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THE IMPACT OF STORE ATMOSPHERICS ON LUXURY & HIGH-END FASHION BRAND EXPERIENCE

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ABSTRACT

A customer's brand experience has been approved as the most important aspect of a retail store. This study explores the impact of store atmospherics on the luxury/high-end fashion brand experience and how it affects the consumer behavior and purchasing power in the Middle East, especially in Jeddah. Moreover, the main objective of this research is to understand the impact of Store atmosphere on luxury brand experience. Furthermore, the research aims to study store atmospherics from different aspects which include; store lighting, scent at a store, merchandise display, and music inside a store. The questionnaire design used to collect data for this research is an online closed ended self-completed offline and online surveys. Hence, an online survey was conducted on 251 luxury consumers in Jeddah, Saudi Arabia to test the proposed hypothesis. The findings of this study indicated that store atmospherics have a significant positive effect on consumer's luxury brand experience, the research findings have been supported by previous studies. Moreover, store atmospherics have a positive concrete impact on the Saudi customer's purchasing power and decision making in many cases as they are luxurious driven consumers.

1. INTRODUCTION

Luxury is basically a center point of status, it has always been self-centric, revolving around personalities and showing the high status of a person [1, 2]. Moreover, people want to show their image in public and to everyone to get fame, trying to build a monumental for themselves, and there comes a brand, an image, a very special and rare image that is sculpted in the minds. This is the definition of luxury brand and its purpose. Luxury is just an imaginative feeling however, that

feeling is illustrated in as the brands observed. For example, what luxury do you have without BMW? You can say you have luxury lifestyle but will people believe you? Obviously, they need to see real illustrations, which define the word luxury. Hence, in order to have luxury you need to have a brand that contains luxury or justify the word [3]. To understand what attracts people towards a brand and what is brand let's have a look on the attributes of a luxury brand and its experience.

With each good experience of a brand a customer tries to experience that again and again, a result of that is the satisfaction feeling a customer involve with a particular brand. To market newly launched merchandise many brands put their products on test first in the market as users can interact with the products [4]. Customers are allowed to test the new products to see if it is good or suitable for them or and also to give feedback to the brands, as for the brands this strategy is designed to test the products and get real feedback from the customers to improve the products before the final launch and also to create a buzz in the market as the products are always named as limited additions. As an illustration, any newly launched cosmetic brands usually put their products or services on test in different malls and high value market places where people can use it and make their mind to buy it. This strategy is found to be excellent in connecting with the customers, as it allows consumers to get involved with the brand and experience the products or services first before they buy it, which then builds trust [5].

The condition of a brand's retail store is highly involved in marketing the brand. If the store is not clean, not properly light up or relating to the brand's image and values, it is found that customers will experience negative feelings and have negative impressions towards the brand. However, if the store is properly designed to show the high-quality merchandise and the brand value, it is found that customers experience positive feelings towards those brands along with having an effect on consumer's purchasing power and time spent in the retail store [6].

There is a famous saying that, designers do not design products, they design experiences. Each product that is developed has a meaning and a vision. Each product has a utility, which leads to instrumental values. Each product of a brand is a source of experience for the consumer [7, 8]. Positive client experience has a long-haul impact on the goal of a customer to continue utilizing or from a brand. Mishra [5] conducted a research, in which it was found that customer experience builds up a path to insight of customer value and brand equity. Writing on client encounter discusses two methodologies: Emotion Approach and Client Esteem Approach. In the first approach, clients' feelings are the backbone of conceptualizing background. While the second approach, clients' perceived value is the main issue of clients' perceived experience. Holbrook [9] characterized client esteem as an intuitive, relativistic, preference encounter. He additionally contends that consumption encounters underlie the production of all client value. As indicated by his work, Holbrook stressed that client experiential approach really looks at the client esteem that is appended to the utilization. Client experience is the first interface with a brand, the shapes of a positive brand impression is resounded by a positive client experience. An illustration from the shopper's point of view, brand value identifies the shopper's capacity to review and perceive a brand and additionally a positive brand symbolism and an aim to buy repetitively [10]. Yoo, et al. [11] characterized it as the distinction in purchaser decision between a branded and an unbranded item. Therefore, from a maker point of view and additionally a buyer point of view, brand value is a definitive objective for a producer with all the created experiences pointed towards it.

Therefore, this study aims for a better and more cohesive understanding of the consumer's luxury and high-end fashion brand experience in Jeddah, by studying different aspects of store atmospherics to help luxury and high-end fashion brands design a better experience for the

customers. To do so, in this study discussing the importance of five aspects of store atmospherics and how they impact the consumer behaviors, purchasing power, and the overall luxury brand experience. Conveying these destinations will provide luxury and high-end fashion brands managers with a more cohesive and understanding of the Saudi consumers when it comes to luxury, which will guide the managers to design and shape a better experience for their customers.

2. METHODOLOGY

Figure 1 demonstrates the research design of this study. The expected data to test the hypothesis was composed through closed ended self-completed offline and online surveys. Moreover, the sample population was fixed. From that point forward, the data was composed and investigated and the findings were clarified and argued.

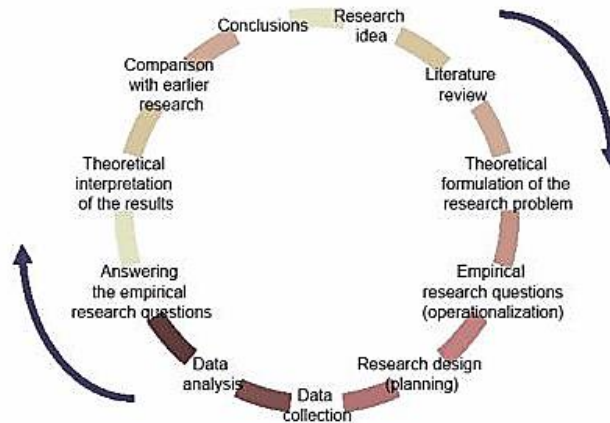


Figure 1. Research Design

2.1 Research Hypothesis Development

The hypothesis of this research was conducted in the area of the impact of store atmospherics on the luxury and high-end fashion brands experience. Therefore, the hypothesis of this study examine that store atmosphere has a positive impact on luxury brand experience

H1: Store atmospherics has a positive impact on luxury brand experience.

2.2 Research Question

The main research question of this study is to understand the impact of store atmospherics on luxury brand experience.

2.3 Research Objectives

This research objectives are to investigate the causal relationship between the five chosen aspects of store atmospherics (Influence of store colors, store lighting, scent at a store, merchandise display, use of music inside a store) and the overall luxury brand experience, and also provide suggestions to luxury brand managers and marketers on how they can use these aspects to improve the overall luxury brand experience of customers who are based in Jeddah.

2.4 Population and Sample

The sample population for this study is limited to customers who are based in Jeddah, which will include both genders, who are between the age group of 20-50 years old, and have the ability to afford luxury & high-end fashion brands. The target sample was chosen based on the needs and nature of study that requires consumers who can relate to luxury and high-end fashion brands experiences. After connecting with the targeted sample, an online survey questionnaire related to store atmospherics and luxury brand experience was answered by 251 respondents.

2.5 Questionnaire Construction

This study used both causal design and the questionnaire design to collect data for this research was an online closed ended self-completed offline and online surveys, which was developed by using Google Forms. All responses were recorded by methods for a Likert scale that run from strongly agree to strongly disagree. The survey included two main parts referred by part A and part B. Part A consisted questions related to the research hypothesis, about store atmospherics and focused on the luxury brand experience. However, part B consisted of four questions related to the demographic information of the participants.

2.5.1 Part A: Store Atmospherics

1. Write the name of a luxury brand you purchase from a store in the last one year.
2. The color scheme of the store was pleasing
3. The colors used in the store appeared to be currently fashionable
4. The physical facilities were attractive
5. The merchandise in the store appeared organized
6. The décor of the store was pleasing to me
7. The lighting in the store was pleasing to me
8. The lighting accentuated the products that were displayed in the store
9. The background music in the store was pleasing to me
10. The music was played at the right volume
11. The music fit the image of the store

2.5.2 Part B: Luxury Brand Experience

1. The brand makes a strong impression on my visual sense
2. It is interesting in sensory way
3. It appeals to my senses
4. It induces feelings and sentiments
5. I have favorable feelings
6. I love the touch and feel of products
7. It stimulates my curiosity and problem solving
8. It intrigues me
9. It is a part of my social circle's fashion choices
10. It results in interactive experiences

2.6 Data Collection

The data were collected through an online closed ended self-completed offline and online surveys. An online questionnaire tool was selected because of how easy and convenient it is for the target sample to be reached. Moreover, an online questionnaire was easier on the targeted sample to use and answer efficiently. However, before publishing and distributing the online survey, an ethical approval was required by Effat University Research Ethical Institutional Review Committee (REIRC) in order to be able to collect data from the selected sample.

2.7 Data Analysis Techniques

This research used a quantitative approach for collecting the primary data of the study. The data was analyzed on R software using Partial Least Square-Path Modeling and Structural Equation Modeling. First, we used PLS -PM to test the hypothesis of the research. Secondly, to further confirm the results obtained from Path Modelling we tested our hypothesized model using Structural Equation Modelling. Thus, this further confirmed the hypothesis that store atmospherics impact brand experience positively.

3. RESULT AND DISCUSSION

Figure 2 and Figure 3 illustrate the structural equation modeling SEM of Store Atmospheric and Luxury Brand Experience respectively.

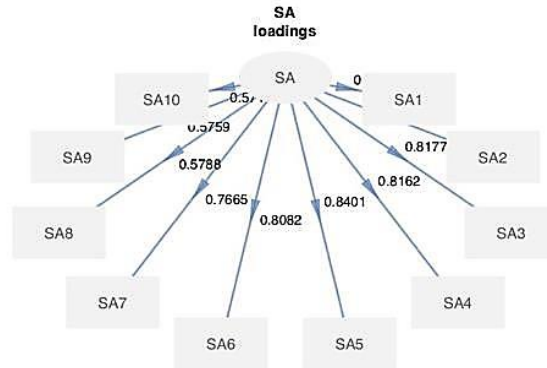


Figure 2. Structural Equation Modeling SEM – Store Atmospheric

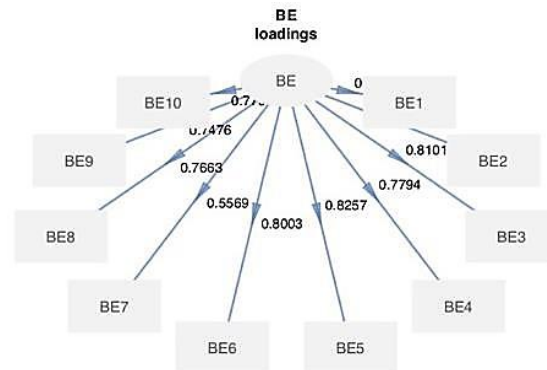


Figure 3. Structural Equation Modeling SEM – Brand Experience

Table 1 tabulates the test result of unidimensionality. Since the results of C.alpha for both SA and BE are above 0.7 and almost 1, it means it is reliable and scored the highest.

Table 2 tabulates the PLS Brand Inner Model, since the t-value of SA is above 1.96 therefore store atmospheric has a significant relationship.

Table 3 demonstrates the PLS brand inner model summary. Brand experience is endogenous which means that all the dimensions affects the brand experience yet each dimension is exogenous in its own.

Table 1. Unidimensionality

Mode	MVs	C.alpha	DG.rho	eig.1st	eig.2nd
SA	A 10	0.9070	0.9231	5.4900	2.0845
BE	A 10	0.9211	0.9343	5.8960	1.0207

Table 2. PLS Brand Inner Model

	Estimate	Std. Error	t value	Pr(> t)
Intercept	-9.058e-17	0.0432	-2.096e-15	1.000e+00
SA	4.587e-01	0.0658	6.962e+00	2.996e-11

Table 3. PLS Brand Inner Model Summary

	Type	R2	Block_ Communality	Mean_ Redundancy	AVE
SA	Exogenous	0.0000	0.5480	0.0000	0.5480
BE	Endogenous	0.5388	0.5887	0.3172	0.5887

The findings support and approve the hypothesis of this study. Accordingly, the results indicate that the studied aspects of store atmospherics have a positive impact on the Saudi customer luxury and high-end fashion brand experience. It was found that store atmospherics has a very positive impact on a customer's brand experience and brand perception. This is not only the result of our study it has also been observed in previous studies such as Donovan [12], Ramlee [13], Hussain and Ali [14], Kumar and Kim [15], Clarke et al. [16], and Hultén [17]. Store atmospherics comprise about lighting, music, scent, merchandise display it is about creating a unique and phenomenal experience for the customer, and anything that is possibly appealing to customers in a sensory way. Accordingly, the consumer is more likely to remember the experience they had compared to the brand or the tangible products they bought. Thus, brand experience is something that is more concerned with experiential aspects and this could be illustrated as visual and hearing, which applies to human five senses.

3.1 Overall discussion

Saudi customers are very wealthy elite customers who desire to live the ultimate luxury brand experience. Hence it is crucial to understand what pleasures them the most in a luxury brand experience. The findings indicate that Saudi customers are considered extremely driven by visuals, which makes it crucial for brands to work and develop an extravagance visual-based luxury brand experience for them. Moreover, the findings show that people are much more likely to enter a retail store for the way their window display looks, and also for the way the brand is displaying their merchandise.

Recently, a number of very well-known international and global luxury brands opened flagship stores and boutiques in Jeddah, Saudi Arabia, such as Gucci, Tiffany & Co, Versace and many more. Those brands developed a very smart plan to enter the Saudi market, as they studied the market well, developed a tailored plan and strategy, and executed it efficiently. The luxury brands found that the Saudi customers are not like any other customers they are wealthy, classy, luxurious driven, and prestigious. Hence, those brands wanted to enter the market in the right way and please

the Saudi customers through delivering the ultimate luxury brand experience. When it comes to luxury atmosphere and window display, those brands really took it to the next level.

The architecture of the boutiques has a very luxurious and prestigious look. Also, the atmospherics used inside the boutiques all support and complete the ultimate luxury brand experience. Such as Chanel retail store famously known for the presence of a pleasant smell which is the magnificent classic Chanel o5 fragrance that was found to influence customer's behaviors and purchasing power in a positive way, and also it works on building a stronger brand image. Moreover, the Versace Fine Jewelry and Prada boutique has an extraordinary architecture design that is European atmosphere and design inspired, and have a very unique way of displaying their merchandise as they place the merchandise in glass cabinets as if it was an art piece featured in a museum, with the use of led lighting which makes the jewelry shine and give it a very luxurious dreamy look. The Versace boutique has a black granite marble floors, white lacquer effects work on the walls, and a clear extraordinary glass curtain chandelier that give the store an extravagance sophisticated and luxurious atmosphere. This helps in delivering the Saudi customers a unique luxury brand experience that affects their brand perception, and purchasing power.

4. CONCLUSION

Store atmospherics play a crucial role in impacting the luxury brand experience positively, along with affecting the consumer purchasing decisions, time spent in the retail store, brand perception and acceptance of high value. Therefore, this study determines the impact of store atmospherics on luxury brand experience targeting elite consumers who are based in Jeddah. A summary of the findings show that store atmospherics scored the highest in terms of creating, influencing, and impacting the luxury brand experience. Therefore, the findings of this study indicate that store atmospherics impact and affect the luxury brand experience positively. Luxury brands that are present in Jeddah, Saudi Arabia are challenged to develop new concepts in delivering the ultimate luxury brand experience for the elite Saudi customers in order to overcome and win the strong competition. However, there's a noticed lack of luxuries Saudi customized luxury brand experience concepts.

This study adds to the field by classifying the deficiency of relevant researches towards luxury brand experience in Jeddah, Saudi Arabia. In addition, this study will contribute in helping luxury brands understand the experiences of elite customers living in Jeddah towards luxury brands and how they can increase brand loyalty, understand what stimulates them, influence their purchasing power, and improve their experience in order to build greater relationships with their customers, which will result in long lifetime loyal customers.

5. ACKNOWLEDGMENTS

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