (Keng & Ehrenberg, 1984); retailers are working toward strengthening the

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environment in their store to create a store atmosphere that can produce a memorable experience (Puccinelli et al., 2009).

Baker, Grewal, and Parasuraman (1994) suggest that the overall atmosphere of a store can create a favorable consuming context and generate positive perceptual emotions about the store among consumers. Store environmental factors can influence the subjective feelings experienced by consumers in the store and influence the shopping intention, consumption amount, perceived quality, satisfaction, and shopping value (Babin & Attaway, 2000). A pleasant store atmosphere can prolong the time consumers spend in the store, increasing the likelihood that the consumer will find something he or she needs, as well as increasing impulse buying (Wu, 2007).

Although many scholars have studied the relationship between store atmosphere and customer behaviors (Babin & Attaway, 2000; Baker et al., 1994; Sirgy, Grewal, & Mangleburg, 2000), most consider only the impact of specific environmental factors (e.g., background music, indoor temperature) on customer shopping. The main objective of this paper is to propose a conceptual framework for an extraordinary customer experience. In this context, a review of the theories on store atmospherics and customer experience, both related to the retail setting was done.

## 2. Literature review

Nearly five decades ago, Kotler (1973) suggested that marketers could construct a set of spatial aesthetics which stimulates specific emotional feelings in buyers and thus increase the probability of gaining the desired consumer response, e.g. approach or avoidance behavior, increased expenditures, shorter decision-making intervals, etc. Kotler called this intentional control and structuring of physically perceived stimuli "atmospherics." According to recent research conducted by Bitner (1990), such atmospheric planning can make the difference between a business's success and failure.

What is an atmosphere? The atmosphere in marketing is a term used to describe the conscious design of an area to create the desired effect on consumers (Kotler, 1973). It is the effort to design a shopping environment that produces emotional effects on the individual to increase their likelihood of purchase (Robert & John, 1982). The store atmosphere is the stimulus that causes the consumer evaluation about the environment, and some behavioral responses (Turley & Milliman, 2000). A major reason for non-functional in store purchases corresponds to sensory stimulation. The store atmosphere can enhance the quality perceived by consumers, which leads to higher levels of persuasion (Sharma & Stafford, 2000).

In the retailing literature, researchers have noted that atmospherics affects perceptions of store image. Martineau (1958) defines retail image as "the way in which a retailer is defined in a shoppers mind, partly by its functional qualities and partly by an aura of physical attributes" (p. 50). Sherman, Mathur, and Smith (1997) note that atmosphere has become a dominant image variable by noting that a shift in retailing has occurred from depth, breadth, and quality to create a pleasant environment.

Atmospherics provide information to customers on how the service production process works (Bloch, Ridgway, & Dawson, 1994). Examples include signage that specifically instructs customers and menus and brochures that explain the firm's offerings and facilitate the ordering process for customers and providers alike. In addition, physical structures (e.g. designated pathways, ropes, etc.) that direct the flow of consumers while waiting as well as barriers (e.g., counters) that separate the technical core from customer contact areas also signal to customers their correct "placement" in the process (Chase & Tansik, 1983).

The service atmosphere can influence the nature and quality of customer interaction with the employee as well as another customer (Brocato, Voorhees, & Baker, 2012). Hu and Jasper (2007) argue that all social interactions are influenced by the physical surrounding in which they occur. They also found that the physical surroundings can affect the nature of the interaction, time period of the interaction and quality output of the interaction. Bitner (1992) recommends that physical environment clues such as proximity, size, seating arrangements and flexibility can enhance the social events that occur in the service settings. One of the significant studies by (Moore, Moore, & Capella, 2005) on social behaviors reveals that social behavior patterns are associated with physical settings.

Turley and Milliman (2000) Divided such complex environment into five categories of atmospheric cues, summarized in Table 1.

<b>Atmospheric category</b>	<b>Atmospheric cues</b>
Exterior	Building size and shape Marquee Exterior windows Parking availability and the surrounding area
General interior	Lighting Music Interior colors Ambient scents Temperature and general cleanliness of the store Layout and design variables
Design variables	Merchandise groupings Traffic flow and aisle placements Department locations Racks and fixtures Placements of cash registers
Point of purchase and decoration	Displays Signs and cards and kiosks
Human variables	Employee characteristics Employee uniforms Retail crowding and density

**Table 1. Source: Adapted from Turley and Milliman (2000)**

## **2.1 Theoretical Dimensions of Store Atmosphere**

### **2.1.1 Colors**

The colors produce different reactions in individuals (biological, emotional, and draw attention to an object) (Labrecque & Milne, 2012). Thus, following the psychology outlines, retailers are trying to use colors to bring consumers to a mood state that leads to product purchase. (Babin, Hardesty, & Suter, 2003) Examined the relation between color and shopping intentions and the findings indicated that there are several consumer reactions with the three-way congruence between a store's environmental cues, consumers' cognitive categories representing known store types, and salient situational shopping motivations. To Bellizzi and McVey (1983) warm colors seem to be more preferred in attracting potential customers closer to the windows.

### **2.2.2 Music**

Playing the appropriate background music can help retailers develop a desirable atmosphere, which contributes to the image of the store and consumer choice (Mattila & Wirtz, 2008). How can the background music help consumers fill their shopping needs? The answer is simple: playing the "right kind" of music, for there is evidence that this has a direct impact on consumer behavior. Some studies have shown that atmospheric music can: increase sales (Mattila and Wirtz (2001), influence purchase intentions (Baker et al., 2002), increase the time to buy and hold (Morrison, Gan, Dubelaar, & Oppewal, 2011); decrease the perception of buying time and waiting (Chebat, Gelinias-Chebat, & Filiatrault, 1993), influence the rate of consumption of a meal in restaurants (Milliman, 1986); influence consumer perception of a store (Donovan, Rossiter, Marcolyn, & Nesdale, 1994); and facilitate consumer official interaction (Dube et al., 1995).

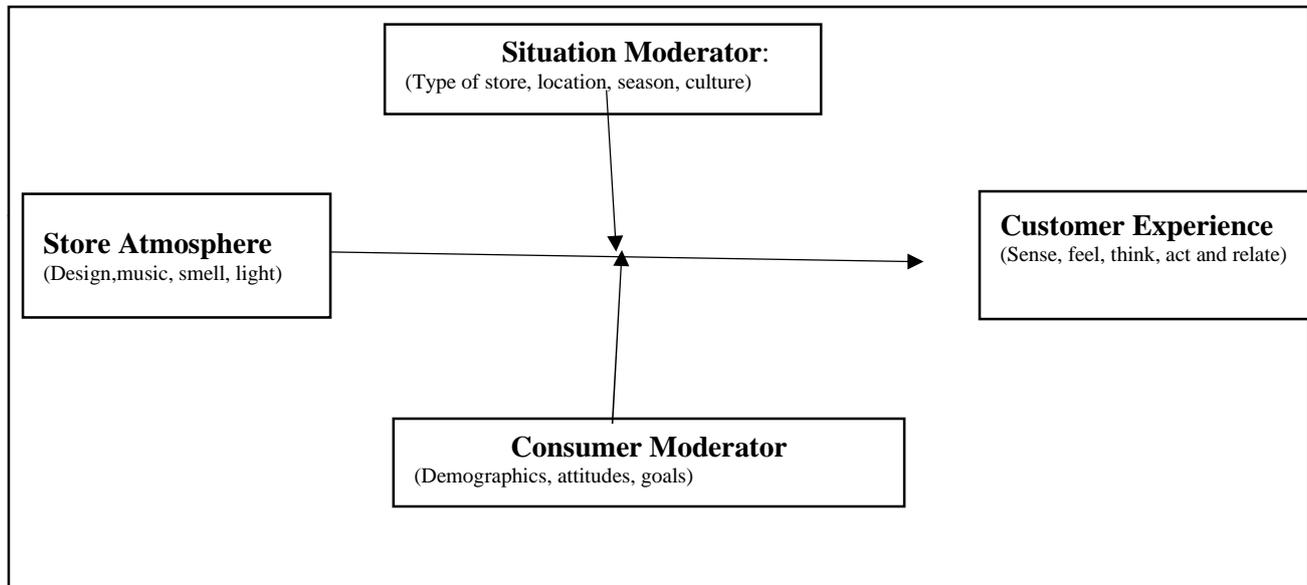
### **2.2.3 Smell**

For some researchers (Donovan et al., 1994; Mattila & Wirtz, 2001), the smell is primarily an environmental stimulus, whose influence on the consumer goes far beyond the communication of attributes or qualities of products. According to Mitchell (1994), matching environmental scents can lead to emotions and memories associated with the store and the product sold, encouraging the purchase.

## **2.3 Relationship between Atmospherics and customer experience**

Understanding and enhancing the customer experience "sits atop most marketing and chief executives' agendas, both in consumer packaged goods manufacturing and retailing fields and it remains a critical area for academic research" (Grewal, Levy, & Kumar, 2009). It is known now that consumers appear to perceive servicescapes (Bitner, 1990) in an ambient, holistically, such that they have direct and mediate effects on outcomes (Puccinelli et al., 2009). Store atmosphere can interact with consumer perceptions to affect behavior. In particular, store atmosphere perceptions positively, whereas wait expectations negatively predict patronage

intentions(Baker et al., 2002).The elements under control of the retailer (retail atmosphere) are usually those related to the customer’ senses(Verhoef et al., 2009).



**Figure 1.Conceptual framework adapted from Verhoef.et.al (2009)**

For instance, the store can manage the amount of light, the colors on the walls, the kind of music played in the background, etc(Turley & Milliman, 2000). This is the start point in the process of managing the costumer’s experience (the model presented in Figure 1shows the retail atmosphere as the first step in offering an extraordinary retail experience). Besides that, other constructs influence the total experience in the retail setting. Situation moderators as the type of store, location, economic climate, convenience, time of the year can impact the experience (Sirgy et al., 2000). Also, consumer moderators related to the buying process, the consumer’s goal, for instance, task oriented (rational) or experiential (hedonic), which is related to the motivational orientation: two fundamental motivational orientations underlie the different shopping motives. The first motivational orientation (e.g., economic, utilitarian) involves consumers engaging in shopping out of necessity to obtain needed products, services, or information with little or no inherent satisfaction derived from the shopping activity itself.Sherman et al. (1997)Refer to this motivational orientation as the “task-oriented motivational orientation.” The other motivational orientation (e.g., recreational, hedonic) describes consumers engaging in shopping to derive inherent satisfaction from the shopping activity itself

## 2.4 Conclusion

Consumers want to be sold on more than just attributes; they want to be “entertained, stimulated, emotionally affected and creatively challenged” (Schmitt, 2011). To appeal to the emotions of the consumer, “the experience must be conveyed.”Berry, Carbone, and Haeckel (2002)Affirm that “an organization’s first step toward managing the total customer experience is recognizing the clues it is sending to customers.” They continue to say that managers have become increasingly aware of the need to create value for their customers in the form of experiences, not always the right way, “since they have often proceeded as if managing experiences simply mean to provide entertainment or being engagingly creative.”In future studies, other variables can be analyzedto identify which of them can influence the consumer experience, such as crowding, theimpact of the presence of others in the social environment and mobility in the retail environment, among others.

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