



Understanding the effects of the atmosphere of a store on shoppers represents a long-standing issue for managers and researchers alike.

But interest is growing rapidly as retailers redouble efforts to ensure a good return on the huge investments they make into designing and re-styling store chains, and as they turn to retail “experience” as a key differentiator.

As goods and services are commoditised – losing their potential for differentiation – the store environment plays a key role in delivering compelling experiences to customers.

The concept of “atmosphere” is, by definition, holistic. It’s the overall experience that matters more than any single aspect of the environment. Nevertheless, careful analysis of the different stimuli contributing to this overall experience reveals more than 50 variables.

These include aspects of the external environment such as size, height and

colour of the building, display windows and entrances; the interior of the store, with variables such as music, lighting, traffic flow, space design and displays; and the human interactions, for example, with employees or other customers in high and low-density contexts.

Each of these variables can, and has been measured (for instance, low versus high volume, and fast versus slow tempo of music; bright versus dark lighting; narrow versus large aisle) and has been found to influence the behaviour of shoppers within the store, with direct or indirect effects on sales.

Conceiving the whole environment in terms of discrete parts can simplify things for managers, although two points need to be remembered.

First, as system theory suggests, the single parts are often non-additive, or in other words, the whole is rarely equal to the sum of the single constituent parts. People respond differently to the same

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## Store atmosphere: still a fledgling art

RESEARCH

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In-store environments are created by more than 50 different stimuli, such as light, colour, space and so on. But managing them holistically remains a real challenge

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stimulus in different contexts.

Second, and more importantly, shoppers are likely to experience the atmosphere as a Gestalt, and hardly discern or value the effects of single variables.

So far, researchers and practitioners have focused on understanding the role and effects of single stimuli, while no efforts have been made to understand how consumers process the overall environment. This is largely because it is easier to research single stimuli rather than combinations.

What's needed is a framework which provides managers with insights on how to improve customers' experience of a store's atmosphere. This framework has to recognise that each consumer brings personal characteristics and attitudes, motives, expectations and previous knowledge "with him or her" to the store – and that these personal attributes are as relevant as environmental stimuli in determining his behaviour.

Exhibit 1 presents a view of the effects of store atmospherics. The lower part describes what happens outside the store – in particular, the subjective antecedents of the experience. The upper part describes how the objective features of store atmospherics impact on the subject, giving rise to the experience itself.

There follows the sequence of results in terms of behaviour, satisfaction, store

preference and patronage whose individual links have been established by past research.

A feedback mechanism is also underlined. It links satisfaction with the retrieval of store image – an image that exists in the mind of customers but is not manageable directly and is therefore conceptually distinct from the objective features of the environment – and the overall store choice process.

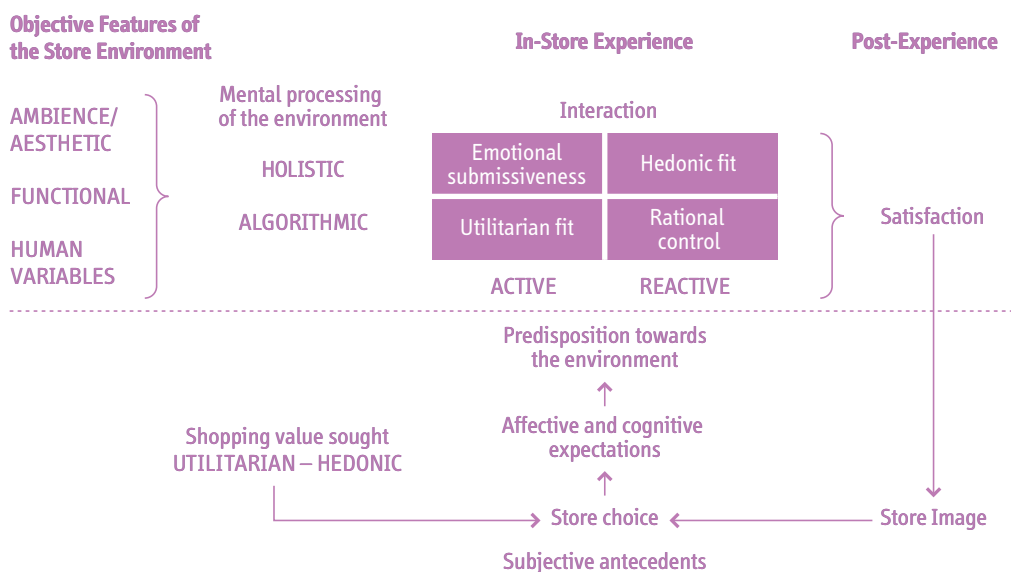
### Characterising the experience.

A first step in conceiving stores in the way consumers actually do is to be clear about what we mean by "experience". It either refers to past experience (the accumulation of knowledge resulting from participation in events), or to present experience (the content of participation in an event).

Past experiences are subjective and largely dependent on psycho-social factors. They come to life inside the person's head in the form of thought and imagery. By definition, once experienced, each event contributes to their personal repertoire of experiences and helps to build their own personal knowledge of the individual. This comes in two main forms – analogical (vivid pictures) or propositional (abstract thought, beliefs, ideas).

Present experiences, while biased by subjective, past experience, are also

Exhibit 1: An overview of store atmospherics



influenced by the current objective physical and social context. They might trigger propositional reasoning or imagination and fantasy (analogical representation).

In the former case, the subject is concerned with inner feelings and thought, playing an active role towards the environment, while in the second case, he or she is concerned with external reality, absorbing and reacting to stimuli.

One practical conclusion is that customers tend to process the environment holistically when they are inexperienced about it, and to react more specifically to single or groups of environmental cues as they become more knowledgeable. This distinction made between past and present experience is important if we are to gain a deeper understanding of how consumers process store environments.

#### **Motives and expectations**

Another important influence on the consumer's experience of the store will be his or her personal goals, or purposes. Individuals are driven by plans or means-end chains, which are layers of causally linked goals. Motives for action are triggered by the achievement of a goal, whereas expectations are given by the plan structure.

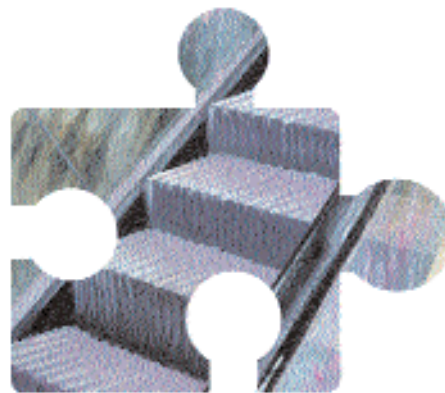
Consumer behaviour literature, for example, distinguishes between

utilitarian and hedonic modalities of behaviour. Utilitarian actions are mere means towards an end (a goal). Hedonistic actions are ends in themselves.

With reference to shopping, consumers in a utilitarian mode see the shopping expedition as a means (such as purchasing food and ingredients) towards an end (such as having a good dinner with friends). On the other hand, those in hedonic mode see the activity of shopping as delivering its own intrinsic value – a self-justifying process.

Of course in real life, the two aspects are often intertwined. But the distinction is important because consumers are likely to seek out different types of environment based on their consumption-related goals and plans. They make their choice on the basis of expectations about the environment.

More specifically, shoppers base their decisions on expectations about patterns of events – and how well these expected patterns fit with their plans. For example, those who seek utilitarian value approach store selection and shopping from an efficiency standpoint. On the contrary, hedonic motives lead shoppers to allocate attention to surprising and stimulating events in the environment. Thus, being interrupted by something new and different might be a positive experience for a hedonic shopper – and an irritation for a utilitarian shopper.



**An important influence on the consumer's experience of the store is his or her personal shopping purpose – is it utilitarian or hedonistic?**

A shopper in utilitarian mode is likely to have an “active” mindset (looking out for the things he or she wants), while shoppers in hedonic mode are more likely to be passive or “reactive” – looking to the environment to stimulate them. These differences can help retailers create a framework for judging the value of different stimuli.

For example, a utilitarian value-seeker might be confused by chock-full displays showing too many alternatives. On the other hand, if a store gets too familiar, it might hinder the attainment of hedonic value. Understanding if consumers do indeed switch stores in search of hedonic value could be of extreme relevance for the management of an enduring relationship with customers.

Also, depending on shopping mode, different environmental cues will come to the fore. There are functional factors and cues which are designed to help customers accomplish goals (utilitarian value), and aesthetic factors which deliver symbolic benefits (hedonic value).

Functional factors such as layout design could be managed to facilitate the formation of landmarks and diminish orientation efforts. On the contrary, the aesthetic-ambience category includes all those cues affecting the senses of taste, smell, touch and kinaesthesia, for example. In addition, there are other “human variables” such as the social

interactions which might happen within a store.

The typology in the middle of Exhibit 1 typifies four experiential outcomes as defined above, in terms of the overall predisposition towards the environment. The result is expressed in terms of four states, two positives (Utilitarian Fit, Hedonic Fit) and two negatives (Rational Control and Emotional Submissiveness).

The Utilitarian Fit is the best outcome for utilitarian value, allowing the individual to approach the environment with an active mindset. In the Hedonic Fit the multi-sensorial imagery triggered by coherent stimulation is consistent with the expectations underpinning the reactive mindset.

The Rational Control state happens when an individual approaches the environment with a reactive mindset but is not as surprised as he or she expected, possibly because the situation is already familiar. This decreases the possibility of hedonic value.

The Emotional Submissiveness condition is opposite to the Rational Control state – when the individual approaches the environment with an active mindset, expecting to use it as a means to an end, and receives stimulation which obstructs the achievement of utilitarian value.

Individuals’ reflections on these experiences will, in turn, affect their future choice of store.



Depending on the shopping mode, different environmental cues come to the fore: is the shopper looking for stimulation or shopping efficiency?

### Managerial insights

The identification of two main categories of shopping motives as influencing individuals' attitudes towards the shopping environment could help managers focus on what's important for different shopper segments.

For example, in a metropolis, people might shop for groceries for strictly utilitarian reasons and be hardly aroused at all by ambience cues, whereas in the suburbs, people may be more sensitive to the same ambience cues. Clearly store design and ambience needs to reflect these different shopper priorities.

Generally, hedonic shoppers are prospected to spend more than utilitarian ones, but given their expectation of surprise, the frequency with which they shop could be lower. Also, as they become familiar with a particular store, what started out as stimulating (an Hedonic Fit) could become boring (Rational Control).

On the other hand, customers' attitudes towards a store might evolve from hedonistic to utilitarian as they get used to environments, with the same atmospheric variables fitting their needs in a different way.

This raises further questions. How, for example, could a retailer manage a passage between Hedonic Fit and Utilitarian Fit in such a way that it bypasses the Rational Control phase? Do

shoppers get accustomed to some cues faster than others? Or do they become familiar – and bored – with all cues at the same basic rate?

Knowing the answer to these questions could help retailers win the prize objective of “typicality” – where their particular brand becomes representative of an entire category (for example, McDonald's atmosphere for fast food). Typicality has been shown to correlate with market share, so knowing how to make prototypical store design could be an important retail skill.

Another possible consequence of such learning effects is that the same customer acts as a switcher at, say, an out-of-town mall where he or she is looking for hedonic value, while remaining a loyal customer in the store close to his or her home.

Of course, it may not be necessary to make an “either/or” choice. It is possible to deliver both kinds of value in the same store.

The store could be designed to create different, alternative paths which allow customers to choose the experience they want. Also, different categories could play different roles. For example, the utilitarian task of purchasing food for a dinner with friends might be interrupted by an hedonic moment, say, when choosing the best bottle of wine.

Thus, merchandising, store layout and



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displays could be managed to offer moments of hedonic value, even in the middle of a strictly necessary activity.

Alternatively, different store formats and sectors might specialise in one or the other form of value. Thus the grocery sector (supermarkets, discount outlets, and so on) could be expected to provide mainly utilitarian value, prioritising functional cues and managing aesthetic-ambience cues in a way that does not hinder analytical information-processing. In a mall, on the other hand, shoppers will probably expect a choice of stores to suit both utilitarian and hedonic modes.

When it comes to store design and ambience, we need a much better understanding of the relative contribution of specific cues on consumer responses. Such an understanding could be used to identify which cues to prioritise in what circumstances.

Another consideration is whether big chains should standardise or differentiate their store designs. Standardisation might make it difficult to offer hedonic experiences – prompting hedonic shoppers to seek alternatives. On the other hand, differentiation hinders scale economies.

### Further reading

A complete reference list is available from Francesco Massara at [francesco.massara@iulm.it](mailto:francesco.massara@iulm.it)

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