

**Factors that would enhance consumers' total value experiences in
interior retail outlets**

Ina-Mari Du Randt

Dissertation

M Consumer Science (Interior Merchandise Management)

Supervisor: Prof AC Erasmus

Co-supervisor: Ms BM Jacobs

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interior retail outlets**

By

Ina-Mari Du Randt

**Dissertation submitted in partial fulfilment of the requirements for the degree
M Consumer Science (Interior Merchandise Management)**

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DEDICATED TO

I dedicate this dissertation to:

- My wonderful parents, Anton and Rex du Plessis, who always believe in me.
- My precious daughter Daniella du Randt, the delight of my life.

DECLARATION

I, Ina-Mari Du Randt, hereby declare that the dissertation for the Masters in Consumer Science: Clothing Retail Management at the University of Pretoria, hereby submitted by me, is my own work and has not previously been submitted for a degree at this or any other university or tertiary institution and that all reference material contained herein has been acknowledged.

Ina-Mari Du Randt

November 2015

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ABSTRACT

Factors that would enhance consumers' total value perceptions in interior retail outlets

by

Ina-Mari Du Randt

Supervisor: Prof. AC Erasmus

Co-supervisor: Mrs. BM Jacobs

Department: Consumer Science

Degree: M Consumer Science (Interior Merchandise Management)

This study aimed to provide empirical evidence of factors that would enhance consumers' internal evaluations of the retail environment and shopping experience in an interior retail outlet, as well as their subsequent purchase-and patronage intentions, as an indication of the effort and the expertise that is required to attract and retain consumers in a highly competitive market. To understand consumer purchase- and patronage intentions towards retail environments of interior retail outlets in a South African context, the Stimulus-Organism-Response (S-O-R) model as proposed by environmental psychologists Mehrabian and Russell (1974) was used as the theoretical framework for this investigation. Willing respondents (consumers) were recruited by the researcher and trained assistant through a store intercept method at a selected interior retail outlet located in a trendy shopping destination in Pretoria (Tshwane), South Africa. Only a real-time setting, i.e. an actual interior retail outlet, could provide a scenario that incorporated both atmospheric- and merchandise cues needed to form perceptions of the overall benefits (hedonic- and utilitarian value) provided by the shopping experience. The unit of analysis included willing consumers irrespective of their gender, age, ethnicity and income, who entered the selected interior retail outlet during the specific time frame. A total of 272 useful questionnaires were retrieved upon completion of the data collection process.

Data analysis involved descriptive statistics, exploratory factor analysis, confirmatory factor analysis, t-tests, ANOVAs and the relevant post-hoc tests. In terms of consumers' internal evaluations of selected in-store stimuli as presented in the retail environment of an interior retail outlet, three factors emerged through exploratory factor analysis which indicated the factors perceived by customers when in the store. These factors

merged several more specific factors that are described in literature and were labelled in accordance with their content, namely: *General store image cues* (Factor 1), *Social cues* (Factor 2) and *Accessibility cues* (Factor 3). This study confirms that consumers internally evaluate in-store stimuli, comprising atmospheric- and merchandise cues in the retail environment in a more holistic way to construct a general store image. This study also confirms that positive (favourable) atmospheric- and merchandise cues as presented in the retail environment are pertinent drivers of *General store image cues* (Factor 1). *Accessibility cues* encompassed space planning and navigation (layout), in-store information and signage (functionality), as well as consumer crowdedness. Findings indicate that positive (favourable) *General store image cues* and positive (favourable) *Accessibility cues* in the retail environment of an interior retail outlet are prominent to enhance consumers' internal evaluations (perceptions) of an interior retail outlet. *Social cues* (similarity, physical appearance and suitability of other consumers) were perceived slightly less favourably and this could be attended to by retailers to enhance consumers' overall perceptions.

Through confirmatory factor analysis, seven factors were identified to investigate consumers' internal evaluations of the experiential value (hedonic- and utilitarian value) perceived when shopping in an interior retail outlet. Hedonic value perceptions were measured through four factors, namely *Visual appeal* (Factor 1), *Entertainment value* (Factor 2), *Escapism* (Factor 3) and *Intrinsic enjoyment* (Factor 4). This study confirmed highly positive perceptions of experiential value provided by visual appeal and intrinsic enjoyment in the interior retail outlet and positive perceptions of entertainment value and escapism. Results showed significant differences in the perceptions of males and females as well as among population groups. In terms of all the factors, females' perceptions were significantly more positive. The white population group was also significantly more positive compared to the black population group, which means that more effort should be made to excite men and customers from the black population group even though their perceptions were fundamentally positive.

Consumers' perceptions of utilitarian value were measured through three factors, namely *Efficiency* (Factor 1), *Economic value* (Factor 2) and *Excellence* (Factor 3). Again females' perceptions were significantly more positive for all the dimensions of utilitarian value. Similarly, the black respondents' perceptions were less favourable compared to the perceptions of white consumers and other population groups. This study confirms that positive perceptions of efficiency, economic value, as well as excellence would enhance consumers' experiential value perceptions of the shopping experience in an interior retail outlet.

An investigation of consumers' response behaviour towards interior retail outlets showed that two factors are relevant as identified through exploratory factor analysis, namely Patronage- (Factor 1) and *Purchase intentions* (Factor 2). Patronage intentions were strongly positive while purchase intentions were favourable but less pertinent than patronage intentions. Significant differences for *Purchase intentions* (Factor 2) were confirmed for gender and population group categories, with females and white consumers significantly more positive. In conclusion, more effort should be made to enhance men's perceptions and patronage as well as purchase intentions and to impress black consumers who are increasingly forming a more noteworthy part of the consumption scape in South Africa.

Key-words: Retail environment, in-store stimuli (atmospheric- and merchandise cues), brick-and-mortar stores, experiential value (hedonic- and utilitarian value), approach/ avoidance response behavior (purchase- and patronage intentions), S-O-R model

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CHAPTER 1

THE STUDY IN PERSPECTIVE

This chapter introduces the background to the study, explicates the research problem, and provides an overview of the structure of the dissertation as well as important concepts that were used throughout the study.

1.1 INTRODUCTION

Retailing has become very competitive in the global market (Janse van Noordwyk, 2008) due to economic pressure, continual technological advancements, changes in consumer product demand and supply, as well as competition from traditional and non-traditional retail formats, for example on-line shopping (Garvin, 2009). Contemporary consumers expect and demand a total shopping experience that includes both utilitarian and hedonic value (Kim, Sullivan & Forney, 2007). In response, retailers' differentiation strategy is crucial in communicating a unique identity (Prinsloo, 2011) that would enhance consumers' value perceptions, stimulate positive emotions and positively impact their experiences (Murialdo, 2008). Technology has taken a more prominent role in merging consumer convenience and value across multiple retail channels (Grewal, Roggeveen, Compeau & Levy, 2012). Despite endless advancements in the domain of digital technology that makes it easier and more convenient for consumers and retailers to connect online, it remains critical that retailers deliberate the basic in-store shopping experience that lay the basis for both personal and digital long-term relationships (Grewal, Roggeveen, Puccinelli & Spence, 2014). Although the significance of creating impressive shopping experiences for consumers has received increased attention from retailers, the domain offers opportunity for future research (Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros & Schlesinger, 2009).

During the recent worldwide economic slump, households' discretionary incomes were under immense pressure. As a result, South African interior retailers have suffered incalculably. In fact, many retailers rapidly

lost market share. The Ernst and Young / Bureau for Economic Research (BER) Retail survey of 2013 (Retail sales growth remained subdued during 2013) reveal that trading conditions continued to deteriorate and that the growth in retail sales volumes slowed further during the first quarter of 2013 in South Africa. The Bureau of Market Research, UNISA research report 2014 (Retail trade sales forecast for South Africa, 2014) also confirm evidence of hardship in the interior merchandise retail industry, concluding that retailers selling furniture and other interior merchandise were negatively affected by the recession during the period of 2009 to 2013. This resulted in an alarming loss of 43.5% of their market share since 2005. Retail analysts anticipate the industry trend of further consolidation in the form of store closure and a reduction in store openings to continue in the furniture sector during 2015.

It remains critical for retailers in brick-and-mortar retail formats to determine and understand how the retail environment influences consumers' internal evaluations and ultimately their purchase decisions (Wilhoit, 2010). The PricewaterhouseCoopers and TNS Retail Forward overview of retail industry through 2015 (Retailing 2015: New Frontiers) foresee development of niche retailing, the circulation of media and markets, and a growing dependence on point of sale as point of communication. This highlights the necessity to understand South African consumers' internal evaluations in their interaction with the retail environment, merchandise and service.

To survive in a competitive retail industry, interior retailers selling interior merchandise considered to be mostly non-essentials, are obliged to augment their in-store merchandise and service offerings to attract and entice consumers. Because the context in which the interaction takes place will always influence the shopping experience (Same & Larimo, 2012), retail environments play a significant role in altering a person's thoughts and feelings and therefore have a substantial influence on consumer behaviour (Kumar & Kim, 2014). Retailers and manufacturers are progressively generating value-added retail experiences over and above adding value to merchandise features (Grewal *et al.*, 2014). To sustain growth and enhance productivity within existing brick-and-mortar interior retail outlets, it is suggested that retailer profitability will be accomplished by dynamic shopping experiences that offer benefits such as ease and enjoyment. One could argue that instead of grasping that profit comes from enhancing consumer experiences, too many South African interior retailers have focused on advancing their merchandise features instead.

Consumers' subjective experiences are based on both tangible elements and intangible elements of the retail environment (interior retail outlet) (De Farias, Aguiari & Melo, 2014). Consumers' evaluations of the shopping experience encompass the complete situation that influence consumers' cognitive, affective, emotional, social

and physical responses to those elements in the retail environment which the retailer can control, e.g. atmospheric- and merchandise cues, as well as elements that are beyond the retailer's control, e.g. the influence of others (Joshi & Kulkarni, 2012; Verhoef *et al.*, 2009). Recent research into the significance of in-store stimuli on consumer behaviour has concentrated on how a specific cue impacts consumer reaction. Joshi and Kulkarni (2012) however argue that because the creation of positive shopping experiences is an integrated approach, a favourable store atmosphere cannot be created by single factors in isolation. This study therefore focuses attention on the importance of in-store atmospheric- and merchandise cues as critical components of the total shopping experience in interior retail outlets.

In-store stimuli include anything in the retail environment that influences the consumer (Grewal *et al.*, 2014). The implementation of visual, aural, olfactory and tactile dimensions accentuate the relevance of consumer sensory stimulation in the retail environment (Garvin, 2009; Kim *et al.*, 2007). Retailers (interior retailers) intentionally use atmospheric cues to create retail environments that will attract consumers and fully engage them in positive ways (Grewal *et al.*, 2009; Verhoef *et al.*, 2009). This is done to establish pleasant shopping experiences that ultimately increase satisfaction and loyalty (Rahimi, Nadaf & Cheraghi, 2014). Generally, the image and the perception of a store set one store apart from another (Joshi & Kulkarni, 2012). Taking into account individual differences in personal comfort and aesthetic values, retailers create aesthetically sensitive and emotionally pleasing environments by manipulating ambient cues to potentially increase consumers' value perceptions (Kumar, Garg & Rahman, 2010; Singh, 2006).

Positive feelings in consumers can be generated by ambient cues that can result in positive emotions (Harris & Ezeh, 2008), such as happiness, enthusiasm and excitement (Henning-Thurau, Groth, Paul & Gremler, 2006). Ambient cues are the non-visual elements within a retail environment, for example lighting, music, temperature and scent (Baker, Parasuraman, Grewal & Voss, 2002). This affects purchase behaviour such as satisfaction and time, as well as money spent in the store (Morrison, Gan, Dubbelaar & Oppewal, 2011). Social cues in a retail environment involve human factors present in the store (Baker *et al.*, 2002), as well as sociable variables, for instance the number of store employees and their physical appearance.

Design cues encompass all the visual elements, comprising architectural and interior design elements of the physical retail space. In addition to generating appeal and uniqueness, design cues interest consumers by communicating an aesthetically fulfilling and meaningful shopping experience (Kumar, 2010; Singh, 2006). Retail design is a well-established domain in the interior design discipline (Petermans & Van Cleempoel, 2010; Murialdo, 2008). Wilhoit (2010) highlights the importance of aesthetics in modern society, being applicable to

product design, architecture, interior design, and physical appearance. Dependent on trends, aesthetics is extremely relevant to interior retailers who use inventive techniques in attempt to make the shopping experience more convenient and efficient (Cant & Hefer, 2014). The crucial function of visual merchandising is to display a store together with its merchandise in such a way that it will lure and entice consumers to enter the store (Levy & Weitz, 2009). As an integral part of visual merchandising, consumers expect window displays of interior retail outlets to regularly change by displaying new designs and ideas (Gupta, 2013). Impressive visual merchandising is therefore essential to raise consumers' needs and desires for interior merchandise, generally considered a product that consumers don't purchase rapidly or frequently, to ultimately influence and encourage purchases (Gupta, 2013).

Consumers shopping for interior merchandise also anticipate to easily locate a vast merchandise range with adequate price information and product specification (Gupta, 2013). They demand the latest styles of merchandise in accordance with current trends (Mehta & Chugan, 2014). Interior retailers could use merchandise cues to their advantage by promoting exclusive merchandise features (Kumar & Kim, 2014). Bloch, Brunel and Arnold (2003) contend that consumers' purchasing decisions are increasingly based on aesthetics and uniqueness of design. When having to choose between similar merchandise consumers tend to purchase the merchandise that they find the most aesthetically pleasing (Wilhoit, 2010). It is therefore especially important for retailers to highlight non-availability of the merchandise elsewhere (Kumar & Kim, 2014). Interior merchandise also plays a significant role in the lives of most people by satisfying social needs that reflects the lifestyle, identity and social status of people (Mehta & Chugan, 2014). Irrespective of the significance of merchandising in the retail mix, only a few retail environment studies have deliberated the role of merchandise cues (Kumar & Kim, 2014). Because merchandise offered is considered to be one of the main reasons why consumers visit brick-and-mortar stores such as interior retail outlets (Kumar, 2010), it is appropriate to acknowledge merchandise cues as part of in-store stimuli (Kumar & Kim, 2014).

Consumers' internal evaluations of shopping experiences have a profound influence on their response behaviour (Grewal *et al.*, 2014). The shopping experience eventually influence consumers' choices, expectations, satisfaction and response behaviour (Joshi & Kulkarni, 2012). Retailers should focus on the achievement of both rational and emotional relationships of a shopping experience as a differentiation strategy (Floor, 2007). The creation and provision of consumer value remains crucial for retailers to succeed (Rintamäki, Kanto, Kuusela & Spence, 2006), particularly for interior retailers who want to increase value to consumers during tough economic times. Consumers' value perceptions may vary according to their unique wants and needs, as well as the importance that consumers attach to particular attributes, for example utilitarian versus

hedonic benefits (Hassan, Muhammad & Bakar, 2010). Experiential value, comprising both utilitarian- and hedonic value, regards the overall worth and key outcome of the shopping experience, including all factors, qualitative and quantitative, subjective and objective, that make up the complete shopping experience (Davis & Hodges, 2012; Mathwick, Malhorta & Rigdon, 2001).

Retailers (interior retailers) should deliberate consumers' value perceptions to rival other retailers beyond the rational notions of value such as price (Kumar, 2010). Functional, instrumental and cognitive in nature (Ryu, Han & Jang, 2010), utilitarian value is associated to be rational, efficient, task-specific and economical characteristics of merchandise and services (Overby & Lee, 2006). Benefits include merchandise offerings, information, convenience and monetary savings (Chiu, Wang & Huang, 2014). Economic value involves consumers' opinions about the price and quality associated with the retailer. Excellence refers to consumers' assessments of the service quality as an indication of their appreciation of the retailer's capability to meet consumers' needs through expertise and task-related functioning (Mathwick *et al.*, 2001). Efficiency originates from convenience and resource allocation associated with the time and effort that a person spends while shopping at a particular store (Kim, 2002). The perceived utilitarian benefits derived from the shopping experience might depend on whether the specific need that motivated the shopping trip was accomplished.

On the contrary, hedonic value is an inclusive evaluation of experiential benefits and sacrifices, e.g. entertainment and escapism (Overby & Lee, 2006; Holbrook & Hirschman, 1982). Hedonic benefits derive from the uniqueness, symbolic meaning, or the emotional arousal and imagery that a store, the merchandise and the service conjure (Ha & Jang, 2010). Visual appeal and entertainment offer consumers a pleasant shopping experience while stimulating positive response behaviours (Choi, 2008). The design, beauty and physical attractiveness of the setting drives the visual appeal of the retail environment. Entertainment value reflects the appreciation for the retail performance and the retailer's ability to offer engaging shopping experiences (Mathwick *et al.*, 2001). Intrinsic enjoyment, an element of amusement and delight (Mathwick *et al.*, 2001), is derived from adventure, social interaction, role, and value such as bargain hunting for discounted items (Arnolds & Reynolds, 2003). Escapism refers to any activity that is freely engaged in that allows consumers to temporarily hide from their daily demands and often involves a hint of pretend (Mathwick *et al.*, 2001). Retailers need to address the store atmosphere, service interface, assortment and merchandising that appeal to consumers' senses, feelings, intellect, curiosity, and self-image (Schmitt, 2010) to create shopping experiences with positive impact (Same & Larimo, 2012; Verhoef *et al.*, 2009). Cognitive pleasure may result when consumers imagine product use scenarios, envision the alteration of merchandise to personal specifications (Fiore & Kim, 2007). Merchandise (interior merchandise) or an experience (shopping experience

in an interior retail outlet) may bring back certain memories for the consumers thereby evoking nostalgic thoughts (Fiore & Kim, 2007).

It is progressively clear that shopping experiences significantly impact numerous psychological factors that influence consumer decision making, such as purchase- and patronage intentions (Puccinelli, Goodstein, Grewal, Pice, Raghurir & Stewart, 2009). Response behaviour refers to a consumer's response towards the retail environment in terms of these psychological reactions. Research indicates that consumers may postpone a positive experience in order to better savour the moment and anticipate the enjoyment (Hardisty, Frederick & Weber, 2013). Approach behaviour is a positive behaviour that reflects eagerness to remain in the store and explore the store environment further (Kawaf & Tagg, 2012). Purchase intentions signify consumers' purchasing decision once they are in a retail environment, namely to make a purchase (Garvin, 2009). Patronage intentions refer to the subjective likelihood that a consumer will continue to purchase a product from the same retailer in the future (Chiu *et al.*, 2014). Store preferences and patronage intentions are usually determined by consumers' value perceptions (Hassan *et al.*, 2010). High levels of perceived value resulting from shopping experiences increases positive behavioural intentions (Hanzaee & Rezaeyeh, 2012). Similarly, consumers might rush the arrival of a negative experience to elude the apprehension associated with it (Shah & Alter, 2014). Evidently better in-store shopping experiences can be essential for interior retailers to beat increased competition from other retail channel formats as well as other brick-and-mortar retailers that offer comparable interior merchandise at competitive prices.

1.2 THE RESEARCH PROBLEM

Traditional brick-and-mortar stores (interior retail outlets) are threatened by alternative retail formats such as on-line shopping (Garvin, 2009). They also have to deal with elevated consumer expectations as well as demands for exceptional value because there are so many options to choose from (Fiore & Kim, 2007). Retailers, along with their marketing teams, have to augment in-store stimuli in their retail environments as a strategic differentiation tool (Prinsloo, 2011). The experiential aspects of the shopping experience are also becoming more prominent (De Farias *et al.*, 2014) with an emphasis on consumers being entertained and fully embracing the total shopping experience (Verhoef *et al.*, 2009). To lure consumers back to the stores, retailers need to adjust in-store shopping experiences (Kumar *et al.*, 2010; Vida, 2008) by transforming merchandise and services into a total retail experience that aims to satisfy rational and functional utilitarian needs of consumers, as well as emotional hedonic desires (Verhoef *et al.*, 2009).

Interior merchandise is generally fairly expensive and often non-essential. Interior retail outlets mostly require and occupy extensive floor spaces to creatively display interior merchandise such as furniture, soft furnishings and decorative interior accessories for use in the private and public areas of their homes. Large floor space is expensive and therefore functionality on its own will not be enough for interior retailers to survive. Retailers are also faced with the challenge to create pleasant in-store atmospheres that will engage consumers in the form of dynamic shopping experiences. Ultimately they are obliged to create exceptional value, hence satisfying consumers' needs and expectations and subsequently drive in-store purchases. It remains crucial for retailers to understand the pertinence of consumer satisfaction in a present shopping experience on future anticipations (Verhoef *et al.*, 2009).

Limited empirical evidence has to date been generated on South African consumers' responses toward interior retail outlets within the local context. No empirical evidence could however be found that confirm the factors that would enhance consumers' experiential value perceptions, i.e. the perceived utilitarian- and hedonic benefits, provided by the shopping experience in the retail environment of an interior retail outlet. So, despite indications of hardship in the interior merchandise retail industry in South Africa in recent years that have created fertile ground for such an investigation. According to the Bureau of Market Research, Unisa Retail trade sales forecast for South Africa, 2014 (Unisa, 2014), interior retailers are losing market share due to the negative effects of the recession during the period of 2009 to 2013 which is still not over. Efforts to boost sales have however to date not included investigations of how the in-store stimuli as presented in an interior retail outlet might enhance consumers' internal evaluations (experiential value perceptions) that are crucial in terms of purchase- and patronage intentions. Evidence of consumers' experiential value perceptions, comprising both utilitarian- and hedonic value that coherently contribute to consumers' response behaviour (approach or avoidance) to interior retail outlets, is lacking.

1.3 RESEARCH QUESTION

The following research question directed the study:

What factors would enhance consumers' internal evaluations of the retail environment and the shopping experience, as well as subsequent response behaviour of interior retail outlets in a South African context?

The overall research question was delineated in terms of the following:

- How do consumers perceive integrated atmospheric-and merchandise cues in the retail environment, i.e. how prominent are selected in-store stimuli to consumers?
- How do consumers perceive the overall value (hedonic-and utilitarian value) of the shopping experience, i.e. how significant are the perceived benefits to consumers?
- How do consumers respond to the retail environment and shopping experience in terms of their purchase-and patronage intentions?

1.4 JUSTIFICATION AND CONTRIBUTION OF THE STUDY

As far back as 1982, Hirschman and Holbrook argued that experiential aspects of consumption have been neglected by consumer researchers which limit our comprehension of consumer behaviour. They proposed that researchers should aim to restore this inequity by incorporating some contemplation of consumer fantasies, feelings, and fun. More recently, scholars concluded that existing theoretical models used to study the significance of retail environments on consumers' shopping experiences have become redundant due to changes in consumer demand (Fiore & Kim, 2007), pleading for a revision of literature. Singh (2006) contend that further examination in numerous areas in store environment research is needed, despite strong support of the relation between retail environments and consumer behaviour already gathered by researchers in the past. Although consumers and retailers can easily connect online because of continual advancements and innovations in the domain of digital technology, it remains fundamental that retailers re-focus their attention on the basic in-store shopping experience that lay the foundation for long-term relationships (Grewal *et al.*, 2014).

Additional research is needed on how experiential cues at various touch points in the retail environment produce consumer experiences and how these experiences can influence consumer behaviour (Schmitt, 2010). De Farias *et al.*, (2014) propose the verification of the impact of the retail atmosphere on the customer experience. Similarly, Walls, Okumus, Wang & Kwun (2011) highlight the need for further exploration to comprehend the relationship between experiences, emotions, cognition, and multi-sensory elements. Grewal *et al.*, (2014) argue that future research into sensory stimulation in the retail environment, including visual, auditory, olfactory, tactile, and taste, is crucial. Evidently, there is a need for additional research to comprehend the efficiency and economics of consumer-experience based strategies in retail (Verhoef *et al.*, 2009).

Many studies have explored consumers' responses towards the retail environment in the context of brick-and-mortar and online stores, however limited evidence could be found of studies conducted in a South African context. No evidence could be found that focus on consumers' experiential value perceptions of the shopping experience in a South African context. This study therefore built on prior studies conducted within the local context. In addition to the influence of in-store stimuli on consumers' internal evaluations, this study also included consumers' internal evaluations of the perceived utilitarian- and hedonic benefits (total value) derived from the shopping experience in interior retail outlets. Metha and Chugan (2014) lay emphasis on the significance of research on consumers' perceptions of interior merchandise due to limited research in the domain. Regardless of the importance of merchandising in the retail mix, only a few store environment studies have deliberated the role of merchandise in consumer behaviour (Kumar & Kim, 2014). This study will build on previous research and advance our understanding of the significance of merchandise cues on consumers' behavioural intentions in retail environments such as interior retail outlets.

As an important research opportunity, Verhoef *et al.*, (2009) accentuate the need to develop a scale that aims to measure consumers' retail experiences in detail. They suggest a more comprehensive integration of the multiple internal and external factors that influence consumers' shopping experience, including cognitive evaluations (functional values), affective responses as have been typically studied, as well as social and physical components (Verhoef *et al.*, 2009). This study's contribution was inspired by an integrative conceptual framework proposed by Fiore and Kim (2007) for future research with the objective to guide industry professionals in developing and implementing successful shopping experiences. This study adopted the conceptual framework of Fiore and Kim (2007) on account of the detailed account of the complete shopping experience that include both cognitive and affective evaluations. A holistic view of the relevance of atmospheric-and merchandise cues and the overall value provided by the shopping experience, differs from most studies in the retailing literature. Prior studies have focused more on limited elements of the retail environment which are under the control of the retailer and how these elements influence specific consumer responses. From a practical viewpoint the findings of this study will be of value to retailers, architects, interior designers, developers and marketers as it would contribute to an understanding of consumers' perceptions which is crucial to meet consumers' expectations. It will also provide retailers with guidelines for revised retail strategies which aim to achieve memorable in-store experiences that will attract and engage consumers to the advantage of all.

1.5 THEORETICAL FRAMEWORK

To understand consumer behavioural intentions towards retail environments of interior retail outlets in a South African context, the Stimulus-Organism-Response (S-O-R) model as proposed by environmental psychologists Mehrabian and Russell (1974) served as the theoretical framework for this investigation. The Stimulus-Organism-Response model posits that the environment's sensory variables, the environment's information rate (i.e. the amount of information in the environment), and individual differences in people's affective responses to the environment, in turn encourage people to either approach (i.e. affiliation and exploration), or avoid (i.e. disinterest) a certain environment (Kawaf & Tagg, 2012). This implies that when exposed to external stimuli in the physical environment, 'inner organism changes' (consumers' internal evaluations), precede and determine their approach-avoidance behavioural responses.

This study adopted the theoretical framework of Mehrabian and Russell (1974) to understand the impact of atmospheric- and merchandise cues on consumers' internal evaluations of the value provided by the shopping experience. The Stimulus-Organism-Response framework was applied to understand subsequent approach-avoidance behaviour in the context of interior retailers in South Africa. Widely employed to study the influence of the retail environment on consumer behaviour, the multi-faceted Stimulus-Organism-Response model has dominated consumer behaviour literature (Kawaf & Tagg, 2012), for example the relationship between store environment and consumers' subsequent purchase behaviour (e.g. Kumar & Kim, 2014). Coherent with the standpoint that retailers intentionally create retail environments that shape consumers' mood, activates their intentions, and influences their reactions (Verhoef *et al.*, 2009), the Stimulus-Organism-Response model applied in an interior retail outlet, describes how external stimuli in the physical in-store retail environment drive consumers' internal evaluations, and ultimately their actions (Damminga, 2011; Kumar, 2010; Garvin, 2009).

A *stimulus* is defined in terms of its information rate or load, which is further determined by its novelty and complexity (Mehrabian & Russell, 1974). Stimuli that are novel and complex would have a higher information load and have more impact on the organism than stimuli that are common and simple (Damminga, 2011). In an interior retail outlet, any aspect of the retail environment, for example the music, visual displays, store employees and the interior merchandise, are considered in-store stimuli that will incite a response.

Organism encapsulates consumers' internal states, i.e. cognitive and affective intermediary states and processes (Chang & Chen, 2008). Succeeding consumers' exposure to in-store stimuli (i.e. atmospheric- and merchandise cues), and the development of internal evaluations (e.g. consumers' experiential value perceptions) of the shopping experience, consumers will finally *respond* by either remaining in the store for longer to further explore the store with the intention to purchase interior merchandise, or leave the store without making a purchase. This study was particularly interested in positive response behaviour in interior retail outlets, i.e. approach behaviour, resulting from positive consumer internal evaluations of the shopping experience. Because efforts to retain consumers can be very expensive, it remains important for interior retailers to understand how the retail environment influences consumers' internal evaluations. A better understanding of the pertinence of in-store stimuli could guide interior retailers to better invest in pleasant retail environments and impressive shopping experiences that will have a positive impact on consumers' purchase behaviour. It is suggested that interior retailers focus their attention on increasing patronage, i.e. build long-term relationships.

1.6 RESEARCH AIM AND OBJECTIVES

This study aimed to provide empirical evidence of factors that would enhance consumers' internal evaluations of the retail environment and shopping experience in an interior retail outlet, as well as their subsequent purchase- and patronage intentions, as an indication of the effort and the expertise that is required to attract and retain consumers in a highly competitive market.

The following specific research objectives were formulated:

Objective 1: To explore, describe and discuss **consumers' internal evaluations (perceptions) of selected in-store stimuli (atmospheric- and merchandise cues)** as presented in the retail environment of interior retail outlets across demographic variables, specifically:

1.1 To explore, describe and discuss **consumers' perceptions of selected ambient cues** (*music, lighting, scent*), **design cues** (*layout, functionality, aesthetics*), **social cues** (*employees, other consumers*) and **merchandise cues** (*design/style, price, quality, merchandise mix*) as presented in the retail environment across demographic variables.

Objective 2: To explore, describe and discuss consumers' **internal evaluations (experiential value perceptions)** of the shopping experience in interior retail outlets across demographic variables, specifically:

2.1. To explore, describe and discuss **consumers' hedonic value perceptions**, expressed in terms of *visual appeal, intrinsic enjoyment, entertainment and escapism*, across demographic variables.

2.2. To explore, describe and discuss **consumers' utilitarian value perceptions**, expressed in terms of *efficiency, economic value and excellence*, across demographic variables.

Objective 3: To explore, describe and discuss **consumers' response behaviour (approach/ avoidance)** to interior retail outlets across demographic variables, specifically:

3.1. To explore, describe and discuss **consumers' purchase intentions of interior retail outlets** across demographic variables.

3.2. To explore, describe and discuss **consumers' patronage intentions of interior retail outlets** across demographic variables.

1.7 STUDY AREA

Willing respondents (consumers) were recruited through a store intercept method at a selected interior retail outlet (@Home Livingspace) located in The Grove Mall (<http://www.thegrovemall.co.za>). This trendy shopping destination is situated on the corner of Lynnwood and Simon Vermooten Roads in eastern suburbs of Pretoria (Tshwane), in the province of Gauteng, South Africa. Various prominent interior retail outlets are represented in this shopping mall, offering consumers a fine selection of prime quality retailers, thus catering to the requirements of the most discerning shopper. Only a real-time setting, i.e. an actual interior retail outlet, could provide a scenario that incorporated atmospheric- and merchandise cues needed to form perceptions of the overall benefits (hedonic- and utilitarian value) provided by the shopping experience. The research was cross-sectional relating the results and findings to the specific context (shopping experience in a South African interior retail outlet) at a specific point in time (October 2014). The findings of this study relate to the particular interior retail outlet and their consumer profile (target market), hence finding cannot be generalised to a broader scope of interior retailers or other interior retail formats.

1.8 RESEARCH DESIGN AND METHODOLOGY

A predominantly quantitative survey design was used for this study to give objective answers to specific research objectives (Salkind, 2012:213) relating to brick-and-mortar interior retail outlets. The intention was not to develop new theory, but rather to investigate and describe the research problem in a South African context. The research design and methodology will be discussed in detail in Chapter 4. Quantitative research techniques, sampling methods, data collection methods as well as quantitative data analyses were used for this study (Salkind, 2012:213; Fouché *et al.*, 2011:143). A quantitative approach was informative in explaining the findings as an indication of the effort and the expertise that is required to attract and retain consumers in a highly competitive market. The results and findings are particularly valuable to interior retailers who are suffering in a tough economic climate.

Due to a void in more recent literature regarding the relevance of the all-inclusive in-store stimuli, i.e. atmospheric-and merchandise in brick-and-mortar retail environments, consumers' value perceptions of the shopping experience that include both hedonic-and utilitarian value and consumers' subsequent responses, this study was explorative, descriptive and causal in nature. Exploratory research gave empirical evidence of consumer behaviour in interior retail outlets in the context of a South African emerging market as a guideline for future studies of its kind (Fouché & De Vos, 2011:95, Zikmund & Babin, 2010:444). The descriptive part of the research implies to specific details about the nature of certain characteristics of the population (consumers shopping for interior merchandise), the establishment (interior retailer/ interior retail outlet) and the phenomenon (the brick-and-mortar shopping experience) in order to predict future variables (Saunders, Lewis & Thornhill., 2009). A causal research was fitting to confirm potential linear relationship between variables as a suggestion of their relevance.

A survey approach with a single data collection phase was followed that implemented a self-administered structured questionnaire (De Vos *et al.*, 2011:156). Due to time- and financial limitations the researcher had no other option than to employ a non-probability sampling technique (Salkind, 2012:33; Strydom, 2011b:224; Leedy & Ormrod, 2010:211; Zikmund & Babin, 2010:58). Individuals had equal opportunities to be included in the sample. Supposing that there will be differences among people, it was essential to gain understanding into various individuals' perceptions (Zikmund & Babin, 2010:312) of the retail environment and shopping experience in an interior retail outlet. A consumer-centred response approach was therefore followed. The intention was not to generalise the findings to the entire South African population (Leedy & Ormrod, 2010:205; Zikmund & Babin, 2010:311).

The unit of analysis included willing consumers irrespective of their gender, age, ethnicity and income, who entered the selected interior retail outlet during the specific time frame. Insight into various consumers' perceptions were gained in a convenient and economical manner (Zikmund & Babin, 2010:312). The sample size of 272 in this study was considered a useful sample size that would suffice in terms of data analysis related to the research objectives of the study. A quantitative approach involved the use of measuring scales that lead to numerical figures that could be statistically analysed and hypothesised (Zikmund & Babin, 2010:96). This is the type of findings that retailers generally prefer.

The structured questionnaire for this study comprised of four sections designed according to the specific research objectives. The aim was to obtain subjective responses about a phenomenon (the shopping experience in an interior retail outlet) from individuals (consumers) who were experiencing the situation (Robinson & Parman, 2010:169). Selected items suitable for measuring the constructs under study were collected from the relevant literature. The measurement scales used were adapted from existing research, supported by other research studies and, in some cases, modified to be tailored to the brick-and-mortar retail context. Standardised and tested Likert-type scales were used in closed-ended questions to provide greater uniformity of responses and to simplify information processing. Items were measured on a five-point Likert scale where 1 represented '*strongly disagree*' and 5 represented '*strongly agree*'. A pilot test was done to eliminate possible errors and to ensure ease of completion. The final questionnaire was evaluated by the supervisor, co-supervisor, as well as statistical research consultants.

To ensure that the adequate responses were obtained within the required time limit, the data collection was carried out by the researcher and trained fieldworkers during October 2014. Data collection, discussed in detail in Chapter 4, took place in a real-time shopping experience. It was necessary to incorporate numerous aspects of store atmosphere and merchandise as stimuli for this field study, so only an actual setting could provide such a setup. The data was gathered through a store intercept method in the @Home LivingSpace store situated within The Grove Mall (<http://www.thegrovemall.co.za>) in Pretoria East (Tshwane), South Africa. This convenient and economical method of data collection implies that consumers in the particular interior retail outlet were stopped and invited to participate in the study by completing a structured questionnaire (see addendum D), formulated in simple English for easy interpretation, on the spot. Part of The Foschini Group (<http://www.tfg.co.za>), @Home LivingSpace (<http://www.home.co.za>) offers consumers innovative, quality furniture and other interior merchandise items such as soft-furnishings and decorative interior accessories (<http://www.home.co.za>).

Permission to proceed with data collection in the store was obtained from store management beforehand (see addendum B). Fieldworkers recruited willing consumers in the store by introducing themselves, briefly describing the aim of the research project and establishing good rapport. They motivated respondents to participate in the study by offering them an incentive, in the form of an entry into a lucky draw (see addendum C) whereby they stood a chance to win a R500 @Home gift card. A printed questionnaire and a cover letter (see addendum C) from the researcher that broadly explained the purpose of the research project, was personally handed to respondents who agreed to participate in the study. Respondents completed the questionnaires in the store, thus permitting fieldworkers to provide clarifications sought then and there. The questionnaires were collected from respondents once completed and were immediately reviewed for missing data and error, thereby lessening the problem of low response rates and missing values. The questionnaire was then placed in a sealed box with an opening. A total of 272 useful questionnaires were retrieved upon completion of the data collection process.

1.9 DATA ANALYSIS

Data analysis refers to the application of reasoning in the data collected, determining consistent patterns and summarizing the relevant data and finding consistent patterns revealed by the investigation (Zikmund & Babin, 2010:59, 66). This study followed a five-step approach used by professionals to analyse data, namely validating and editing responses, coding, converting information to obtain data, revising the data and lastly, statistical analysis (McDaniel & Gates, 2008:390). The data preparation for data analysis necessitated the coding, checking and editing of the data collected (Strydom, 2011a:252) from consumers in the interior retail outlet during the timeframe of the data collection. The main data obtained from the completed questionnaires was coded in accordance with the predetermined data definitions, and coding was done in a numerical manner (Strydom, 2011a:255). The open-ended question, being qualitative in nature, was coded by hand and relevant concepts were identified. Coding was checked by the researcher and crosschecked by a trained assistant to ensure reliability of the results and to prevent errors.

Data analysis comprised quantitative descriptive statistics including frequencies, percentages, means, and standard deviations, as well as inferential statistics. The data analysis will be discussed in detail in Chapter 4 and the results are presented in Chapter 5. Inferential statistics necessitated exploratory- and confirmatory factor analysis that translated and interpreted the quantitative data gathered into the relevant information needed to reach the set objectives (Zikmund & Babin, 2010:326; 385). Descriptive statistics were used for this

study to examine the characteristics of the data relating to the respondents who had participated in the study. Inferential statistics were used to reach conclusions about the significance of in-store stimuli on consumer behaviour in retail environments in general that extend beyond the immediate data. Confirmatory- and exploratory factor analysis was done to reduce data and to identify coherent factors. Graphs and tables were used to present the data in a rational and manageable manner. Qualified statisticians from STATOMET at the University of Pretoria provided the researcher with assistance in terms of final descriptive and inferential statistical procedures, thereby ensuring that the data was analysed in accordance with the set objectives and that the results were addressed in a scientific manner as well as a publishable format.

1.10 MEASURES TO ELIMINATE ERROR

Measures were taken to eliminate error throughout the research process, to enhance the overall quality of the study and to ensure that the research was indeed valid and reliable. The quality of the study will be discussed in detail in Chapter 4.

1.10.1 Validity

The validity of research refers to the accuracy of a measure in truthfully reflecting the concepts (Zikmund & Babin, 2010:335). To ensure that the findings were correct (Salkind, 2012:123), the structured questionnaire comprised of four sections that correlated directly to the specific research objectives. Effort was made to consult the most recent, academically recognised sources in order to propose a well-planned and structured conceptual framework, and to clearly and correctly define all the relevant concepts. An in-depth literature review facilitated the selection of suitable scales and the appropriate description of the relevant constructs under study. Theoretical foundations were furthermore cross-checked to ensure consistency of information (Zikmund & Babin, 2010:25, 124). Based on the underlying theory and supported by empirical research, established measuring scales with proven reliability measures, were incorporated to accurately measure all the relevant constructs and relationships. The research objectives and theoretical constructs relating to this study were clearly conceptualised and operationalised. Pertinent actions were also taken by the researcher to eliminate error throughout the research process include the training of fieldworkers, self-coding of the completed questionnaires and self-checking of the data.

1.10.2 Reliability

Reliability refers to the internal dependability (credibility) of a measuring instrument (Leedy & Ormrod, 2010:93). The questionnaire was developed and thoroughly evaluated by the supervisor and co-supervisor together with a statistical research consultant from the University of Pretoria to ensure that the measuring instrument (the questionnaire) used for this study was indeed accurate and reliable. To ensure that the measuring instrument was consistent with the underlying theory, only existing, reputable measuring scales supported by empirical research were used. Questions were formulated in simple layman's English for easy interpretation and answering to diminish measurement errors, to increase reliability and to ensure that the application of the questionnaire was without fault. To enable fieldworkers to inspect completed questionnaires for missing data or respondent error, and ultimately reduce the problem of low response rates or missing values, respondents had to complete the questionnaires in the store. Fieldworkers were trained to be familiar with the purposes of the study and the interpretations of the questions in case any respondents were unsure of the meaning of the questions.

As a suggestion of the effort and the skill that is required to entice and maintain consumers in a highly competitive market, the measuring instrument (questionnaire) provided empirical evidence of the relevance of in-store stimuli in an interior retail outlet and consumers' internal evaluations of the value provided by the shopping experience, as well as consumers' purchase- and patronage intentions. The Cronbach's Alpha coefficients were calculated for this study to ensure validity and reliability, as well as to confirm that the measuring scales were applicable to an interior retailer context. All levels of measurement were calculated at the most precise levels by qualified statisticians in order to make logical inferences.

1.11 ETHICS

Pertinent actions were taken by the researcher to guarantee that the research was ethically conducted at all times, including the written consent from the Faculty of Natural and Agricultural Sciences' Research Ethics Committee, University of Pretoria. Plagiarism was avoided (see addendum A) and the recording of findings was truthful. A thorough literature reference list was compiled of all the sources consulted and used. The cover letter (see addendum C) of the questionnaire informed participants that their information would be treated confidentially and further explained the nature of the study and provided the contact details of the researcher. This study did not cause any physical or emotional harm, distress or discomfort, neither were respondents

mislead or influenced in any way. The structured questionnaire was self-administered and did not include any unreasonably sensitive questions. There was no violation of privacy, anonymity or confidentiality. Respondents' personal details were not asked and completed questionnaires were placed into a sealed box to ensure further anonymity and privacy. The data collected was handled with confidentiality and was only used as aggregate data. A comprehensive research report that contained the findings of the study was compiled as accurately and objectively as possible. All contributors to the study were acknowledged.

1.12 PRESENTATION AND STRUCTURE OF THE DISSERTATION

The dissertation is organised in six chapters that address the following:

Chapter 1 introduces the research by giving a background to the significance of consumers' internal evaluations of in-store retail environments and their subsequent patronage intentions. This chapter furthermore demarcates the research problem in a South African context and provides an overview of the structure of the dissertation as well as important concepts that were used throughout the study.

Chapter 2 presents a review of literature that revolves around the creation of retail environments, consumers' internal evaluations of the in-store shopping experience, and the impact of the retail environment on store preference and consumers' purchase intent.

Chapter 3 introduces the application of the stimulus (S)-organism (O)-response (R) model as the theoretical framework that was used to structure and interpret the research in terms of the organization of the relevant literature, the compilation the conceptual framework and the eventual discussion of the findings. This chapter also presents the conceptual framework as well as the research objectives that were formulated for the study.

Chapter 4 explicates the research design and methodology in accordance with the specific research objectives that were formulated.

Chapter 5 presents the results of the study and a discussion of the findings in accordance with the research objectives, with inclusion of relevant graphs and tables to aid the interpretation of the findings.

Chapter 6 presents the conclusions and the implications of the study, the limitations of the study, as well as conclusive recommendations for further research possibilities.

1.13 DEFINITION OF KEY CONCEPTS

Certain concepts are defined to reflect the context in which they have been used in this research:

- ***A consumption experience*** literally refers to every purchasing encounter (Garvin, 2009).
- ***Aesthetic response*** refers to the consumer's level of cognitive and/or affective response to an aesthetically pleasing object or experience that connects the consumer at multiple sensory levels, increasing benefits regarding ownership and engagement (Wilhoit, 2010).
- ***Affect*** refers to a "set of specific mental processes, including feelings, moods, and emotions" (Éthier, Hadaya, Talbot & Cadieux, 2006).
- ***Ambient cues*** are the non-visual elements of the environment that influence consumers on a subconscious level (Baker *et al.*, 2002), including olfactory factors such as scent, visual/ tactile factors such as lighting, and auditory factors such as music (Kumar, 2010).
- ***Arousal*** refers to the excited and stimulated feelings (Zentes, Morschett. & Schramm-Klein, 2007).
- ***Cognition*** refers to the rational process of cognitive evaluation which is part of consumer perception, hence how a person observes, selects, organizes and reacts to environmental stimuli in a meaningful way (Schiffman & Kanuk, 2010:203).
- ***Cognition-Affect-Behaviour (C-A-B) model*** of consumer behaviour presumes that the consumption process is a connecting flow from consumer cognition to consumer affect to consumer behaviour (C→A→B), reflecting an information-processing method focusing on utilitarian (rational) benefits (Bettman, 1979).

- **Consciousness-Emotion-Value (C-E-V) model** accentuates the importance of consumer value perceptions obtained during the consumption experience (Fiore & Kim, 2007). In response to informational inputs, an array of mental events, such as fantasy, imagery, memories, subconscious thoughts and unconscious processes that take place during the shopping experience, are included as consciousness in addition to the Cognition-Affect-Behaviour model's cognitive processes regarding consumer products and services (Holbrook, 1986:18).
- **Consumer perceived value** refers to consumers' overall assessment of the utility of a product, service or a store based on what consumers receives in return for what they give (Ryu *et al.*, 2010).
- **Consumption experience** literally refers to every purchasing encounter (Garvin, 2009).
- **Design cues** include all the visual elements of a space that tend to exist at the forefront of consumers' awareness, e.g. functional and aesthetic elements of the architecture and interior design (Baker *et al.*, 2002).
- **Economic value** refers to consumers' perceptions about the price and quality associated with the retailer (Mathwick *et al.*, 2001).
- **Efficiency** originates from convenience and resource allocation associated with the time and effort that a person spends while shopping at a particular store (Kim, 2002).
- **Emotions** are short and intense feelings that indicate a pleasant or unpleasant affective state in response to an event (Campos, 2006), e.g. positive emotions such as merriness, enthusiasm, excitement and happiness (Henning-Thurau *et al.*, 2006).
- **Entertainment value** reflects the appreciation for the retail performance and the retailer's ability to offer immersive shopping experiences (Mathwick *et al.*, 2001).
- **Escapism** refers to any activity that is freely engaged in that allows consumers to temporarily hide from their daily demands and often involves an element of pretend (Mathwick *et al.*, 2001).

- **Excellence** refers to consumers' value perceptions of the service quality as an indication of their appreciation of the retailer's capability to meet consumers' needs through expertise and task-related functioning (Mathwick *et al.*, 2001; Holbrook 1994).
- **Experiential retailing** is "a retail strategy that transforms products and services into a total consumption experience. It satisfies emotional or expressive (hedonic) desires, as well as rational or functional (utilitarian) needs of the consumer" (Kim *et al.*, 2007).
- **Experiential value** is regarded as the overall worth and key outcome of the shopping experience in a retail context that comprise all factors, qualitative and quantitative, subjective and objective, that make up the complete shopping experience (Davis & Hodges, 2012), that take account of both utilitarian- and hedonic benefits (Mathwick *et al.*, 2001).
- **Hedonic consumption** refers to the value derived from exploration and entertainment, are useful in explaining consumer evaluations of the shopping experience, and ultimately their purchase behaviour (Rintamäki *et al.*, 2006).
- **Intrinsic enjoyment** is an aspect of playfulness (Mathwick *et al.*, 2001), that can for example be derived from adventure, socialisation, i.e. consumers who enjoys shopping with family and friends, role, i.e. the enjoyment that consumers derive from shopping to find the perfect gift for themselves or for others, and value, i.e. bargain hunting for discounted items (Arnolds & Reynolds, 2003).
- **Immersion consumption experiences** occur when consumers become captivated by the store environment and fully engaged in their shopping experience (Garvin, 2009).
- **Merchandise cues** in a retail environment are provided by the merchandise carried in the store, comprising of merchandise components such as quality, assortment, the design and display of the merchandise (Thang & Tan, 2003). Generally considered as part of store image, the merchandise displayed in a store is regarded the single most important element of the conventional retail marketing mix (Kumar, 2010).
- **Organism** is "represented by cognitive and affective intermediary states and processes that mediate the relationships between the stimulus and the individual's responses" (Chang & Chen, 2008).

- **Patronage intentions** refers to the subjective likelihood that a consumer will continue to purchase a product from the same retailer in the future (Chiu *et al.*, 2014).
- **Pleasure** refers to the level of positive emotions (Zentes *et al.*, 2007).
- **Purchase intentions** signify a consumers' purchase decision once they are in a retail environment, namely to make a purchase or not to make a purchase (Garvin, 2009).
- **Response behaviour (approach/ avoidance)** refers to a person's response towards an environment in terms of psychological reactions, e.g. positive behaviours of willingness to remain and explore the environment, or on the contrary the desire to leave the environment (Kawaf & Tagg, 2012).
- **Retail atmospherics** refers to anything in the retail environment that influences the consumer (Grewal *et al.*, 2014).
- **Shopping experience** is the internal and subjective response a consumer has to any direct, intended encounters or indirect, unscheduled contact with the retailer (Meyer & Schwager, 2007).
- **Social cues** comprise human factors related to interactions with store employees and other consumers, e.g. crowding, appearance, understaffing (Baker *et al.*, 2002).
- **Stimulus** is conceptualised as any external characteristic of the environment that influence a person's internal states and stimulates a behavioural response (Kumar & Kim, 2014).
- **Stimulus (S)-Organism (O)-Response (R) model** presumes that when exposed to external stimuli in the physical environment, a person's internal evaluations, precede and determine their approach-avoidance behavioural responses (Kawaf & Tagg, 2012).
- **Store atmosphere in a retail environment** encompass the deliberate design of a space in order to evoke desired effects from consumers (De Farias *et al.*, 2014), including "tangible elements such as floor, wall, and ceiling surfaces (i.e., materials, colours, textures); lighting; fixtures and mannequins;

product trial areas; customer seating areas; point of purchase and window displays; as well as intangible elements such as music temperature, and scent” (Hyllegard, Ogle & Dunbar, 2006).

- **Total shopping experience** refers to consumers’ perception of the entire purchasing encounter in the retail store (Garvin, 2009), including all the experiential stimuli (Schmitt, 2010), hence a multidimensional impression based on the consumer’s willingness and capacity to be affected by physical and/or human interaction dimensions (Walls *et al.*, 2011).
- **Utilitarian consumption** is a rational product- and purchase-oriented perspective of value (Garvin, 2009), derived from money saving, task accomplishment and convenience (Davis & Hodges, 2012).
- **Visual appeal** of retail environments is driven by the design, beauty and physical attractiveness of the setting (Mathwick *et al.*, 2001).
- **Visual merchandising** refers to the visual feature areas used to beautify and decorate a store through the use of objects, props, fixtures, materials, posters, frills, and colours, that draws attention or create pleasure in a store with the goal to heighten the appeal of the merchandise on offer and enhance consumers’ shopping experience (Cant & Hefer, 2014; Mathew, 2008).



CHAPTER 2

THEORETICAL BACKGROUND

This chapter presents a review of literature pertaining to the influence of in-store stimuli on consumer's internal evaluations of retail environments and the shopping experience, and ultimately their response behaviour in terms of purchase-and patronage intentions.

2.1 INTRODUCTION

The theoretical background for this study addresses the creation of retail environments; consumers' internal evaluations of the benefits derived from the shopping experience; as well as response behaviour (approach/avoidance). To make sense of the retail environment in a meaningful way, consumers internally select, organise and interpret in-store stimuli, comprising of atmospheric- and merchandise cues, which influence their perceptions (positive or negative) about the retail environment, the retailer and the shopping experience (Schiffman & Kanuk, 2010:175). Consumers develop an image about retail environments based on the atmosphere created by the retailer (Kumar, 2010). There will be differences in consumers' interpretations and perceptions of particular environments because of individual differences (Schiffman & Kanuk, 2010:179). One of the challenges that interior retailers face, is that they generally require and occupy extensive floor spaces to showcase their merchandise. Retailers need to pay special attention to the retail environment and create an atmosphere that generates positive emotions within consumers that would enhance the likelihood of them purchasing (Kumar, 2010). This study reflected on brick-and-mortar interior retailers in a South African context. Interior merchandise relevant to this study includes furniture, soft furnishings and decorative interior accessories, which consumers purchase for use in the private and public areas of their homes.

2.2 EMERGING TRENDS IN THE GLOBAL RETAIL INDUSTRY

The retail industry is transforming at a fast pace in terms of how services are presented to consumers, which complicates retailing in general and poses more challenges. The significance of value offers that guide consumers' purchase decisions is constantly changing. In order to increase sales, it is suggested that retailers adapt quickly toward new developing trends, such as more discerning consumers, changing demographics and other retail channel formats (PricewaterhouseCoopers & TNS Retail Forward, 2007). Personalisation and co-creation opportunities that would add more value are being accentuated. In the near future, consumers will take on the role of manufacturers in creating their own wants and desires (Barkworth, 2014).

Consumers are increasingly proactive in their purchase decisions and more selective about their preferred retailers. According to an overview of the retailing industry (Retailing 2015: New Frontiers), developing trends will have implications for the retail industry driving consumer shopping behaviour (PricewaterhouseCoopers & TNS Retail Forward, 2007). They suggest that retailers should revise their merchandise- and service offerings to target selected consumer groups. Consumers are becoming more discerning, and as a result desire personalisation that meet their demands and expectations (Barkworth, 2014). This implies that they will have more control to request shopping experiences tailored specifically to their individual needs. Furthermore, consumers will become more connected, meaning that they will be able to liberally exchange information of any kind, with anybody, from wherever, whenever. The power of consumers' word-of-mouth marketing through social media platforms are therefore extremely important to retailers (PricewaterhouseCoopers & TNS Retail Forward, 2007).

Retailers will need to take into consideration consumers' internal evaluations of the shopping environment, merchandise, service and brand in order to better understand the motivations behind consumers' purchase decisions. Retailers will also have to be more flexible, be more cost efficient and ultimately learn more about emerging markets they could benefit from (PricewaterhouseCoopers & TNS Retail Forward, 2007). Much has for example been published about the Millennials (Generation Y) who are the generation born between 1986 and 2005 (Eastman & Liu, 2012). These consumers are more sociable, more spendthrift, but also more sophisticated, status conscious and meticulous (Eastman & Liu, 2012; Jackson, Stoel & Brantley, 2011). Because they have more money to spend, interior retailers would be very interested in them. Research on consumer behaviour in retail environments are key to increase sales (PricewaterhouseCoopers & TNS Retail Forward, 2007). The consumer shopper insights process (see Figure 2.1) aims to better understand the impact of the shopping experience on consumers' needs, attitudes and behaviour (e.g. purchase decisions).

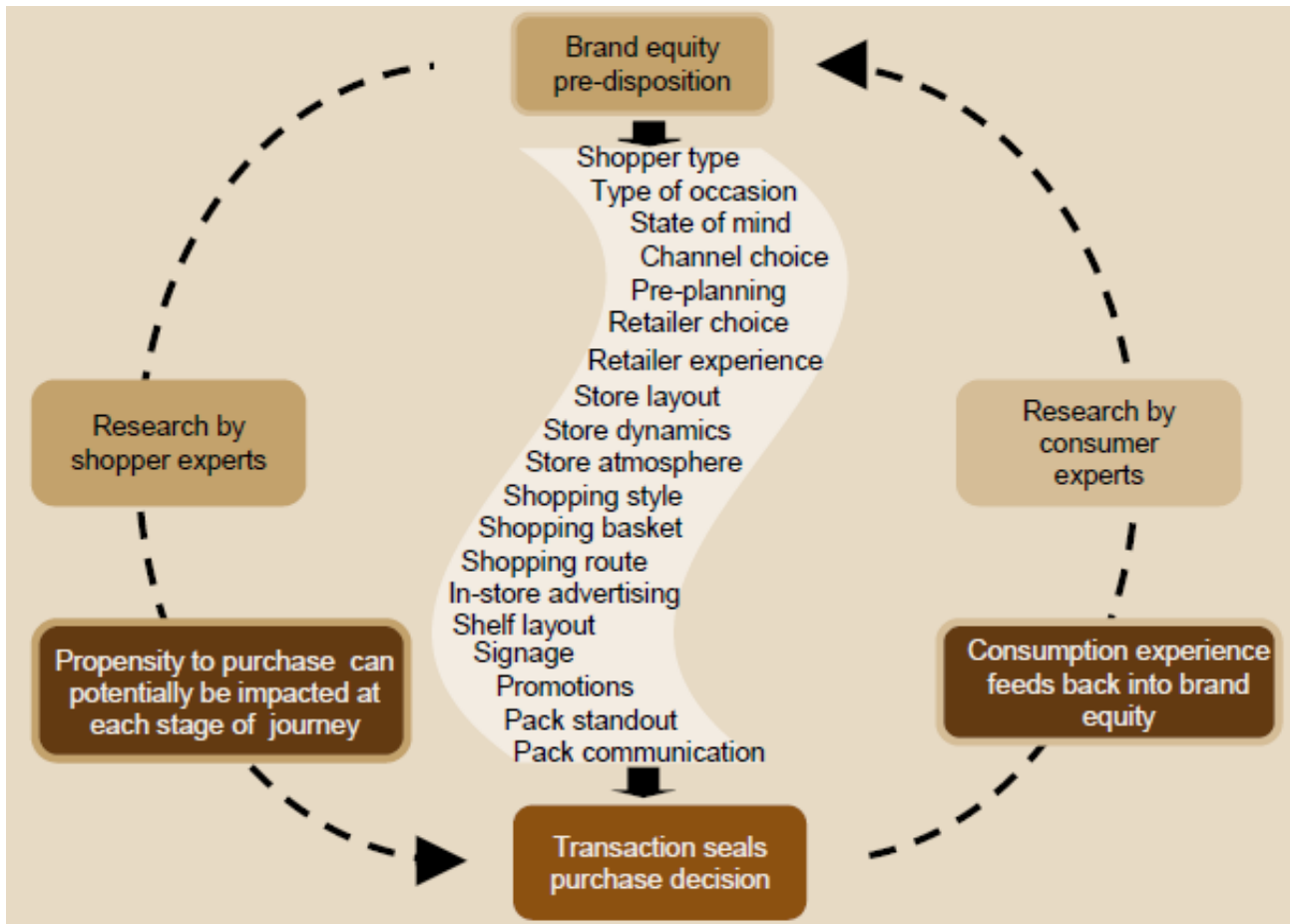


FIGURE 2.1: CONSUMER SHOPPER INSIGHTS PROCESS (PRICEWATERHOUSECOOPERS & TNS RETAIL FORWARD, 2007)

The evolving retail industry differs significantly from traditional retail strategies of the past that primarily focused on location (Barkworth, 2014). As a result, consumers desire more interactive experiences and personalisation (Barkworth, 2014). Profitability will be achieved through the creation of memorable shopping experiences, relevancy of the merchandise, as well as comfortable, pleasant retail environments that increase productivity within existing stores (PricewaterhouseCoopers & TNS Retail Forward, 2007). Consumers want to indulge in experiences, thereby escaping their grownup lives and responsibilities, embracing fun and hedonism (Barkworth, 2014). The retail value chain as illustrated in Figure 2.2, will become more personal and consumer management will therefore become a vital asset for retailers. In the future, consumers will disclose more information with retailers and in return expect to gain more value that includes both utilitarian- and hedonic value from shopping experiences (PricewaterhouseCoopers & TNS Retail Forward, 2007).

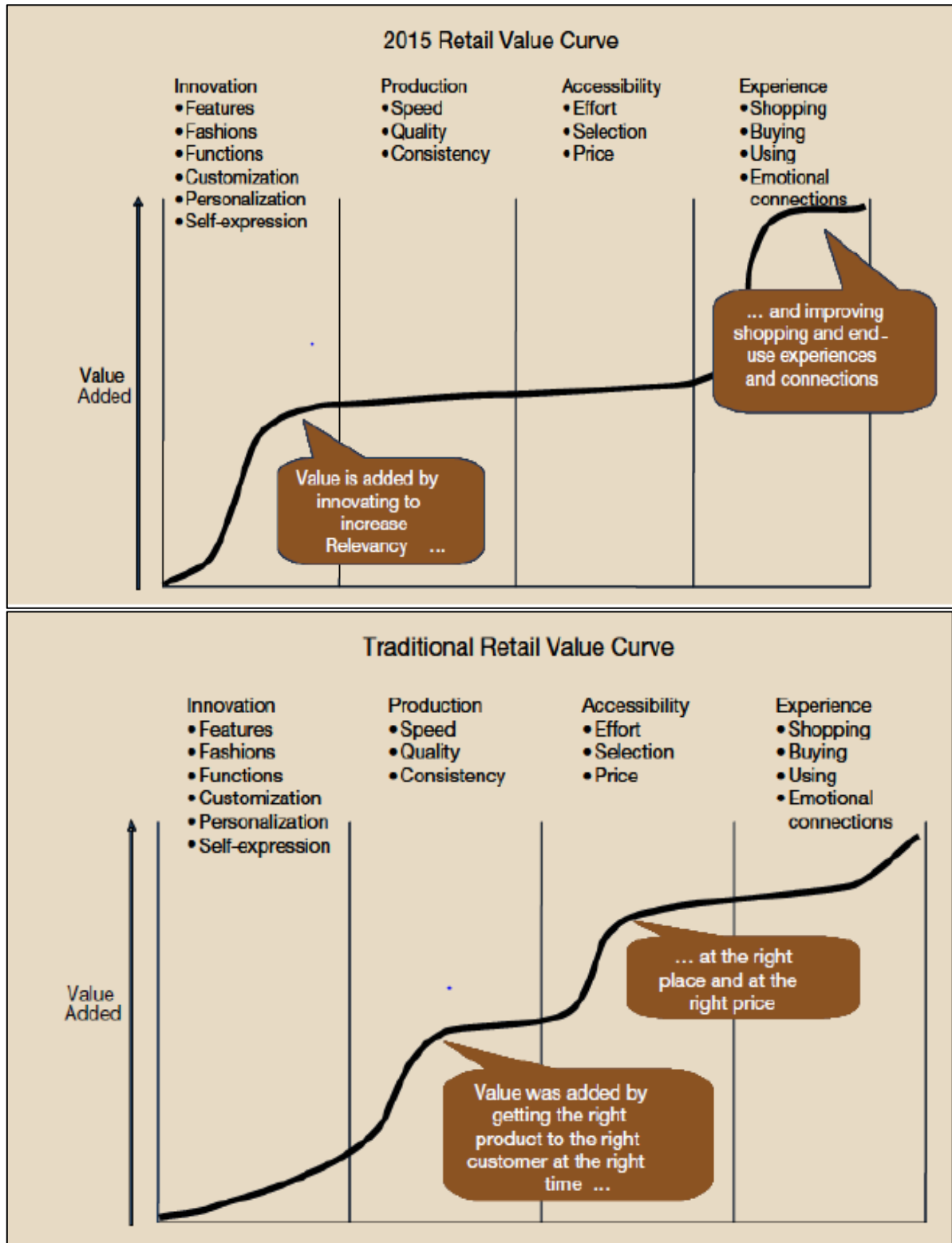


FIGURE 2.2: RETAIL VALUE CURVE (PRICewaterhouseCOOPERS & TNS RETAIL FORWARD, 2007)

2.3 INTERIOR RETAIL INDUSTRY IN SOUTH AFRICA

The interior retail industry in South Africa experienced a crisis in 2014 with the collapse of one of the country's most prominent interior retailers, as a result of expanding debts and decreasing sales. Furthermore, the weak economic growth is burdening the interior retail industry with fairly indebted consumers lacking the disposable income to pay cash for expensive product categories such as furniture. According to the Bureau of Market Research's 2014 retail trade sales forecast for South Africa (Unisa, 2014), retailers selling furniture and other interior merchandise were negatively affected by the recession during the period of 2009 to 2013 and afterwards. This resulted in a loss of 43.5% of their market share since 2005, as illustrated in Figure 2.3, and they are still continuing to lose market share.

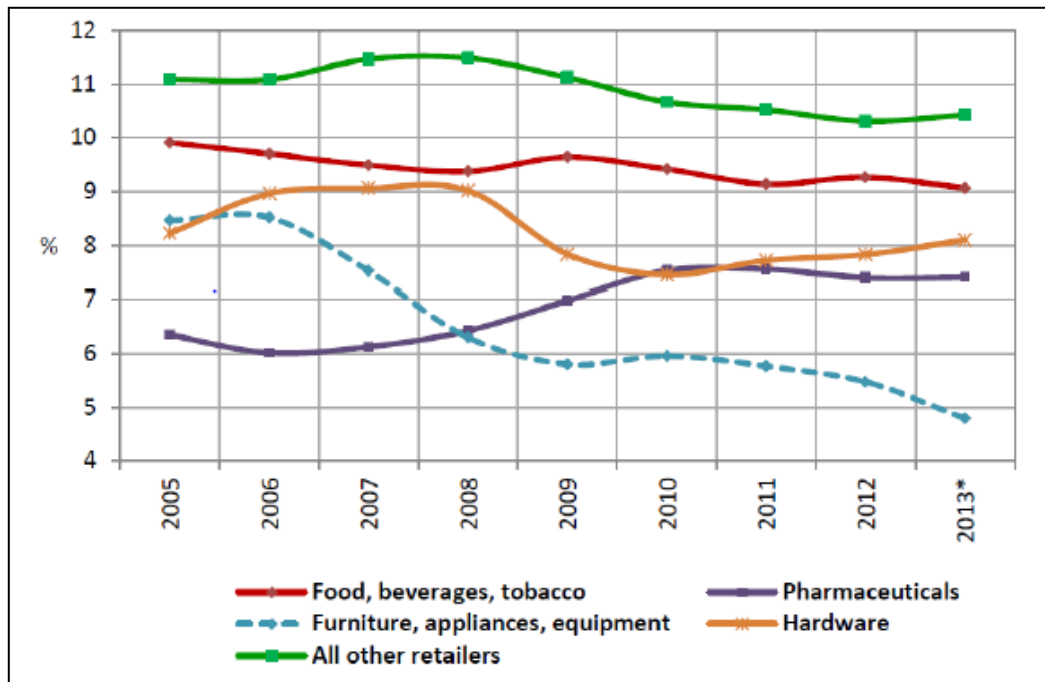


FIGURE 2.3: MARKET SHARES OF TYPES OF RETAILERS: JANUARY 2005 TO SEPTEMBER 2013 (STATS SA, 2013)

South Africa is facing a risk of a weaker currency due to slow economic growth resulting from increased strike action, electricity shortfall and load shedding, continued higher levels of imports than exports, unemployment, corruption, an increase in inflation and credit amnesty coming into action, which might force the Reserve Bank to hike interest rates. Disposable household income is under pressure because of the higher electricity, transport and food prices, and as a result the growth in the local demand for household products (interior merchandise) has declined (Maswanganyi, 2014).

Price may remain firm which might further impact consumer shopping behaviour negatively. It seems very unlikely that consumers would be purchasing furniture and other interior merchandise with extra cash available (Brand-Jonker, Die Burger 2014). Retail analysts foresee the industry trend of further store closure and a reduction in store openings (consolidation) to remain in the interior retail industry during 2015. The focus of successful interior retailers has shifted towards opening smaller stores (Magwaza, IOL Business 2015). It is likely that new market share will certainly be gained by profitable retailers that were less impacted by consolidation. Markus Jooste, CEO of Steinhoff Group, apart from Ikea the biggest interior retailer in Europe, argues that the interior merchandise retail industry in European countries differs completely from that in South Africa, for instance the focus on credit provision. He points out that in Europeans go specifically to interior retail outlets to buy interior merchandise and they tend to spend an average of six to seven hours in the retail environment. Interior retail outlets are also much larger with an average size between 8000m² and 10000 m², compared to the average size between 200m² and 250m² in South Africa (Brand-Jonker, Die Burger 2014).

Important role players in the South African interior retail trade include The Foschini Group (@Home), Coricraft and Weylandts. These reputable interior retailers have unique selected target segments and approaches. Weylandts (<http://www.weylandts.co.za>) is firmly established as a leading interior retailer in South Africa, offering upmarket clients, i.e. more affluent consumers, contemporary quality designs sourced from around the world. Weylandts focus on unique retail experiences that showcase products in a beautiful environment that enhances the inspirational merchandising. The four pillars by which Weylandts operate are quality, design, value and sustainability.

Coricraft (<http://www.coricraft.co.za>) is synonymous with affordable prices and exceptional value on quality furniture, offering a wide range of locally manufactured couches, as well as wooden furniture and accessories sourced from around the world. Coricraft offer immersive retail experiences. The fabric and leather bars give consumers a hands-on way to make the right choice, while in the Coricraft Sleep Studios consumers can try out top quality mattresses. Ultimately Coricraft is focused on providing style, quality and value through an easy, pleasant shopping experience.

The Foschini Group (<http://www.tfg.co.za>) has a comprehensive portfolio of 18 retail brands, including @Home LivingSpace (<http://www.home.co.za>), the leading choice for innovative, quality furniture and other interior merchandise items such as soft-furnishings and decorative interior accessories. As an acknowledged trendsetter with stores throughout South Africa, their buying teams travel the world to source quality ranges and credible brands that reflect a passion for all things functional and innovative with the goal to inspire consumers to create beautiful homes. The @Home LivingSpace outlet, The Grove Mall, was selected as the

participating interior retail outlet for this study. Their target market strategies and approaches is aimed at LSM Group 7 (high) to LSM Group 8(low), i.e. the middle upper income group ($\geq R15\ 00$ to $< R25\ 000$) (SAARF, 2011).

Figure 2.4 illustrates key areas that will have strong impact on retailers' operational and financial performance. Interior retailers can use these levers to balance performance, profitability and consumer excellence, in addition to advancing their positioning. In the ever advancing retail industry, interior retailers will have to find alternative ways to drive sales and retain consumers.

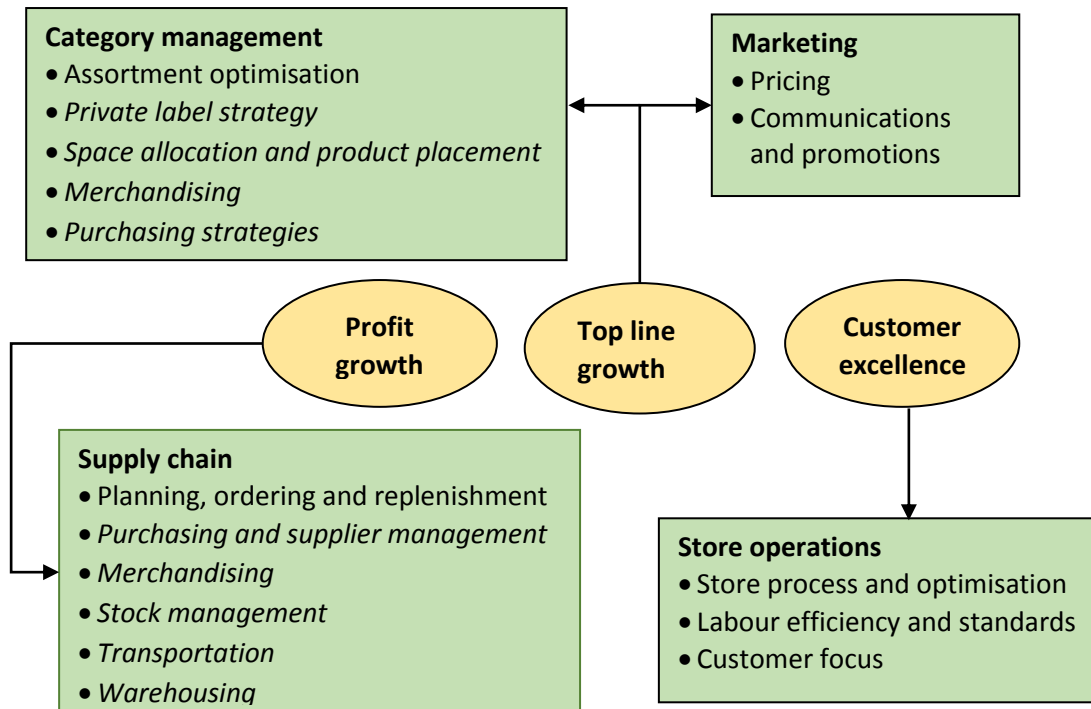


FIGURE 2.4: KEY AREAS THAT HAVE AN IMPACT ON OPERATIONAL AND FINANCIAL PERFORMANCE (STATS SA, 2012)

To increase consumer spending, The PriceWaterhouseCoopers South African retail and consumer products outlook 2012-2016 report (Pricewaterhouse Coopers (PWC) & Economist Intelligence Unit, 2012) urge retailers to respond to changing consumer behaviour, to review their cost-strategies and efficiency, along with differentiating their merchandise and format strategies from competitors.

2.4 THE CREATION OF RETAIL ENVIRONMENTS

Consumers' purchase decisions tend to be significantly impacted positively or negatively by retail environments (Zentes *et al.*, 2007). Retailers create retail environments (interior retail outlets) by integrating various elements, including atmospheric cues (Dammings, 2011), merchandise cues (Fiore & Kim, 2007), and interactive experiences (Chen, 2011; Garvin, 2009). The retail environment comprises a social environment involving human factors (social cues such as store employees and other people in the store), as well as a physical environment encompassing all the visual elements (design cues such as retail design and visual merchandising as well as merchandise cues), and non-visual elements (ambient cues such as music and scent). These cues provide opportunities and social support which coherently influences consumers' internal evaluations of the shopping experience, as well as their response behaviour (Kumar, 2010). Influenced by sensory experiences with past and present merchandise and services, consumers express their identities, feelings, thoughts and motivations (De Farias *et al.*, 2014).

Some in-store stimuli, for instance design- and merchandise cues, are particularly important in interior retail environments to facilitate consumers' visualisation of the interior merchandise in their own homes. In-store stimuli should appeal to all senses to enhance consumers' evaluations of the value provided by the shopping experience (De Farias *et al.*, 2014). Retailers should aim to provide a positive shopping experience through store design, layout, functionality, better customer service, faster availability of information, as well as additional benefits such as the integration of merchandising with entertainment and hospitality (De Farias *et al.*, 2014; Floor, 2007; Singh, 2006). Although numerous studies have focused on environmental stimuli as the predictive factors of the emotional and behavioural responses (Jang & Namkung, 2009), this study focused on the pertinence of in-store stimuli (atmospheric- and merchandise cues) in the retail environment of interior retail outlets, consumers' internal evaluations of the total value provided by the shopping experience, as well as response behaviour. The aim was to understand the effort required by retailers to survive and succeed in the current economic climate.

2.4.1 The significance of in-store stimuli

In-store stimuli in interior retail outlets are quite intricate as consumers not only need to be introduced to the merchandise being offered, but also have to be able to visualise the interior merchandise in a home environment. This requires a lot of attention to the interior design of the retail environment, i.e. the interior finishes and fittings such as floor- and wall finishes, lighting, displays, décor and accessories. Eventually,

consumers' subjective experiences of retail environments, such as interior retail outlets, are based on all the elements of the physical retail space (De Farias *et al.*, 2014). Retailers aim to lure consumers into their stores, guide them to find the merchandise they need, entice them to make planned, unplanned and spontaneous purchases, and ultimately provide them with an enjoyable shopping experience (Levy & Weitz, 2009).

In-store stimuli refer to all the attributes of a retail environment that are used to create an atmosphere and an image in order to interest consumers (Berman & Evans, 2010:508). Retailers aim to design retail environments that can positively impact consumers' internal evaluations which ultimately influence their purchase intentions (Dunne & Lusch, 2008). In-store stimuli comprise of all the tangible elements, for example retail design, human factors and merchandise offered, as well as intangible elements, such as background music and scent. Retailers use in-store stimuli to improve consumers' shopping experience (Kumar, 2010; Fiore & Kim, 2007, Hyllegard *et al.*, 2006) and influence their psychological and behavioural responses (Jiang & Liu, 2014). In an interior retail outlet, in-store stimuli include all the elements that have an impact on consumers' internal evaluations, which subsequently determine their response behaviour. Because a consumer's reaction to stimuli is to some extent learned, perceived atmosphere can vary from one person to another (Zomerdijk & Voss, 2010).

The atmosphere of a retail environment is a tactical differentiation factor to a retailer facing competition from its competitors which may be severe in tough economic times (Floor, 2007), specifically for interior retail outlets in South Africa facing store consolidations due to weak economic growth. Consumer behaviour can be affected by the retail environment in several ways, for instance directing consumers' attention through the use of colours, sounds, sights, smells, touch and movements, to differentiate themselves from other retailers (Soars, 2009). Consumers' image of a retail environment depends greatly on the atmosphere, i.e. the psychological feeling stimulated within consumers the moment they enter a store (Berman & Evans, 2010:508). The main reason for non-functional in-store purchases relate to sensory stimulation (De Farias *et al.*, 2014). Through the sensory channels, the in-store stimuli as presented in a retail environment may influence consumers' internal evaluations of the store and the shopping experience and ultimately their actions (Kumar, 2010).

Associations, benefits, emotions, and human desires are generated by the retail environment (Kumar *et al.*, 2010) as a form of escapism (Caru' & Cova, 2007). This means that the retail environment in an interior retail outlet can make consumers feel as if they are in 'another world' where they can forget everything else, and as a result decide to spend more time shopping. Some researchers advocate the division of the components of in-store stimuli into five sensory categories according to the sensory channels that include sight, sound, scent,

touch and taste (Zentes *et al.*, 2007), while other researchers argue that in-store stimuli should be identified from a broader perspective comprising exterior, interior, layout and design, point-of-purchase and decoration displays, and human factors (Ballantine, Jack & Parsons, 2010; Turley & Milliman, 2000). In an effort to extend the theoretical and empirical knowledge of retail store atmospherics, Turley and Milliman (2000) conducted a thorough review of retail environment literature. Their classification however lacks theoretical support (Gilboa & Rafaeli, 2003).

To understand the significance of in-store stimuli on consumers' experiential value perceptions and their subsequent purchase- and patronage intentions of interior retail outlets, this study adopted a holistic approach that took into account atmospheric- and merchandise cues, i.e. the complete retail environment rather than the individual components. The Baker, Grewal and Parasuraman (1994) classification of environmental components of in-store stimuli in terms of atmospheric cues, namely ambient-, design-, and social cues, were used for this study with inclusion of merchandise cues as part of retail environment stimuli. This classification was chosen because of the relevance to retail environments of interior retail outlets where it is important to display interior merchandise in a way that would excite consumers and give them visual ideas of how to utilise and display the objects in their own homes. Retailers can benefit from implementing in-store stimuli that complement other aspects of the retail environment, for example design cues (atmospheric cues) and merchandise (Levy, Weitz & Beitelspacher 2012).

2.4.1.1 Ambient cues

Ambient cues are the non-visual elements of the retail environment that influence consumers on a subconscious level (Kumar, 2010; Singh, 2006). These elements include olfactory factors such as scent, visual/tactile factors such as lighting, and auditory factors such as music (Kumar, 2010), that have an emotional and physiological effect on consumers. This may result in avoidance of unpleasant environments, e.g. an interior retail outlet that is too noisy or smells unpleasant. On the contrary, this may result in approach behaviour towards pleasant, comfortable retail environments, e.g. interior retail outlets with soft-background music (Singh, 2006). In a retail environment, consumers' use of their senses is extremely important in triggering sensory involvement and forms an integral part of the shopping experience (Garvin, 2009; Kim *et al.*, 2007).

Through aesthetically sensitive dispositions and associations in the consumer's mind, ambient cues may help to create a holistic atmosphere in a retail environment and communicate the overall store image (Kumar *et al.*, 2010). Retailers accentuate the importance of consumer sensory stimulation in the retail environment (Garvin, 2009) by implementing visual dimensions, aural dimensions, olfactory dimensions, and tactile dimensions (Kim *et al.*, 2007). Kumar *et al.*, (2010) contend that consumers prefer retail environments that facilitate environmental control and comfort, because these factors also increase consumers' exploratory tendencies and sensation seeking behaviour.

The appropriate background music can create a more relaxing atmosphere, entice consumers to remain in the retail environment for longer, and encourage positive response behaviour such as purchase intentions (Jiang & Liu, 2014). To help retailers create a desirable atmosphere in the retail environment which contributes to store image and store preference, it is suggested that retailers play appropriate background music (De Farias *et al.*, 2014). Recent studies conducted on the pertinence of environmental background music as part of the shopping experience (e.g. Vaccaro, Yucetepe, Torres-Baumgarten & Lee, 2009; Eroglu, Machleit & Barr, 2005), have contributed to understanding the relationship between consumer perceptions and their response behaviour, such as patronage intentions. Consumers' emotions and feelings can be influenced by three key dimensions of musical compositions, comprising of a physical dimension (volume, tempo, and rhythm), an emotional tone, and a preferential dimension (the level of preference to the music) (Mattila & Wirtz, 2001). The type of music influence consumers' amount of purchases, while the tempo of music impact the amount of time consumers remains in the retail environment (Dunne & Lusch, 2008. According to Zentes *et al.*, (2007), music can arouse consumers' complex internal evaluations and their purchase behaviour in the retail environment.

The effective use of lighting, such as spotlighting and dim ambient lighting, can increase consumers' enjoyment of the shopping experience. The use of inappropriate lighting can however result in merchandise becoming unexciting in consumers' minds (Ballantine *et al.*, 2010). In general, retailers selling interior merchandise curate room settings that communicate a certain lifestyle to consumers. Lighting is used specifically to create a certain mood as well as accentuates interior merchandise on display, therefore lighting is particularly important. Retailers implement and manipulate lighting to alter consumers' mood, to create excitement and to give thematic appreciation to the store image (Kumar *et al.*, 2010). Singh (2006) is of opinion that retailers can create an upscale retail environment using higher illumination levels in a store; in contrast, lower illumination levels tend to drop price perceptions in the consumer's mind.

Ambient scent refers to the scent present in the retail environment that can influence consumers' perception of the retailer as well as the merchandise (Mattila & Wirtz, 2001). The predominant influence of scent on the consumer behaviour in a retail environment goes far beyond the communication of merchandise characteristics or qualities (Bosmans, 2006). Unlike the smell coming from merchandise, the environmental aroma can influence the reactions to any product sold in a store (De Farias *et al.*, 2014). The three dimensions of scent that can influence consumers, comprise of the affective quality of the scent, e.g. how pleasant the scent is, its arousing nature, e.g. how it serves to evoke consumers' emotional responses, and its intensity, e.g. how strong feelings the scent conveys (Mattilla & Wirtz, 2001).

2.4.1.2 Design cues

Creative and technical solutions are used to create aesthetically pleasing and functional spaces (Mazarella, 2010) that offer consumers a convenient shopping experience (Singh, 2006). Professional architects and interior designers generally assist retailers to integrate artistic ideas and inspiration, business strategies and objectives in a profitable manner (Kumar *et al.*, 2010; Mazarella, 2010). Interior designers take into consideration the needs and image of the clients, the ergonomic fit, applicable health and safety codes, and the environmental impact of their designs (Binggeli, 2007). Design cues include all the visual elements that are present at the forefront of what a consumer perceive when entering a retail environment, including architectural and interior design elements of the physical retail space that create attraction and uniqueness (Kumar, 2010; Singh, 2006). A favourable retail environment that evoke positive consumer evaluations and drive purchases can be achieved (Jiang & Liu, 2014).

Particularly important in interior retail outlets, design cues enhance the overall visual appeal of the retail environment and the merchandise offered, and provide consumers with additional information regarding design- and décor trends. Design cues facilitate consumers to visualise the interior merchandise in their own homes and ultimately create their own identity. Retailers should pay attention to the design and décor of the retail environment, including finishes and fittings, colour schemes, physical facilities, in-store furniture, in-store shelving, and in-store displays, in order to create an aesthetically appealing retail environment. A key function of interior retail outlets is to communicate décor-, design- and lifestyle trends, therefore aesthetics is extremely significant. The physical appearance of a retail environment is characterised by design elements that are either functional in nature (e.g. layout and functionality) or aesthetic (e.g. interior design and visual merchandising) that have an impact consumers' evaluations of the people and objects within the physical

space (Singh, 2006). Retailers can meet consumers' expectations and gain competitive advantage through the incorporation of innovative usage of space (Mehta & Chugan, 2014).

The *layout* of a retail environment involves the quantity, size and array of merchandise, fixtures and furnishings, as well as the spatial relation (Singh, 2006). Spatial layout should be easily understandable to support consumers' grasping of merchandise distribution. Successful retail environments should be designed to consciously or unconsciously lead consumers to significant merchandise areas, which can further encourage purchase intentions (Zentes *et al.*, 2007). It is suggested that interior retailers should focus on creating uncluttered retail environments with sufficient aisle space and open spaces to prevent congestion, facilitate comfortable traffic flow, and facilitate consumers to effortlessly locate merchandise.

The *functionality* of the retail environment refers to the capability of design elements, such as signage and graphics, to optimise performance and attainment of goals (Singh, 2006). Prominent merchandise displays in the retail environment can significantly enhance the amount of purchases (Ballantine *et al.*, 2010). A key function of point-of-purchase signage is to inform consumers of the price of the merchandise displayed (Dunne & Lusch, 2008). In-store signage combined with price information can attract consumers' attention and motivate them to make a purchase in the retail environment (Ballantine *et al.*, 2010). It is suggested that interior retailers should ensure that in-store signage is sufficient, effective and easily seen, and that price information is adequately displayed.

By incorporating brand personality, creative elements, trends and aesthetics into the design of retail environments, retailers create unique stores that visually communicate a specific lifestyle to consumers (Kumar *et al.*, 2010). Because people find visually *aesthetic* retail environments pleasing, the visual appearance of a retail environment can create memorable and enjoyable shopping experiences that would encourage positive consumer response behaviour (Singh, 2006). Retailers implement elements of visual merchandising to generate visual displays and arrange merchandise assortments to improve the store layout (Cant & Hefer, 2014). Visual merchandising refers to the feature areas used to beautify and decorate a retail environment through the use of objects, props, fixtures, materials, posters, frills, and colours, that draws attention or create pleasure (Cant & Hefer, 2014). The goal is to heighten the appeal of the merchandise on offer and enhance consumers' shopping experience (Cant & Hefer, 2014; Mathew, 2008). Consumers' purchase behaviour is influenced by several dimensions of merchandising display, e.g. window display, store front, merchandise presentation and organisation (Mehta & Chugan, 2014).

The crucial function of visual merchandising is to display a retail environment together with its merchandise in such a way that it will lure and entice possible consumers (Levy & Weitz, 2009). Through the use of inventive techniques retailers attempt to make the shopping experience more convenient and efficient (Cant & Hefer, 2014). Visual merchandising is used to great effect to perform various functions, such as to increase sales, to aid the retail strategies, to converse with consumers and to assist in conveying the retailers' brand image (Levy & Weitz, 2009). Placement, design and combination of interior merchandise in an interior retail outlet can encourage consumers in making purchase decisions (Gupta, 2013). Retailers comprehend that the way in which they use visual merchandising displays has the power to create images about the merchandise and the retailer in the mind of the consumers that will affect response behaviours (Cant & Hefer, 2014). Gupta (2013) points out that impressive visual merchandising is required to raise the need and desire for interior merchandise such as furniture, and ultimately influence consumers' purchase decisions. Through the use of visual merchandising, interior merchandise should be displayed in interior retail outlets in such combinations that a desire for the merchandise is generated (Gupta, 2013).

2.4.1.3 Social cues

Social cues in a retail environment comprise of the human factors, including the employees and other consumers present in the store (Baker *et al*, 2002). Social cues take account of sociable variables, such as the physical appearance and behaviour of employees and other consumers that are crucial in communicating the retailer's image to consumers (Floor, 2007). The appearance of store employees and the number of employees present in a retail environment are tangible indicators of service quality. As a result, consumers' interpersonal quality perceptions may be influenced by social cues of positive interaction between the employees and consumers (Singh, 2006). Poor customer service by employees can make consumers feel uncomfortable, resulting in them leaving the store (Saleh, 2012). Singh (2006) and Baker *et al.*, (1994) established that a retail environment with prestige-image social factors, such as employees wearing professional attire, more employees on the floor and an employee greeting consumers at the entrance door, were perceived as offering higher service quality. The contrary applies for a retail environment with discount-image social factors. Singh (2006) found that social cues have a positive influence on cognitive evaluations, for instance perceived efficiency, price, and service quality. One could assume that interior retail outlets associated with prestige-image social factors, for example employees who are friendly, knowledgeable and provide excellent customer service, will result in consumers forming positive perceptions of the shopping experience, followed by positive response behaviour.

While most studies have focused on the interaction between employees with consumers (Tsiros & Parasuraman, 2006), interactions among consumers in a retail environment can also have a noteworthy impact on consumers' service experience (Verhoef *et al.*, 2009). To understand the social environment of the shopping experience, the focus should shift from more traditional interactions between consumers and employees to consumers' interaction with one another (Verhoef *et al.*, 2009). As an important component of the retail environment, it is necessary to study the relevance of other consumers and their influence on consumers' perceptions of the shopping experience in an interior retail outlet. This includes whether their behaviour is appropriate for the setting (Brocato, Voorhees & Baker, 2012), whether consumers identify with other consumers in the store (Brocato *et al.*, 2012), and whether the retail environment is perceived as being too crowded (Kumar, 2010). A consumer may for instance perceive too many people in a confined retail environment as undesirable crowding (Ballantine *et al.*, 2010). Multiple consumers in a retail environment and the experience of each consumer can influence the experience of other consumers. Compatible consumers are perceived as both help seekers and helpers that may help each other to fulfil intrinsic desires, for example providing information related to the merchandise or the retail environment that may encourage positive shopping experiences (Verhoef *et al.*, 2009).

2.4.1.4 Merchandise cues

Generally considered as part of the retailers' image, the merchandise displayed in a retail environment comprise the single most important element of the conventional retail marketing mix (Kumar, 2010). Merchandise cues in a retail environment are provided by the merchandise carried in the store, comprising of merchandise components such as quality, assortment, the design (fashion/ style) and display of the merchandise (Thang & Tan, 2003). Only a few retail environment studies have considered the role of merchandise in consumer behaviour despite of the importance of merchandising in the retail mix (Kumar & Kim, 2014). Thang and Tan (2003) considered the availability of merchandise, merchandise mix, and value for money as a stimulus variable within the S-O-R model. Limited studies examined the influence of merchandise as a stimulus on cognitive evaluations (Kumar & Kim, 2014). Donovan, Rossiter, Marcoolyn and Nesdale (1994) confirmed that value for money, quality of merchandise, variety of merchandise, and price specials positively influence consumer behaviour, such as spending more time and money in a store. Park, Stoel and Lennon (2008) established that merchandise presentation have a direct positive influence on perceived amount of information in an online retail setting.

The importance of different styles of merchandise that reflect the latest fashion in determining positive consumer response behaviour to apparel stores was confirmed by Newman and Patel (2004). Since merchandise offered is considered to be one of the main reasons why consumers visit brick-and-mortar retail environments (Kumar, 2010), it is necessary to include merchandise cues as part of in-store stimuli (Kumar & Kim, 2014). Consumers' expectations of merchandise (interior merchandise) represent a complex integration of individual shopping motivations, preferences, needs and wants (Kumar, 2010). People transform in-store merchandising cues into meaningful perceptions before making an evaluation, hence a retail environment that offers superior merchandise positively influences consumers' evaluations of the retail environment and the merchandise (Thang & Tan, 2003). To be perceived by consumers as a preferred retailer and to better compete with other retailers offering similar merchandise in the current competitive retail industry, Floor (2007) suggests that retailers should define their offers more distinctively to consumers expecting unique shopping experiences and merchandise.

Instead of only focusing on factors that influence consumers' senses (i.e. atmospheric cues), retailers should also pay attention to the selection of merchandise offered within the physical retail environment (Floor, 2007). Merchandise variety and assortment largely determine the image that a retailer wishes to communicate to a specific target market (Terblanche & Boshoff, 2004). Consumers shopping for interior merchandise expect to easily locate a vast merchandise range with adequate price information and product specification (Gupta, 2013), as well as the latest style of merchandise which is in current trend (Mehta & Chugan, 2014). For fashion-conscious consumers the different designs of merchandise available are particularly important determinants of patronage (Newman & Patel, 2004).

This study acknowledges that different interior retailers have different target segment and approaches. In a local context, Weylandts (<http://www.weylandts.co.za>) focus on quality, design, value and sustainability to provide unique retail experiences targeted at more affluent consumers with more spending power. Interior merchandise is showcased in luxurious retail environments with the goal to enhance the inspirational merchandising. Coricraft (<http://www.coricraft.co.za>) place emphasis on affordable prices and exceptional value on quality interior merchandise and immersive retail experiences targeted at middleclass consumers. Ultimately the focus is on style, quality and value through a convenient, pleasant shopping experience. Part of The Foschini Group, @Home Livingspace (<http://www.home.co.za>) provide quality interior merchandise and credible brands that reveal a passion for all things functional and innovative. Practical, yet creative retail environments provide the large group of middle class consumers with inspiration to create beautiful homes.

Retailers could use merchandise to their advantage by promoting unique features and informing consumers of the exclusivity of the merchandise (Kumar & Kim, 2014). To encourage purchase- and patronage intentions as well as retailer preference, it is especially important for interior retailers who are typically single branded retailers, to accentuate exclusivity of interior merchandise thereby highlighting non-availability of the interior merchandise elsewhere. An important objective of single-brand retailers is to accomplish consistency in the image portrayed by the retail environment and the merchandise (Kumar, 2010). Retailers should create a holistic image of the retail environment and merchandise in order to prevent any confusion in consumers' minds (Grewal & Levy, 2009). When consumers perceive a disconnection, they might prefer to make a purchase at a different retailer. Consumers' perceptions of price, together with other in-store stimuli, also influence value perceptions (Gallarza, Gil-Saura & Holbrook, 2011).

Consumers also need external guidelines and information to make sense of themselves (Chiu *et al.*, 2014). Idea shopping, i.e. consumers who want to keep up with the latest trends, ideas and innovation, describes consumers' need for structure, order and knowledge (Chiu *et al.*, 2014). Evidently, merchandise assortment and price signage in terms of visual merchandising displays are extremely significant (Seock, 2013). This study built on prior empirical research (Kumar, 2010; Singh, 2006) by considering the design of the interior merchandise (i.e. the fashion/style), the perceived merchandise quality (workmanship, durability and dependability), the perceived price fairness (acceptability of the price given the quality of the interior merchandise), and the merchandise mix (the interior merchandise selection), as part of in-store stimuli.

2.5 CONSUMERS' INTERNAL EVALUATIONS OF SHOPPING EXPERIENCES

An experience, such as the shopping experience in an interior retail outlet, is strictly personal involving consumers on different levels, namely rational, emotional, sensorial, physical and spiritual (Gentile *et al.*, 2007). Experiences ultimately culminate as an individual's perception of the reality (Same & Larimo, 2012). In other words, a shopping experience in an interior retail outlet eventually concludes as the consumers' perception of reality. An experience can also be understood as both a noun and a verb to convey the extent of the process (Tynan & McKechnie, 2009). The experience is furthermore always influenced by the context, namely the environment in which the interaction takes place (Same & Larimo, 2012). A *shopping experience* refers to a consumer's internal and subjective response to any direct, intended encounters or indirect, unscheduled contact with a retailer (Meyer & Schwager, 2007). Because consumers, are motivated by an extensive range of consumer needs, consumer behaviour in retail environments are generally considered complicated and multifaceted (Davis & Hodges, 2012, Gallarza *et al.*, 2011).

Consumers' evaluations of shopping experiences are grounded on the retailers' ability to satisfy their needs and motivations. Unfulfilled needs encourage consumers to seek different kinds of shopping experiences at other retailers that can satisfy those needs (Davis & Hodges, 2012). One could say that shopping experiences in interior retail outlets that fail to fulfil consumers' needs and lead to negative value perceptions, may result in negative response behaviour (avoidance). This implies that consumers will leave the retail environment without making a purchase and with no intention to return for future purchases. Retailers should understand this subjective reality that the shopping experience hold for consumers (Schmitt, 2010). The emphasis of customer experience management is on the present shopping experience, and is therefore a vital retail strategy for retailers (interior retailers) wanting to increase value for both the consumer and the retailer (Verhoef *et al.*, 2009).

2.5.1 Changes in our understanding of consumers' internal evaluations over time

Earlier research accentuated value with an emphasis on the trade-off between what is received as opposed to what is given (Davis & Hodges, 2012). *Utilitarian value* is a rational product- and purchase-oriented perspective of value (Garvin, 2009), derived from money saving, task accomplishment and convenience (Davis & Hodges, 2012). Consumers generally seek utilitarian benefits such as efficiency, economic value and excellence (Mathwick *et al.*, 2001). These benefits are manifested by broad merchandise offerings, adequate in-store information, monetary savings and convenience (Davis & Hodges, 2012). Consumers shopping for interior merchandise which is considered an expensive product category, may place more emphasis on utilitarian (functional) benefits of the shopping experience.

Later research confirmed the strong influence of non-rational factors such as hedonism, fantasies, feelings and fun (Holbrook & Hirschman, 1982) that accentuate the significance of consumption experiences with consumption value as outcome (Holbrook, 1986). *Hedonic (experiential) value* refers to hedonic, experiential, aesthetic and subjective dimensions of consuming that relates to the multi-sensory, fantasy and emotive aspects associated with products and experiences (Hirschman & Holbrook, 1982). The value derived from exploration and entertainment, are useful in explaining consumer evaluations of the shopping experience, and ultimately their purchase behaviour (Rintamäki *et al.*, 2006). Hedonic value is relevant to shopping experience in an interior retail outlet where creative visual merchandising displays or room settings may evoke certain feelings (e.g. feelings of euphoria or nostalgia) and desires (e.g. desires related to a certain lifestyle and social identity). The availability of fabric samples/ swatches may encourage creative play and personalisation. The

change from the consumption process as a causal flow from consumer cognition (i.e. information seeking), to consumer affect (i.e. state of predisposition), to consumer behaviour (i.e. the choice process and purchase), to the experiential perspective involves a number of changes in how consumption is perceived (Davis & Hodges, 2012). Most importantly the transition from a purchasing outcome to an outcome of consumer value (Holbrook, 1986).

Traditional, utilitarian interpretations of the shopping experience that disregard the hedonic value fail to reflect the complete shopping experience (Babin, Darden & Griffen, 1994), and assumes that utilitarian and hedonic value are always present in all types of consumption (Bridges & Florsheim, 2008). It therefore makes sense to study consumers' internal evaluations of both utilitarian- and hedonic values related to the shopping experience in interior retail outlets.

2.5.2 Experiential retailing

Retailers have become increasingly aware of the need to create value for consumers in the form of shopping experiences (De Farias *et al.*, 2014), over and above the expected functional, utilitarian benefits (Chen, 2011; Damminga, 2011). They intentionally try to inspire and excite consumers (De Farias *et al.*, 2014), who nowadays expect more value derived from innovative, aesthetically pleasing products, as well as engaging and enriching experiences (Kim *et al.*, 2010). A *total shopping experience* refers to consumers' perception of the entire encounter in the retail environment (Garvin, 2009), A multidimensional impression is needed based on the consumer's willingness and capacity to be affected by physical and/or human interaction dimensions (Walls *et al.*, 2011).

Experiential retailing is a holistic approach (Verhoef *et al.*, 2009) that involves strategies to transform products and services into a total shopping experience with the aim to satisfy rational and functional utilitarian needs of consumers, as well as emotional or expressive hedonic desires (Kim *et al.*, 2007). Experiential retailing in interior retail outlets denotes consumers' perceptions of the entire shopping experience. Consumers interact with a store's physical surroundings, personnel, merchandise, and customer-related policies and practices, which results in some reaction (Gentile, Spiller & Noci, 2007; Terblanche & Boshoff, 2004). The enhancement of shopping experience is therefore key to create value perceptions in retailing, and offer retailers the opportunity to accomplish and sustain competitive advantage (Davis & Hodges, 2012).

Since the mid-1990s, researchers have begun to study consumers' perceptions of the benefits derived from shopping experiences in an attempt to define the value of the shopping experience, as well as identifying specific dimensions (e.g. Diep & Sweeney, 2008; Mathwick *et al.*, 2001; Babin *et al.*, 1994), which stems from the formation of value perceptions of the retail environments and shopping experiences in different retail contexts. These evaluations are based on in-store stimuli, as well as all the benefits related to the shopping experience that lead to the fulfilment of consumers' needs and expectations (Davis & Hodges, 2012).

Figure 2.5 Illustrates the difference between an experience and experiential marketing (Leppiman & Same, 2011) relevant to the shopping experience and experiential retailing in an interior merchandise context.

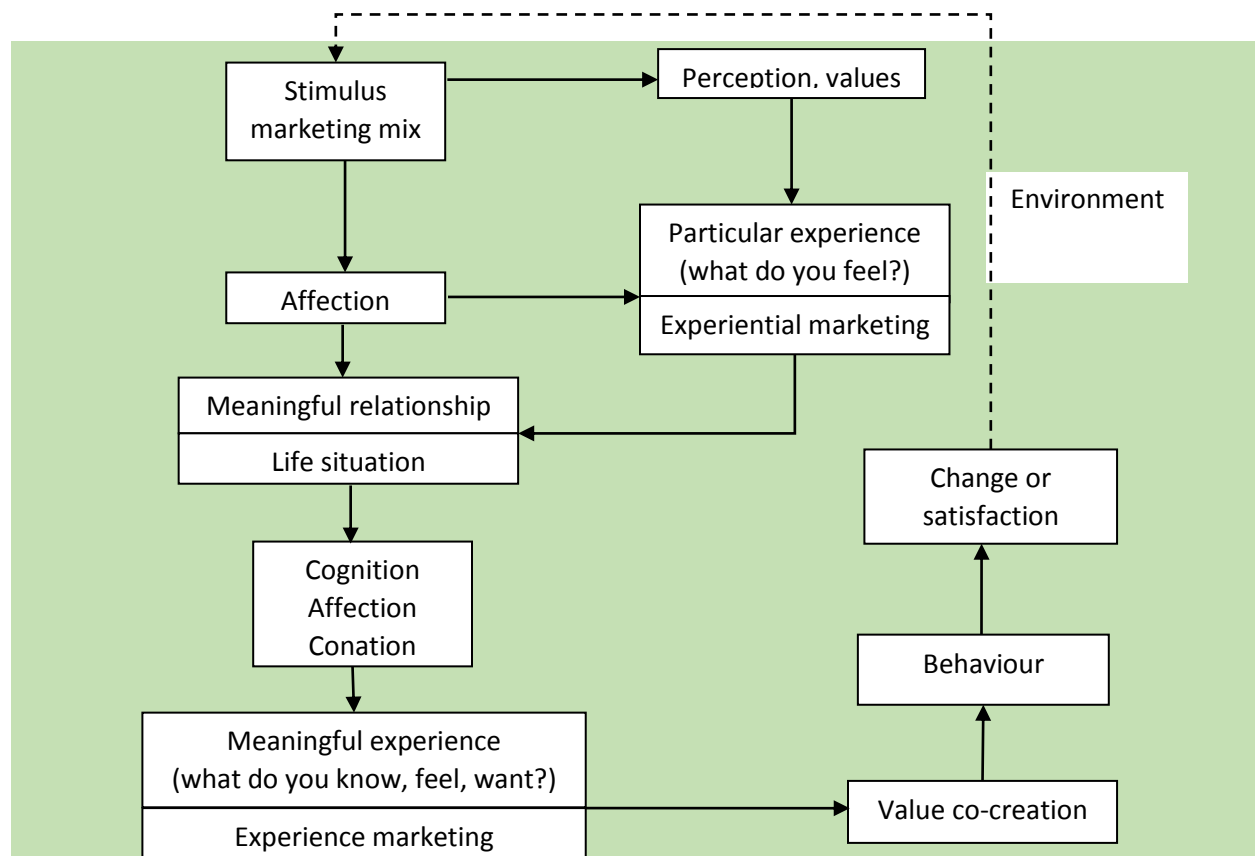


FIGURE 2.5: DIFFERENCE BETWEEN EXPERIENCE AND EXPERIENTIAL MARKETING (LEPPIMAN & SAME, 2011)

With the goal to become a strong brand, retailers (interior retailers), should focus on the achievement of both rational and emotional relationships of a shopping experience (Floor, 2007). The rational utilitarian relationship of the in-store shopping experience could be attained by simplifying the shopping process for consumers and

by providing added benefits such as monetary savings (Kumar & Kim, 2014). The hedonic relationship of the shopping experience could be accomplished if the shopping experience results in a fun and memorable experience for the consumer (Kumar & Kim, 2014). *Immersion shopping experiences* occur when consumers become passionate about extraordinary retail environments, and become entirely engaged in the shopping experience (Garvin, 2009). Superior shopping experiences are crucial for interior retailers to beat increased competition from other retail channels and other brick-and-mortar retailers.

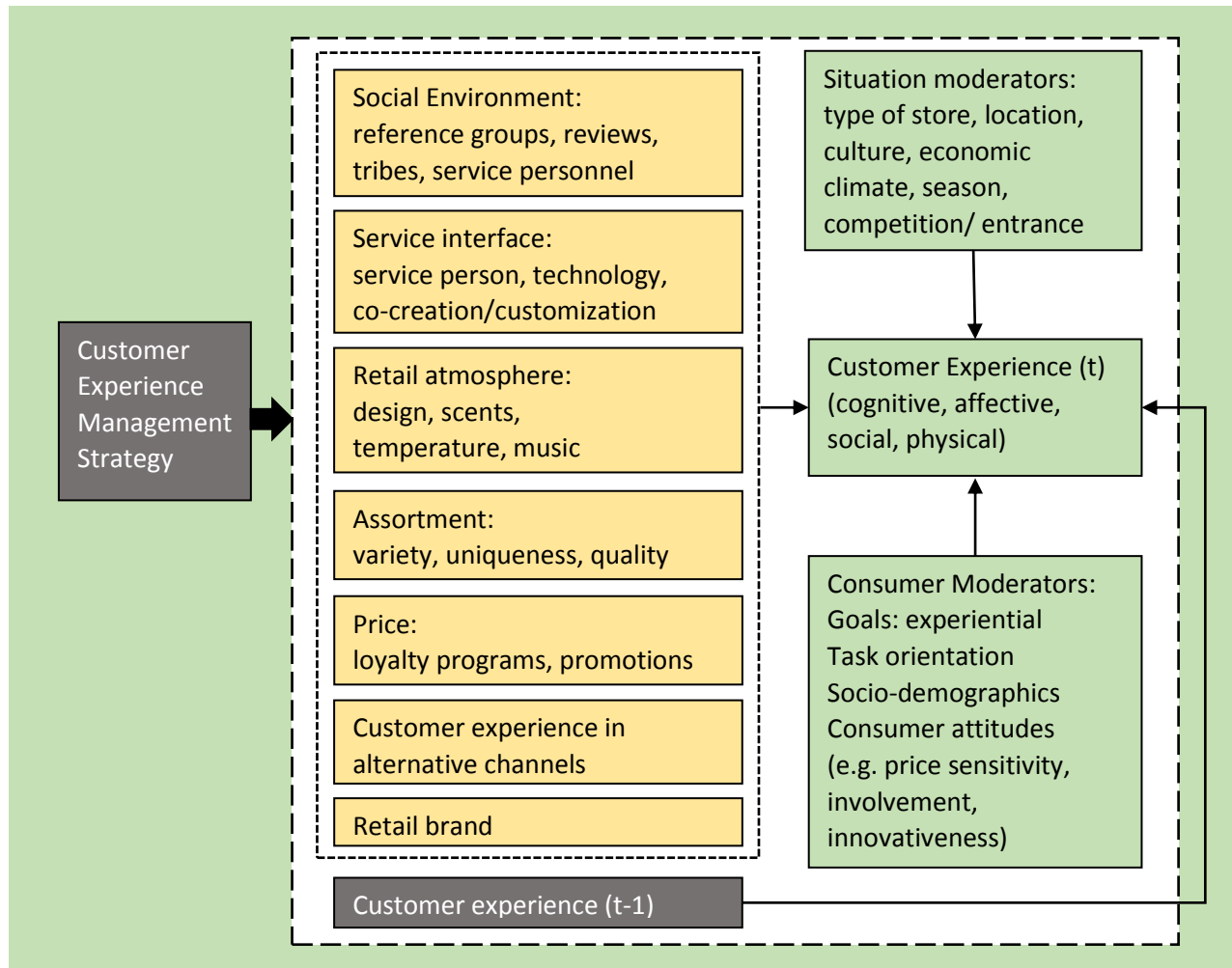


FIGURE 2.6: CONSUMER EXPERIENCE CREATION (VERHOEF ET AL., 2009)

This study examined consumers' internal evaluations of both utilitarian- and hedonic value gained from the shopping experience in an interior retail outlet. A holistic approach was followed to connect consumers' perceptions of atmospheric- and merchandise cues in the retail environment, i.e. the relevance of in-store stimuli, to their perceived benefits derived from the shopping experience and the subsequent outcome

(approach/avoidance). This study did not examine the mediating influence of situation moderators and consumer moderators on consumer behaviour due to a time limit. It is however important to note that consumers' behaviour in retail environments will be mediated by individual, psychological and personal factors (e.g. demographics, personality, beliefs, feelings, motivation, task orientation, knowledge and attitudes) and external influences (e.g. culture, past experience, lifestyle and the marketing mix of the retailer) as illustrated in Figure 2.6 (Verhoef *et al.*, 2009).

2.5.3 Experiential value perceptions

Consumer perceived value that includes both utilitarian and hedonic value dimensions related to the shopping experience has been studied by researchers from diverse perspectives and conceptual definitions that embrace shopping trip value (Babin *et al.*, 1994), shopping experience value (Mathwick *et al.*, 2001), and store value (Diep & Sweeney, 2008).

Consumer perceived value refers to consumers' overall assessment of the utility of a product or a retail environment based on what consumers receives in return for what they give (Ryu *et al.*, 2010). As a function of costs (time, effort and price) (Chiu *et al.*, 2014), consumer perceived value is intricately connected to major marketing-related constructs (perceived price, service quality, and customer satisfaction), and can therefore also be considered part of cognition because it involves beliefs about an offering (Fiore & Kim, 2007). Normally related to price perceptions, transaction value versus functional value or acquisition value, form the foundation for all significant studies on perceived value (Gallarza *et al.*, 2011). *Transaction value* refers to the value that a price-conscious consumer derives from hunting merchandise bargains, for example interior merchandise that are discounted or on promotion, while *functional value* refers to the value that a consumer derives from meeting a specific social need, for example furniture (Gallarza *et al.*, 2011). In addition, consumers may seek *self-gratification value*, in other words they may seek a shopping experience that offer an element of pleasure or fun that will improve their personal well-being (Davis & Hodges, 2012), e.g. to release stress, improve their mood or to have a change from their daily routine. They may also seek *epistemic value*, i.e. the capability of shopping experience to arouse curiosity, provide novelty, and satisfy a desire for knowledge and keeping up with latest fashion and trends (Davis & Hodges, 2012). Because of the exposure to new trends and designs in interior retail outlets, consumers may expect to draw inspiration from the visual displays and keep up to date with new ideas.

With the emphasis on the shopping experience, Mathwick *et al.*, (2001) built on Holbrook's (1994) value typology, comprising three key dimensions of consumer value, i.e. extrinsic value versus intrinsic value, self-value versus other-oriented value, and active value versus inactive value. Experiential value may be experienced as the result of active or reactive interactions with the product, service, or retailer (Mathwick *et al.*, 2001), as well as offering both extrinsic and intrinsic benefits (Holbrook, 1994). *Active value*, i.e. participative value, entails a dedicated cooperation between the consumer and the retailer, in the form of cognitive, behavioural or financial investment, conversely *reactive value*, i.e. passive value, is gained from the consumer's understanding of, positive reception of, or reaction to a consumption object or shopping experience (Mathwick *et al.*, 2001). *Extrinsic value* is rational and task-specific, hence extrinsically oriented consumers gladly perform this kind of exchange encounter (Babin *et al.*, 1994). On the contrary, *intrinsic value* originates from the gratification of an experience for its own sake, apart from other subsequent consequences (Holbrook, 1994). Table 2.1. Illustrates traditional concept of experiential value focusing on the eight sub-dimensions proposed by Holbrook (1994), including efficiency, excellence, play, aesthetics, status, esteem, ethics, and spirituality.

TABLE 2.1: TRADITIONAL CONCEPT OF EXPERIENTIAL VALUE (HOLBROOK, 1994)

	Extrinsic	Intrinsic
Self-oriented	<i>Utilitarian:</i>	<i>Emotional:</i>
	Efficiency (e.g. Convenience)	Play (e.g. Fun)- Active
	Excellence (e.g. Quality)	Aesthetic s (e.g. Beauty)- Reactive
Other-oriented	<i>Social:</i>	<i>Altruistic:</i>
	Status (e.g. Impression Management)	Ethics (e.g. Justice)- Active
	Esteem (e.g. Possession)	Spirituality (e.g. Sacredness)- Reactive

Based on the hierarchical value structure, Mathwick *et al.*, (2001) concentrated on self-oriented value comprising of efficiency, e.g. convenience, excellence, e.g. quality, play, e.g. fun, and aesthetics by studying retail shopping experiences in Internet and catalogue shopping contexts. Mathwick *et al.*, (2001) concluded that shopping efficiency and product economic value are indications of return on consumer investment, service quality is an indication of excellence, escapism and enjoyment are indications of playfulness, and entertainment and visual appeal are indications of aesthetics. This study concentrated on consumers' experiential value perceptions in brick-and-mortar (interior retailers) shopping contexts.

Experiential value is regarded as the overall worth and key outcome of the shopping experience that encompasses all factors, qualitative and quantitative, subjective and objective (Davis & Hodges, 2012; Mathwick *et al.*, 2001). Experiential value encompass two fundamental dimensions connected to several substantial consumption variables, namely utilitarian- and hedonic value. Utilitarian value is linked to rational, efficient, economical facets (Overby & Lee, 2006), such as merchandise offerings, information, convenience and monetary savings (Chiu *et al.*, 2014). Since the assessment of utilitarian value is functional, instrumental and cognitive in nature, utilitarian benefits are rewarding because they help one to attain external goals such as social or economic gain (Ryu *et al.*, 2010).

More subjective and personal in nature, hedonic value brings about multi-sensory imagery and emotional arousal that can elicit enjoyment, excitement and escapism (Holbrook & Hirschman, 1982). Hedonic value involves consumers' emotions, senses, imagination and intellect (Caru' & Cova, 2007), and can be cognitive and affective in nature (Garvin, 2009). The hedonic dimension of a shopping experience stems from the uniqueness, symbolic meaning, or the emotional arousal and imagery conjured up by the retail environment and merchandise offered (Ha & Jang, 2010).

Consumers' perceptions of the shopping experience in interior retail outlets are rooted in consumers' cognitive and affective evaluations of sensory stimulation provided by the retail environments and interior merchandise offered. The immediate gratification, possible entertainment and emotional worth provided by the hedonic dimension of shopping experience can affect retail outcomes such as word-of mouth, store loyalty and patronage intentions (Jones, Reynolds & Arnold, 2006), and so the hedonic dimension of the shopping experience in interior retail outlets may affect consumers' purchase intentions. Hedonic value derived from the shopping experience related to this study, include visual appeal, entertainment, escapism and intrinsic enjoyment.

The *visual appeal* of retail environments is driven by the design, beauty and physical attractiveness of the setting (Mathwick *et al.*, 2001; Holbrook 1994). The awareness of aesthetics is both cognitive and affective in nature, with reason supporting aesthetic judgement and aesthetic response being a subjective felt experience that includes the idea of judgement (Wilhoit, 2010). Aesthetics derive from ambience (Kim, 2002) that is reflected by the visual elements of the retail environment and the entertaining aspects of the service performance itself (Mathwick *et al.*, 2001). Aesthetic response refers to the consumer's level of cognitive and/or affective response to an aesthetically pleasing object or experience that connects the consumer at multiple sensory levels (Wilhoit, 2010). Taking into account that individuals may respond in different ways to

aesthetics, one could assume that the level of an individual's intellectual and emotional involvement (i.e., moderately or intensely) will determine the level of aesthetic response (Wilhoit, 2010). Visual appealing retail environments can prove to be aesthetically pleasing, relaxing and pleasurable, and can result in positive value perceptions (Singh, 2006). Visual appeal is especially important in interior retail outlets where creative visual displays communicate design and décor trends to consumers and portray a specific lifestyle that create a desire to utilise and display the items in their own homes.

Entertainment value reflects the appreciation for the retail performance and the retailer's ability to offer immersive shopping experiences (Mathwick *et al.*, 2001). This implies the ability of interior retail outlets to entertain consumers while shopping for interior merchandise with the aim to lift their moods and make them enthusiastic about the store and the shopping experience. Singh (2006) points out that consumers who regard the shopping experience to be more than an errand or purchase opportunity, and seek to make it a memorable or entertaining experience, react to the entertainment dimension of aesthetics.

Escapism, an aspect of playfulness, is any activity that is freely engaged in that allows consumers to temporarily hide from their daily demands and often involves an element of pretend (Mathwick *et al.*, 2001). Escapism can be derived from ideas, for example interior retail outlets with creative in-store displays that make consumers "feel as if they are in another world", as well as gratification, for example consumers who shop for interior merchandise in order to forget about their daily demands and "get away from it all".

Intrinsic enjoyment is an aspect of playfulness (Mathwick *et al.*, 2001), that can for example be derived from adventure, i.e. consumers seeking stimulation, novelty and thrill; socialisation, i.e. consumers who enjoys shopping with family and friends; role, i.e. the enjoyment that consumers derive from finding the perfect gift for themselves or for others, and value, i.e. bargain hunting for discounted items (Arnolds & Reynolds, 2003). Role shopping suggests that people gain self-acceptance and pleasure through playing a specific role and identity at a given time (Chiu *et al.*, 2014). Consumers in an interior retail outlet may find intrinsic joy from purchasing a gift for others. As competitive achievers, consumers attempt to gain self-esteem and approval from others (Chiu *et al.*, 2014), hence they may find intrinsic enjoyment when they purchase interior merchandise that reflect their personality and status.

Consumer return on investment is reflected by consumers' perceptions of economic benefits (e.g. affordable quality of interior merchandise), as well as benefits derived from the ability of interior retailer to provide convenient shopping experiences. The utilitarian value derived from a shopping experience in interior retail outlets related to this study take account of efficiency, economic value and excellence.

Efficiency originates from convenience and resource allocation associated with the time and effort that a consumer spends in a particular retail environment (Kim, 2002). This implies the convenience and resource allocation that retailers offer to consumers in order to simplify their shopping experience, meet their needs and save time. Singh (2006) posits that consumers' perceptions of higher efficiency may result in positive value perceptions that may encourage consumers to spend more time in the retail environment and increase their likelihood to make a purchase.

Excellence refers to consumers' value perceptions of the service quality as an indication of their appreciation of the retailer's capability to meet consumers' needs through expertise and task-related functioning (Mathwick *et al.*, 2001; Holbrook 1994). One can assume that high excellence judgements, such as positive consumer perceptions of the expertise and status of interior retail outlets, may result in positive experiential value perceptions, and ultimately positive response behaviour such as patronage intentions

Economic value refers to consumers' perceptions about the price and quality associated with the retailer (Mathwick *et al.*, 2001), in other words the value-for-money associated with the interior merchandise in interior retail outlets. Empirical research contends that retailers through the manipulation of the environmental stimuli in a retail environment can affect consumers' internal evaluations such as price and quality perceptions (Singh, 2006). However, in recent approaches of measuring value according to Gallarza *et al.*, (2011), price, and quality are considered less important than other precursors comprising both costs and benefits with a richer cognitive and affective nature, e.g. time, novelty or play, (e.g. Gallarza & Gil, 2006).

Although the construct of value derived from the shopping experience is complex and multi-faceted, Davis and Hodges (2012) put emphasis on the relevance of experiential value dimensions identified by Mathwick *et al.*, (2001). Davis and Hodges (2012) highlight sensory stimulation, entertainment, social interaction, escapism, and enjoyment derived from the shopping experience; ambience, convenience, efficiency, and customer services derived from the store itself; and product economic value and product performance that are derived from merchandise. This combines shopping trip value (e.g. Babin *et al.*, 1994), product value (e.g. Sweeney & Soutar, 2001), and store value (e.g. Diep & Sweeney, 2008). The value dimensions identified by Mathwick *et al.*,

(2001) provide reliable and valid indices of value (Gallarza *et al.*, 2011). Davis and Hodges (2012) further argue that a comprehensive classification of consumers' perceived value of the shopping experience is needed to fully capture the value of the shopping experience. The experiential value scale (Mathwick *et al.*, 2001) is deliberated to be highly applicable to explore the overall value derived from the shopping experience, i.e. a holistic point of view, and is therefore considered an appropriate measurement scale for this study because of the relevance to an interior merchandise context. This study built on the existing literature by concentrating on a brick-and mortar context.

2.6 CONSUMERS' RESPONSE BEHAVIOUR TO RETAIL ENVIRONMENTS

The entire retail environment provides retailers with opportunities to communicate with their target market, to create shopping experiences as a means of competitive positioning, and to build their brand personality and store image (Kumar *et al.*, 2010; Vida, 2008). In an effort to develop positive emotions and increase consumers' likelihood to make a purchase, retailers, constantly try to create favourable store atmospheres and to achieve consistent store images (Kumar, 2010). Based on strategic marketing signals consumers are constantly bombarded with retail environment cues. In-store stimuli can be experienced throughout the shopping endeavor and may therefore be very influential in communicating the image retailers wish to portray (Kumar, 2010; Singh 2006). Retailers understand the importance of the store as a brand concept, accentuating the importance of transforming and regulating each element of the retail environment by differentiating it from their competitors (Kumar *et al.*, 2010). In-store stimuli help form consumers' beliefs and perceptions about a retail environment (interior retail outlets), or the merchandise being sold (interior merchandise) (Singh, 2006). Consumers use perceptual cues in an in-store retail environment to make certain associations about the retailer (Kumar, 2010; Singh 2006). Based on their interpretation of in-store stimuli as presented in the retail environments of interior retail outlets, consumers may compare retailers to determine their retailer/retail environment preferences. Characteristics of a retail environment may also affect how consumers manage the shopping experience (Shah & Alter, 2014). Consumers' distinct retailer associations may influence consumer response behaviour (Valette-Florence, Guizani & Merunka, 2011). A multitude of internal factors, such as emotions and knowledge acquired from previous exposure, as well as external factors, for instance in-store stimuli (atmospheric- and merchandise cues) and reference groups (friends, family and various media platforms), influence consumers' decision-making (Du Plessis & Rousseau, 2007:261). These internal and external factors may enhance certain consumer responses such as purchase intentions.

Researchers regard in-store stimuli as part of store image, assuming that a more favourable store image will increase consumers' purchase intentions (Hassan *et al.*, 2010). Positive outcome behaviour, such as a willingness to remain in the retail environment and the determination to make a purchase, is the result of positive value perceptions (Singh, 2006). The level of consumption might also determine the outcome of the experience (Shah & Alter, 2014). One could say that pleasant interior retail outlets that fully engage and immerse consumers might result in more positive evaluations of the shopping experience. Consumers' decision-making will furthermore be influenced by the consumer's level of interaction and experiences with the specific product category (interior merchandise) (Lamb, Hair, McDaniel, Boshoff & Terblanche, 2004). Complex decision-making that involves high-risk purchases of expensive merchandise items such as furniture, may result in consumers going through an extensive decision-making process, in other words gathering more merchandise information (e.g. merchandise details, -specifications and price), and evaluating alternatives before making the final purchase (Erasmus, Donoghue & Dobbelstein, 2014; Sonnenberg, Erasmus & Donoghue, 2011;).

It is suggested that interior retailers invest in creating retail environments that would enhance the overall experience. The aim should be to motivate more planned- and impulse purchases resulting from consumers' emotions when exposed to in-store stimuli that can activate their psychological reactions (Virvilaite, Saladiene & Bagdonaite, 2009). *Planned purchases* refer to a consumer's conscious decision and determination to purchase merchandise (interior merchandise), while *impulse purchases* refer to instant unplanned purchasing behaviour (Virvilaite *et al.*, 2009). Purchase decisions can however result from consumers' shopping plans that were made before they enter the retail environment, or from their internal evaluations of the retail environment (Jiang & Liu, 2014). Although consumers often have no intention to make a purchase before entering interior retail outlets, certain in-store stimuli, for instance visually appealing interior merchandise displays, may stimulate and encourage them to purchase interior merchandise. Eventually, positive internal evaluations result in positive consumer response behaviour such as the desire to make a purchase (Singh, 2006).

All the attributes within a retail environment that can be controlled by the retailer, may impact patronage intentions (Garvin, 2009). *Patronage intention* refers to the subjective possibility that a consumer will continue to purchase a product from the same retailer in the future (Chiu *et al.*, 2014). In an interior merchandise context, patronage is the possibility of a consumer who have purchased interior merchandise from an interior retail outlet once, to visit the same interior retail outlet for future purchases, as well as making recommendations to other people (Mehta & Chugan, 2014). Research confirm the significance of utilitarian and hedonic values in driving patronage intentions (Chiu *et al.*, 2014; Ryu *et al.*, 2010; Jones *et al.*, 2006). Although

patronage intention is more likely to be influenced by utilitarian value (Jones *et al.*, 2006), retailers that provide hedonic value may increase purchase intentions (Chiu *et al.*, 2014). It is therefore important for retailers (interior retailers) to understand the impact of consumer satisfaction in a present shopping experience on future expectations (Verhoef *et al.*, 2009).

2.7 SUMMARY

This chapter provided the conceptual basis for this study and theoretical reasoning for the proposed factors that would enhance consumers' total value experiences and their response behaviour (approach/ avoidance). Each retail environment induces a different value perception to be applied to that particular purchase transaction (Davis & Hodges, 2012). Understanding consumers' value perceptions is a fundamental concept in retail strategy and differentiation (Ryu *et al.*, 2010; Rintamäki *et al.*, 2006). Empirical findings support the integrated nature of hedonic- and utilitarian value associated with the shopping experience, therefore consumers' perceptions has to be considered from an all-inclusive perspective (Singh, 2006). This study explored the relevance of in-store stimuli (atmospheric- and merchandise cues) in the retail environment, consumers' experiential value perceptions of the shopping experience and their subsequent purchase- and patronage intentions, by focusing on a specific context, namely brick-and-mortar interior retail outlets in South Africa.



CHAPTER 3

THEORETICAL FRAMEWORK, CONCEPTUAL FRAMEWORK AND RESEARCH OBJECTIVES

This chapter introduces the application of the stimulus (S)-organism (O)-response (R) model as theoretical framework that was used to structure and interpret the research and organise the conceptual framework.

3.1 INTRODUCTION

The retail environment impacts consumers' purchase behaviour positively or negatively (Zentes *et al.*, 2007). From consumers' perspective, the in-store stimuli influence subsequent psychological and behavioural responses in the retail environment (Jiang & Liu, 2014). To understand consumer behaviour in interior retail outlets in a South African context, the Stimulus-Organism-Response (S-O-R) model as proposed by environmental psychologists Mehrabian and Russell (1974) served as the theoretical framework. According to the authors (Mehrabian & Russell, 1974), the environment's sensory variables, the environment's information rate, i.e. the amount of information in the environment, and individual differences in people's affective responses to the environment, encourage people to either approach (affiliation and exploration), or to avoid (disinterest) a certain environment.

Many researchers have adopted the Stimulus-Organism-response (S-O-R) model to study the influence of brick-and-mortar- (e.g. Kumar & Kim, 2014; Baker *et al.*, 2002) and online retail environments (Eroglu, Machleit & Davis, 2001; Mathwick *et al.*, 2001) on consumer response behaviour, which justifies its relevance in the context of this research. The Stimulus-Organism-Response (S-O-R) model as illustrated in Figure 3.1, explains how stimuli (S) in the environment influence individuals' internal (mental) states (O) and ultimately their

response behaviour (R), thereby establishing the relationship between the physical environment and an individual's actions (Kumar, 2010; Singh, 2006). This model postulates that when exposed to external stimuli in the physical environment, 'inner organism changes', i.e. consumers' internal evaluations, precede and determine their approach-avoidance behavioural responses (Kawaf & Tagg, 2012).

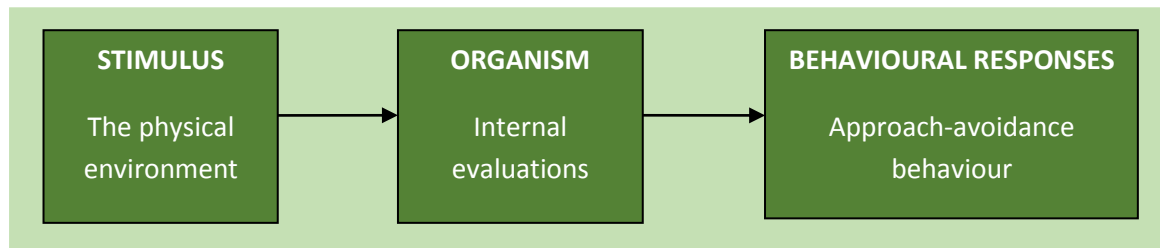


FIGURE 3.1: THE STIMULUS (S) - ORGANISM (O) - RESPONSE (R) MODEL (Kumar, 2010)

The Stimulus-Organism-Response theory was the first to advocate a relationship between the environment and people's behaviour (Kawaf & Tagg, 2012). Because the S-O-R model assumes that an individual's internal evaluations eventually influence his or her actions, and that people respond with different sets of internal evaluations to different environments (Kawaf & Tagg, 2012), the application of the model should be context specific. This study assumes that consumers' internal evaluations of the retail environment and the shopping experience in an interior retail outlet, will influence their subsequent purchase- and patronage intentions.

3.2 THE STIMULUS (S)- ORGANISM (O)- RESPONSE (R) MODEL

The multi-faceted Stimulus-Organism-Response model has been widely employed to study the influence of the retail environment on consumer behaviour (Kawaf & Tagg, 2012), for example the relationship between consumers' perceptions of the retail environment and their purchase behaviour (e.g. Kumar & Kim, 2014; Baker *et al.*, 2002). In a retail context, Kotler (1973) initially signified the importance of in-store stimuli a strategic marketing tool for retailers, while later definitions concluded that the retail environment is comprised of atmospheric cues (Harris & Ezeh, 2008), as well as merchandise cues (Kumar & Kim, 2014). Coherent with the view that retailers intentionally create retail environments that shape consumers' mood, activate their intentions, and influence their reactions (Verhoef *et al.*, 2009), the Stimulus-Organism-Response model applied in a retail context (interior retail outlets), describes how external stimuli in the retail environment drive consumers' internal evaluations, and ultimately their actions (Damminga, 2011; Kumar, 2010; Garvin, 2009).

The atmospheric- and merchandise variables in a retail environment are reviewed as the stimuli (S) that influence consumers' internal states (O), which subsequently direct their behavioural responses (R) (Kumar & Kim, 2014). Donovan and Rossiter (1982) were among the first to adapt the three-part Stimulus-Organism-Response model to retail environments by testing the relationship between organism and response variables. They argued that environmental stimuli have an impact on emotional states of consumers in ways that consumers may not be fully aware of, although the stimuli can indirectly affect consumers' behaviour.

Individuals respond to any given environment with two contrasting forms of behaviour, namely an enthusiasm or desire to remain in the environment or enthusiasm to explore the environment (approach behaviour), or a longing to leave the store (avoidance behaviour). Emotional states influence approach or avoidance behaviour in many ways (Kawaf & Tagg, 2012). Consumers shopping for interior merchandise will either approach the interior retail outlet, in other words remain in the retail environment to linger longer and spend more time exploring the interior merchandise, or they will prefer to leave. In the subsequent section, the Stimulus-Organism-Response model and each of its dimensions are deliberated from the perspective of the in-store environment of interior retail outlets.

3.2.1 Stimulus

Retailers intentionally create retail environments to include cues, messages, and suggestions to consumers about the image the retailer wishes to portray (Kumar & Kim, 2014). Retailers aim to produce retail environments that can have emotional effects on consumers that further influence their shopping experience and subsequent purchase behaviour (Dunne & Lusch, 2008).

A *stimulus* is conceptualised as any external characteristic of the environment that influences a person's internal states and stimulates a behavioural response (Kumar & Kim, 2014). Stimuli are defined in terms of their information rate or load, which are further determined by its novelty and complexity (Mehrabian & Russell, 1974). Stimuli that are novel and complex would have a higher information load and have more impact on the organism (consumer) than those that are common and simple (Damminga, 2011). Stimuli in a retail context refer to all the physical and non-physical elements of a retail environment which are within the retailer's control to influence consumers' shopping experience (Turley & Chebat, 2002). A retail environment comprises of many atmospheric cues, namely ambient cues that include the non-visual elements of a space (music, lighting and scent), design cues that include the visual elements of a space that tend to exist at the

forefront of consumers' awareness (functionality, layout and aesthetics), and social cues that include people (employees and other consumers within the store) (Baker *et al.*, 2002). Retail environments also contain merchandise cues (Kumar & Kim, 2014; Kumar, 2010, Singh, 2006). Merchandise cues refers to the availability of an extensive merchandise mix, innovative designs, excellent merchandise quality and price. This could reflect durability and workmanship, as well as reasonably priced merchandise that yield a shopping experience intended to generate specific internal evaluations in consumers that would influence their likelihood to make a purchase (Kumar 2010).

In-store stimuli in interior retail outlets include any external element of retail environment that retailers purposely manipulate to influence consumers' internal cognitive and affective evaluations of the retail environment and the shopping experience, and ultimately incite a positive response, such as the intent to purchase interior merchandise and to make repeat purchases in the future.

3.2.2 Organism

The *Organism* encapsulates a consumer's cognitive and affective intermediary internal states and processes that facilitate the relationships between the external stimuli (cues from the external environment) and the consumer's subsequent response behaviour (Chang & Chen, 2008). According to the S-O-R model, a person's exposure to environmental stimuli result in feelings or emotions (Kawaf & Tagg, 2012). Emotions, whether positive, negative or mixed emotions, are more intensive and stimulus specific, and are of shorter period. Affect, on the other hand, is "in reference to a valence feeling state" (Jones *et al.*, 2008:4). Based on pleasure/displeasure, arousal/non-arousal, dominance/submissiveness resulting in either positive or negative emotions, Mehrabian and Russell (1974) introduced the Pleasure (P)-Arousal (A)-Dominance (D) model to measure affective states of an organism (consumer).

The P-A-D model was first applied in a retail context by Donovan and Rossiter (1982) and has been studied extensively in consumer research (Kumar & Kim, 2014). Pleasure refers to the level of positive emotions, i.e. a reaction that signify whether consumers perceive the particular retail environment to be enjoyable or not (Jang & Namkung, 2009:451). Arousal refers to the excited and stimulated feelings (Zentes *et al.*, 2007), i.e. the level of stimulation experienced by a consumer in the environment (Jang & Namkung, 2009:451). Dominance refers to consumers' level of feeling in control in the particular retail environment (Jang & Namkung, 2009:451). Consumers' purchase intentions will be negatively impacted by a retail environment that excessively enhances

arousal and reduces the pleasure of the shopping experience (Hunter & Mukerji, 2011:119). Due to uncomfortable feelings, low arousal levels can make consumers lose interest in the store. High levels can however drive them to leave the store or avoid the store in the future (Zentes *et al.*, 2007). From the Mehrabian and Russell (M-R) environmental psychology model, it is evident that environmental stimuli impact on consumers' emotions, which in turn affect their behavioural response. Affective evaluations, comprising emotion and affect, originate from evaluating someone or something based on cognitive appraisal theory of emotions (Kawaf & Tagg, 2012).

From a cognitive perspective, consumers can be seen as information processors (Schiffman & Kanuk, 2010:481). Originating from information-processing and inference theories (e.g. Zeithaml, 1988), cognitive evaluation associated with a consumer's perception process (Kumar & Kim, 2014), i.e. consumers' mental processes, opinions, beliefs, attitudes and intentions towards products and services (Kardes, Cline & Cronley, 2011:11). Perception refers to the cognitive process by which a person observes, selects, organises and reacts to environmental stimuli in a meaningful way (Schiffman & Kanuk, 2010:203). Through learning, certain schemas are stored in a person's memory which help to simplify, process and store stimuli in future decisions (Schiffman & Kanuk, 2010:481). Perceptions therefore influence consumer's expectations, reactions and buying behaviour (Schiffman & Kanuk, 2010:172). A vast amount of literature has been developed over the years on whether consumers first experience cognition or affect when they encounter an environment (Kumar & Kim, 2014). Some researchers argue that cognitive states precede emotional states (cognition-emotion approach), during the process of evaluation (e.g. Lazarus, 1991). Others claim that emotional states precede cognitive states (emotion-cognition approach) (e.g. Pham, Cohen, Pracejus & Hughes, 2001).

A cognition-emotion approach argues that cognition is a required condition for emotions to take place and is a precursor to emotions (Kumar, 2010), contending that an individual cannot have an emotional reaction to a stimulus in the absence of some sort of a cognitive processing of that stimulus (e.g. Massara, Liu & Melara, 2009; Desmet & Hekkert, 2007). Chebat and Michon (2003) tested the two competing models and empirically verified that the cognition-emotion approach better explains the effect of ambient scent on consumer behaviour. The importance of cognitive appraisal theory of emotion (Lazarus, 1991) in predicting what emotions should be elicited in a particular interaction and how the evoked emotions influence behaviour, is also highlighted by Watson and Spence (2007). They furthermore argue that the cognition-emotion approach provides a more profound explanation to the elusive distinctions of emotion, and thus consumer behaviour in a retail environment. This study considered the cognition-emotion sequence to elaborate consumers' internal evaluations of the retail environment and shopping experience in interior retail outlets. Stimuli (atmospheric

and merchandise cues) in the retail environment evokes cognitive evaluations, which then manipulate an individual's convictions about the particular retail environment, the people and the merchandise (Singh, 2006). Based on certain in-store stimuli, for instance music played in the store, consumers form positive or negative assessments of the store. According to cognitive appraisal theory, a consumer shopping in an interior retail outlet will first evaluate the situation when exposed to external stimuli, e.g. positive evaluations of favourable in-store stimuli. A holistic conscious or subconscious cognitive appraisal is made. Based on the result of the appraisal an emotion (positive, negative or mixed emotions) arise, followed by a response (approach/avoidance behaviour). These overall cognitive and affective evaluations influence consumers' perception of whether the retail environment was exciting, interesting, or appealing (Kumar & Kim, 2014). Kawaf and Tagg (2012) contend that although the application of the cognition-emotion approach in an S-O-R paradigm complicate the organism and response construct in the S-O-R model, it provides the prospect of a non-mechanistic view of people, which makes it highly relevant to consumer behaviour research.

3.2.3 Response

Following the exposure to stimuli and the development of inner organism, a person (consumer) finally *responds* towards an environment (interior retail outlet) in terms of psychological reactions, such as the positive behaviour (approach), or on the contrary negative behaviour (avoidance) (Kawaf & Tagg, 2012). The notion of approach-avoidance involves the "physical movement" towards or away from an environment, the nonverbal communication of preference, inclination or association with of a task or a person, therefore positive approach behaviour (Mehrabian & Russell, 1974). This includes physical approach, work performance, exploration, and even social interaction with other people in the environment (Mehrabian & Russell, 1974).

The retail environment and shopping experience may determine purchase behaviour (Garvin, 2009). Approach and avoidance behaviour in an interior retail outlet encompass consumers' preference for the retail environment, the shopping experience and the interior merchandise offered, as well as their affiliation with the retailer. This study placed particular importance on positive actions (approach behaviour) in interior retail outlets resulting from positive consumer perceptions of the retail environment and the shopping experience, specifically behavioural intention comprising of purchase- and patronage intentions. It is assumed that when their needs and expectations are met or exceeded, consumers will have positive affective and cognitive evaluations that will result in positive response behaviour. The contrary is true when the interior retail outlet fail to meet consumers' demands.

3.3 THE CONCEPTUAL FRAMEWORK

3.3.1 The underlying theory

To identify the diverse components that capture consumers' shopping experience and taking into account recent changes in consumer demand, Fiore and Kim (2007) developed an overarching Stimulus-Organism-Response (S-O-R) framework. Their framework integrates useful components from both the hedonic experience-related Consciousness-Emotion-Value (C-E-V) model of Holbrook (1986) and the utilitarian experience-related Cognition-Affect-Behaviour (C-A-B) model of Bettman (1979). The two models are relevant to the shopping experience and fit into the S-O-R framework of environmental psychology (Mehrabian & Russell, 1974), which has been widely adopted to explore the impact of brick-and-mortar retail environments on consumer responses (Fiore & Kim, 2007). Although the Consciousness-Emotion-Value and Cognition-Affect-Behaviour models hold opposing views of human conduct, each model is supported by evidence as a key component of consumer shopping experience. The Consciousness-Emotion-Value model highlights the importance of consumer value perceptions obtained during the consumption experience, while the Cognition-Affect-Behaviour model accentuates purchase behaviour as the intended goal.

3.3.1.1 The Cognition (C)-Affect (A)-Behaviour (B) model

The *Cognition-Affect-Behaviour (C-A-B)* model presumes that the consumption process is a connecting flow where consumer cognition transcends to consumer affect and then to consumer behaviour (C→A→B), reflecting information-processing which focuses on utilitarian, i.e. rational, benefits (Bettman, 1979). In the C-A-B model evaluation is preceded by thoughts or beliefs about the products and services (Fiore & Kim, 2007). A retail environment is capable of inducing cognitive evaluations, which then influences an individual's perceptions about the retailer, the employees and customers, and the merchandise being sold (Fiore & Kim, 2007). This implies that the retail environment of interior retail outlets could be considered as a form of nonverbal communication conveying meaning through in-store stimuli that kindle consumers' cognitive judgements. As an information processing approach that regards consumers as rational thinkers (Holbrook, 1986), purchase decisions, retailer preference and patronage are significant outcomes of the Cognition-Affect-Behaviour model. The Cognition-Affect-Behaviour model is however not very relevant in terms of capturing the nature of contemporary shopping experiences promoted by more recent emerging trends (Fiore & Kim, 2007), such as experiential retailing.

As a holistic approach (Verhoef *et al.*, 2009) experiential retailing is based on the entire shopping experience that aims to satisfy utilitarian needs of consumers, as well as hedonic desires (Kim *et al.*, 2007). This can result in consumers becoming passionate about extraordinary retail environments, and become entirely engaged in the shopping experience (Garvin, 2009).

3.3.1.2 The Consciousness (C)-Emotion (E)-Value (V) model

Holbrook's (1986) dynamic Consciousness (C)-Emotion (E)-Value (V) model builds on Holbrook and Hirschman's (1982) experiential approach to the consumption experience, and includes important elements of the shopping experience that were not taken into account by the Cognition-Affect-Behaviour model. Inputs from the personal inputs (i.e. attributes of the individual, such as personality, intelligence, and gender that influence thinking, feeling and behaviour), environmental variables (i.e. the physical elements of the merchandise/retail environment and the symbolic unit used to designate the merchandise), as well as the person-environment interaction variable or the situation (e.g. shopping with friends), determines consumers' evaluations of the shopping experience (Holbrook, 1986). As illustrated in Figure 3.2, feedback loops exist between components.

In response to informational inputs, an array of mental events, such as fantasy, imagery, memories, subconscious thoughts and unconscious processes that take place during the shopping experience, are included as consciousness in addition to the Cognition-Affect-Behaviour model's cognitive processes regarding consumer products and services (Holbrook, 1986). Emotion connects the complex consumption experience enabling "multi-way interactions among physiological, cognitive, behavioural, and experiential components" (Holbrook, 1986). Emotions are not limited to the Cognition-Affect-Behaviour model's affective evaluations, such as liking or favourable disposition, but also lay emphasis on the significance of the individual's subjective feelings states, such as joy and excitement (Fiore & Kim, 2007). Holbrook's (1986) philosophy that emotion is an important determining factor of the shopping experience, supported by empirical research related to brick-and-mortar retail design (e.g. Baker, Levy & Grewal, 1992) and online store design (e.g. Eroglu *et al.*, 2001).

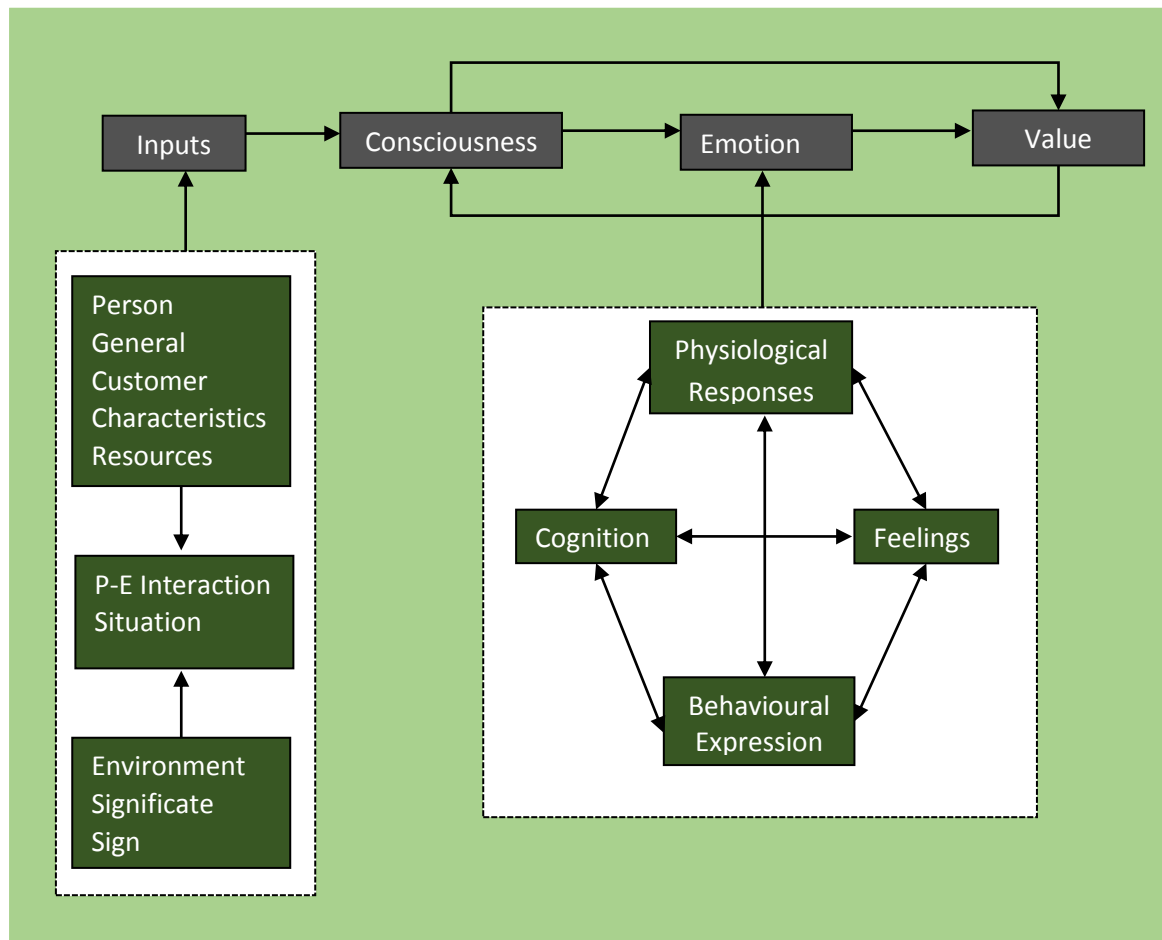


FIGURE 3.2: THE CONSCIOUSNESS (C)-EMOTION (E)-VALUE (V) MODEL (HOLBROOK, 1986)

3.3.2 An integrative Stimulus (S)-Organism (O)-Response (R) framework

The Consciousness-Emotion-Value model represents elements of the shopping experience not denoted by the Cognition-Affect-Behaviour model, drawing attention to consumption from the consumer's perspective. Components of both models are however significant and it is therefore important to take into consideration the relevance of both models when studying shopping experience from the consumer's perspective (Fiore & Kim, 2007). Figure 3.3 illustrates the integration of Cognition-Affect-Behaviour and the Consciousness-Emotion-Value model components within the Stimulus-Organism-Response framework and includes a set of variables for each component, based on empirical studies of shopping experience (Fiore & Kim, 2007). The use of the proposed integrative framework is promoted by Fiore and Kim (2007) to facilitate researchers in developing empirical studies that integrates both hedonic and utilitarian aspects of the shopping experience.

This framework (Fiore & Kim, 2007) was used for this study because of the comprehensive conceptualisation of the brick-and-mortar shopping experience and the relevance to interior merchandise, with the aim to re-focus interior retailers' attention to the basic shopping experience that remains fundamental for building long-term relationships with consumers and increasing patronage. The stimulus is represented by the Consciousness-Emotion-Value model's environment variable inputs, including the physical elements of the retail environment and merchandise (Fiore & Kim, 2007). Consumer characteristics (personality traits and demographic characteristics) that may influence internal evaluations and behaviour represent the mediating personal variable. The mediating person-environment interaction variable refers to the situation (e.g. shopping with friends), and considers determining factors (e.g. time pressure, consumer involvement and motivation) (Fiore & Kim, 2007).

In their research on consumer response behaviour towards brick-and-mortar retail environments, researchers (Baker *et al.*, 2002; Turley & Milliman, 2000; Bitner 1992), classified the structured environmental stimuli differently, but constitute similar stimulus variables. Baker *et al.*'s (1994) classification proposed ambient-, design- and social cues that entails Turley and Milliman's (2000) classification of the exterior, general interior, store layout, interior displays and human stimulus variables, and Bitner's (1992) classification of the ambient, space/ function, and signs/ symbols and artefacts variables. Ambient, design and social cues are used in the integrated framework because of their parsimony, meaning that this classification provide a simpler and more accurate explanation of in-store stimuli in a retail environment (Fiore & Kim, 2007). The non-structural elements of the retail environment (e.g. music, lighting and scent), comprise the ambient cues. Social cues include people features related to interactions with employees and consumers. The physical retail environment elements comprising of exterior features, general interior features, layout features and interior display features encompass the design cues (Fiore & Kim, 2007).

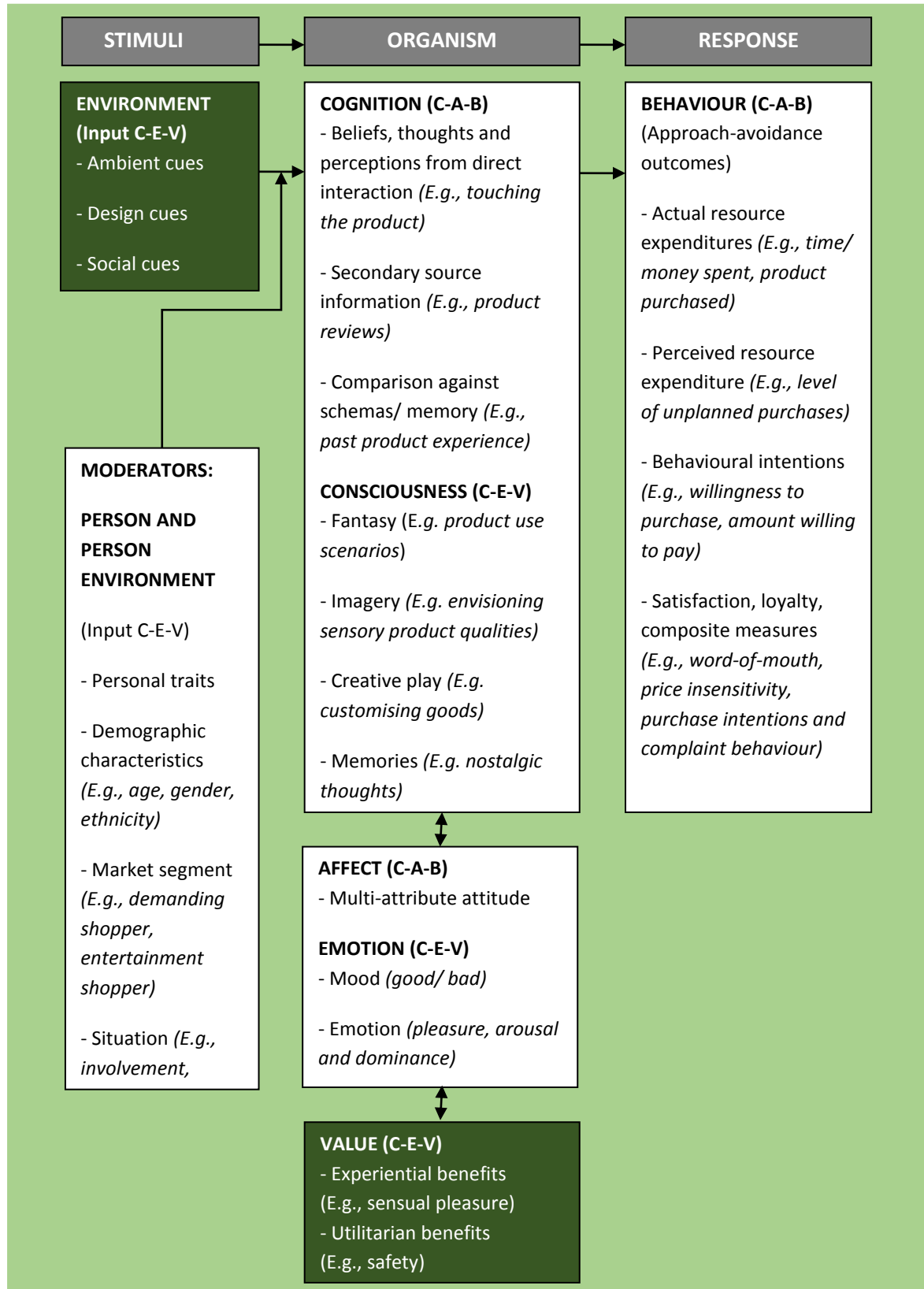


FIGURE 3.3: AN INTEGRATIVE S-O-R FRAMEWORK CAPTURING EXPERIENTIAL AND UTILITARIAN SHOPPING EXPERIENCE (FIORE & KIM, 2007)

The organism involves the interrelated mediating mechanisms between the stimulus and consumers' response, namely consciousness, emotion, and value variables in conjunction with the cognition and affect variables within the organism (Fiore & Kim, 2007). These variables may be manipulated by moderating variables such as personal variables and person-environment interaction variables (Fiore & Kim, 2007). Value encompasses the consumer's perceived benefits related to the shopping experience, such as mental play and aesthetic pleasure derived from visual- and sensory elements of the shopping experience (Holbrook, 1986), referred to as the non-instrumental hedonic value of the consumption experience (Holbrook & Hirschman, 1982). Utilitarian (instrumental) value is based on a consumer's rational assessment of a product's performance functionality, resulting in the consumer purchasing the best available product (Fiore & Kim, 2007).

3.3.3 The proposed conceptual framework for the study

For the purpose of this study, Fiore and Kim's (2007) overarching Stimulus-Organism-Response model was adapted to apply to the context of shopping experience in interior retail outlets. Figure 3.4 illustrates the proposed conceptual framework for the study.

The *stimulus* in the retail environment has the potential to affect the consumer's cognitive/consciousness and affective/emotional processes (Fiore & Kim, 2007). Accordingly, the retail environment of an interior outlet (input), including atmospheric- and merchandise variables, represents the stimulus. In this study Baker *et al.*'s (1994) classification of *atmospheric cues* into ambient cues, design cues, and social cues are presented as the retail environment stimuli. *Ambient cues* include non-visual elements of a space, e.g. music, scent and lighting, *design cues* include all the visual elements of a retail environment that tend to exist at the forefront of consumers' awareness, e.g. functional and aesthetic elements of the architecture and interior design, and *social cues* encompass human features related to interactions with store employees and other customers, e.g. crowding, appearance, understaffing.

As an important element of the retail mix and store image, the conceptual framework also includes *merchandise cues*, e.g. innovative design, quality associated with workmanship and durability, fairness of price, and the merchandise mix, as in-store stimuli.

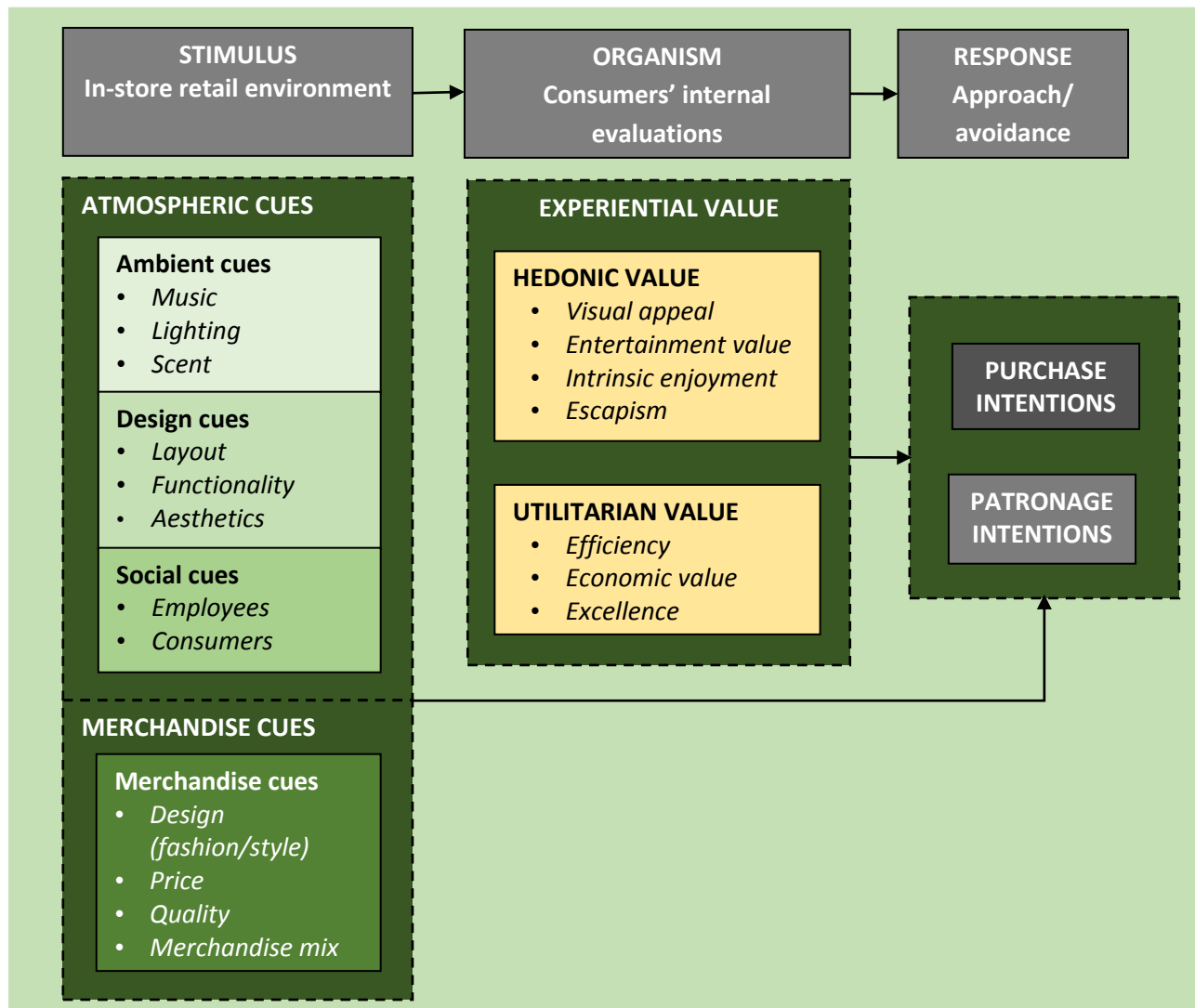


FIGURE 3.4: PROPOSED CONCEPTUAL FRAMEWORK (ADAPTED FROM FIORE AND KIM, 2007)

The *organism* presents cognitive and affective intermediary internal states and processes that facilitate the relationships between the external stimuli in the retail environment and the individual's subsequent response behaviour (Chang & Chen, 2008). Affective evaluations, comprising emotion and affect, originate from evaluating someone or something based on cognitive appraisal theory of emotions (Kawaf & Tagg, 2012). Consumers are constantly bombarded with stimuli (Usunier, 2011:493). During the shopping experience, consumers' internal evaluations are enhanced by stimuli generated from a variety of components related to store atmosphere and merchandise characteristics (Kumar, 2010). The mediating mechanisms within the organism are indicated by the experiential value variables that include both utilitarian- and hedonic benefits.

To simplify the decision-making process, consumers organise their perceptions into integrated wholes (Schiffman & Kanuk, 2010:203) and may block out unnecessary or unfavourable stimuli to perceive what they want or need (Schiffman & Kanuk, 2010:203). A consumer may add the value of all the perceived elements (cues) and choose the highest score, i.e. compensatory decision rules. This implies that an unfavourable cue can be cancelled by more favourable cues (Schiffman & Kanuk, 2010:491).

A consumer's *experiential value perception* is the conclusive judgment of the holistic shopping experience (Fiore & Kim, 2007; Singh, 2006). Utilitarian value includes benefits such as *efficiency*, i.e. convenience, *economic value*, i.e. value-for-money and *excellence* (Mathwick *et al.*, 2001). Empirical research contends that retailers, through the manipulation of stimuli in a retail environment, can affect consumers' internal evaluations such as price and quality perceptions (Singh, 2006). Hedonic value results more from fun and playfulness than from task completion (Holbrook & Hirschman 1982). The hedonic value provided by shopping experience in an interior retail outlet includes benefits derived from *visual appeal*, *intrinsic enjoyment*, *entertainment* and *escapism* (Mathwick *et al.*, 2001). The consumer *response* is the outcome of the internal processes of the organism, expressed as either *approach or avoidance* behaviours, i.e. intentions, such as remaining or leaving the retail environment, making a purchase, or returning for repeat purchases.

3.4 AIM OF THE STUDY AND RESEARCH OBJECTIVES

3.4.1 Aim of the study

This study aimed to provide empirical evidence of factors that would enhance consumers' internal evaluations of the retail environment and shopping experience in interior retail outlets, as well as their subsequent purchase-and patronage intentions, as an indication of the effort and the expertise that is required to attract and retain consumers in a highly competitive market.

3.4.2 Research objectives

The following specific research objectives were formulated as illustrated in Figure 3.5:

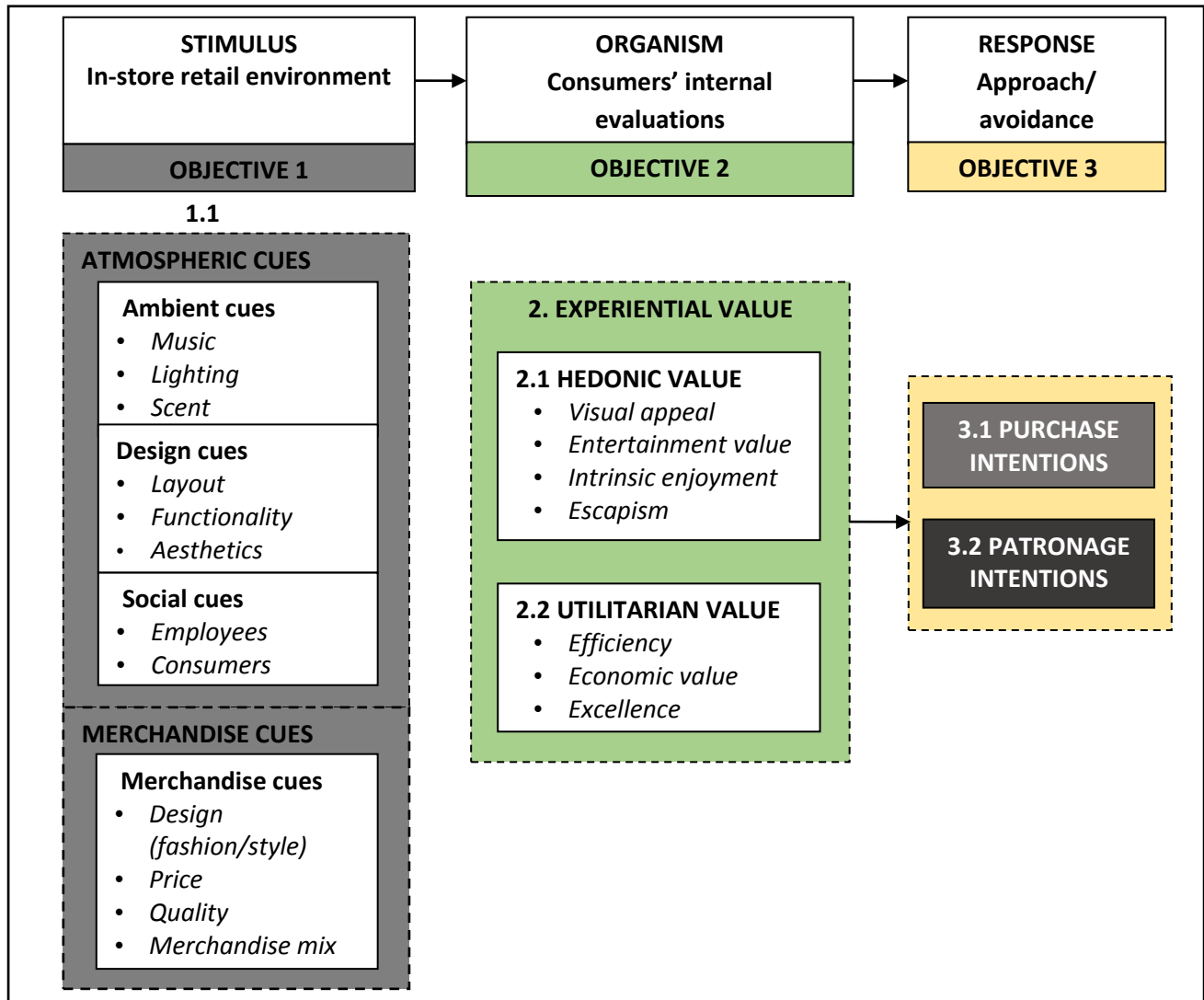


FIGURE 3.5: RESEARCH OBJECTIVES

Objective 1: To explore, describe and discuss **consumers' internal evaluations (perceptions) of selected in-store stimuli (atmospheric-and merchandise cues)** as presented in the retail environment of interior retail outlets across demographic variables, specifically:

1.1 To explore, describe and discuss **consumers' perceptions of selected ambient cues** (*music, lighting, scent*), **design cues** (*layout, functionality, aesthetics*), **social cues** (*employees, other consumers*) and **merchandise cues** (*design/style, price, quality, merchandise mix*) as presented in the retail environment across demographic variables.

Objective 2: To explore, describe and discuss consumers' **internal evaluations (experiential value perceptions)** of the shopping experience in interior retail outlets across demographic variables, specifically:

2.1. To explore, describe and discuss **consumers' hedonic value perceptions**, expressed in terms of *visual appeal, intrinsic enjoyment, entertainment and escapism*, across demographic variables.

2.2. To explore, describe and discuss **consumers' utilitarian value perceptions**, expressed in terms of *efficiency, economic value and excellence*, across demographic variables.

Objective 3: To explore, describe and discuss **consumers' response behaviour (approach/ avoidance)** to interior retail outlets across demographic variables, specifically:

3.1. To explore, describe and discuss **consumers' purchase intentions of interior retail outlets** across demographic variables.

3.2. To explore, describe and discuss **consumers' patronage intentions of interior retail outlets** across demographic variables.

3.5 SUMMARY

The objectives of the study were formulated to address factors that would enhance consumers' total value experiences in interior retail outlets as an indication of the type of effort that is required to attract and retain consumers. To reflect the entwined nature of utilitarian- and hedonic value linked to the shopping experience, this study is based on an adapted version of the overarching Stimulus-Organism-Response (S-O-R) framework proposed by Fiore and Kim (2007). In an interior retail outlet in-store stimuli (S) are internally evaluated (experiential value perceptions) by consumers (O), which in turn results in approach-avoidance behaviour.



CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

This chapter presents the research design and methodology in accordance with the specific research objectives that were formulated for this study.

4.1 RESEARCH APPROACH AND RESEARCH DESIGN

Research design entails the researcher's strategy of carefully chosen research methods and procedures aimed to facilitate the collection and interpretation of data in order to draw meaningful conclusions (Zikmund & Babin, 2010:56). As the framework for a study, research design encompasses all the necessary steps that have to be followed in order to acquire the information needed to address and solve the specific research problem (Malhotra, 2010:102). A gap in existing literature was identified and the opportunity was taken to investigate factors that would enhance consumers' internal evaluations of the retail environment and the shopping experience, as well as their subsequent response behaviour (purchase- and patronage intentions). A predominantly quantitative survey design was used for this study in order to provide objective answers to specific research objectives (Salkind, 2012:213) pertaining to brick-and-mortar interior retail outlets. The intention was not to develop new theory, but rather to investigate and describe the research problem in a South African context.

Quantitative research is founded on precise measurements, whereas the emphasis of qualitative research is on an individual's subjective appraisal of social reality, in other words the analysis of non-numerical data for example words and interpretation (Bryman & Bell, 2007). A quantitative approach encompasses the use of measuring scales that lead to numerical figures that can be statistically analysed and hypothesised (Zikmund & Babin, 2010:96). This is the type of findings that retailers generally prefer. Due to limited literature regarding the relevance of the all-inclusive in-store stimuli, i.e. atmospheric-and merchandise in brick-and-mortar retail environments, consumers' value perceptions of the complete shopping experience that include both hedonic-

and utilitarian value and consumers' subsequent purchase-and patronage intentions, this study was explorative, descriptive and causal in nature. Exploratory research was used to explore new understandings and give insight into a phenomenon in the specific academic field (Saunders *et al.*, 2009). This study aimed to provide empirical evidence of consumer behaviour in interior retail outlets in the context of a South African emerging market as a foundation for future studies of its kind (Fouché & De Vos, 2011:95, Zikmund & Babin, 2010:444). The descriptive part of the research refers to particular details about the nature of certain characteristics of the population (consumers shopping for interior merchandise), the organisation (interior retailers) and the phenomenon (the brick-and-mortar shopping experience) in order to predict future variables (Saunders *et al.*, 2009). Descriptive research was employed to give a more detailed comprehension of the research characteristics of the people (consumers in terms of their demographics) and the environment (interior retail outlets), thereby answering 'how' and 'why' questions (Zikmund & Babin, 2010:45).

Descriptive research was applicable to describe the market segment in terms of factors that would enhance consumers' total value experiences and their subsequent response behaviour of interior retail outlets, i.e. confirming/ debunking suggested connections between variables. The emphasis of causal research is on the 'cause and effect' correlation, i.e. the relationship, between different variables, hence the influence or control of one variable on another variable (Saunders *et al.*, 2009). A causal research was applicable since this study also aimed to confirm potential linear relationship between variables as an indication of their relevance. Correlation coefficients indicate relationships, i.e. the higher the correlation, the stronger the relationship (Lacobucci, 2013:138; Salkind, 2012:213; Fouché & De Vos, 2011:96-97).

Quantitative research techniques, sampling methods, data collection methods as well as quantitative data analyses were used for this study (Salkind, 2012:213; Fouché *et al.*, 2011:143) to initiate, verify and validate connections between the predetermined variables (Leedy & Ormrod, 2010:94, 95). Furthermore, a quantitative study is considered to be more organised and concentrated with limited participation of the researcher during data collection (Leedy & Ormrod, 2010:96; Zikmund & Babin, 2010:94). The empirical evaluations of quantitative research, including the use of mathematical measurement and analysis interpretation, were therefore appropriate for this quantitative study (Salkind, 2012:213; Fouché & Delport, 2011:63). A quantitative approach was useful in explaining the specific research objectives set for this study as an indication of the effort and the expertise that is required to attract and retain consumers in a highly competitive market. The intention was not to develop new theory, but rather to investigate and describe the research problem in a South African context.

4.2 METHODOLOGY

The research methodology implies the process used to collect data to address the research questions, research objectives that were formulated for this study. A survey approach with a single data collection phase was implemented. The choice of research methods as well as the underlying concepts will now be explained and justified.

4.2.1 Population, sample and sampling

Sampling entails a procedure that draws conclusions based on the measurement of a portion of a population (Zikmund & Babin, 2010:301). For this study, the population refers to South African consumers in a brick-and-mortar interior merchandise context. Assuming that there will be differences among people, it was important to gain insight into numerous individuals' perceptions (De Vos *et al.*, 2011:343, Zikmund & Babin, 2010:312) of the in-store stimuli and shopping experience in an interior retail outlet. A consumer-centred response approach was followed. It is impossible to select a representative sample of consumers shopping for interior merchandise that perfectly signifies the entire population, therefore the intention was not to generalise the findings to the entire South African population (Leedy & Ormrod, 2010:205; Zikmund & Babin, 2010:311). Sampling techniques were used on a smaller group that represented the population, i.e. the sample, with the goal to provide a sample that best represented the population.

Data was collected from non-random samples, as a result the likelihood of individuals to be included in the sample could not be premeditated beforehand. The research objectives, the available time, resources and funds, as well as the nature of the research problem determined the sampling technique. Due to time- and financial limitations the researcher had no other alternative than to use a non-probability sampling technique (Salkind, 2012:33; Strydom, 2011b:224; Leedy & Ormrod, 2010:211; Zikmund & Babin, 2010:58). From the outset, the probability of selecting any one member of the population, i.e. a consumer who entered the selected interior retail outlet, was not known (Leedy & Ormrod, 2010:211). As a result, individuals had equal opportunities to be included in the sample. A sample size is the quantity of individuals or elements that need to be included in a study in order to signify the entire population (Malhorta, 2010:374). Measures were taken to obtain useful data from a feasible sample group (Salkind, 2012:102). The sample size of 272 in this study was considered a useful sample size that would suffice in terms of data analysis related to the research objectives of the study.

Insight into various consumers' perceptions were gained in a suitable and economical manner (Zikmund & Babin, 2010:312) so that the findings could instigate further research. Convenience sampling was used to recruit willing respondents (consumers) through a store intercept method at a selected interior retail outlet (@Home Livingspace) located within The Grove Mall (<http://www.thegrovemall.co.za>), situated in eastern suburbs of Tshwane, South Africa. The participating interior retailer's target market strategies and approaches is aimed at LSM Group 7 (high) to LSM Group 8 (low), i.e. the middle upper income group (\geq R15 00 to <R25 000) (SAARF, 2011). A store intercept method was a fitting method of data collection whereby consumers were intercepted and invited to willingly complete a questionnaire on the spot in the store (Kumar, 2010:52) during October 2014. The research was cross-sectional, thus relating the results and findings to the particular context (shopping experience in a South African interior retail outlet) at a specific point in time (October 2014). Data was gathered from various consumers who willingly agreed to participate in the study. The unit of analysis included willing consumers irrespective of their gender, age, ethnicity and income, who entered the selected interior retail outlet during the specific time frame.

A survey approach was followed that implemented a self-administered structured questionnaire (De Vos *et al.*, 2011:156). Only a real-time setting, i.e. an actual interior retail outlet, could provide a scenario that incorporated atmospheric- and merchandise cues needed to form hedonic- and utilitarian value perceptions of the complete shopping experience. The store intercept method of data collection guaranteed that respondents who completed the questionnaire had indeed visited the selected interior retail outlet. In addition to being a quick, convenient and economical way of sampling, the store intercept method also ensured that respondents had showed some interest in the product category, i.e. interior merchandise, at the point of completion of the questionnaires. A suitable method of data collection as well as a feasible sample size (N=272), furthermore ensured that correct and representative inferences could be made (Salkind, 2012:102; Strydom, 2011b:232, 391).

4.2.2 Measuring instrument

A survey, as a measuring instrument, is a research technique that requires the interviewing or observation of a sample of respondents (Leedy & Ormrod, 2010:187; Zikmund & Babin, 2010:57). Survey research is used to obtain information from individuals in order to accomplish the set research objectives (Berndt & Petzer, 2011:132). Questionnaires present researchers with the opportunity to collect responses from individuals that are quantifiable (Nussbaumer, 2009: 42). With the goal to gather primary data and answer the specific research

objectives (Zikmund & Babin, 2010:271), a structured self-administered questionnaire was considered an appropriate and convenient measuring instrument for this study. The structured questionnaire (see addendum D) was developed in several stages and refined according to methods recommended in appropriate literature. This research technique enabled respondents the opportunity to truthfully provide answers to all the items in their own time without intervention from the researcher (Salkind, 2012:147). A number of questions were posed to allow a summary of responses (numerical data) using statistical methods. This allowed the researcher to draw inferences and to make assumptions regarding the targeted population (Leedy & Ormrod, 2010:187).

As the first step in questionnaire development, selected items suitable for measuring the constructs under study were gathered from the relevant literature pertaining to the creation of brick-and-mortar retail environments, consumers' internal evaluations of the shopping experience and consumers' response behaviours (approach/ avoidance). The aim of the structured questionnaire was to obtain subjective responses about a phenomenon, i.e. consumers' internal evaluations of the retail environment and the shopping experience, from individuals, i.e. consumers, who were experiencing the situation, i.e. the interior retail outlet (Robinson & Parman, 2010:169). Questions and instructions that are unclear and vague may result in incorrect data (Leedy & Ormrod, 2010:192-194), therefore a pilot test is needed to ensure that the questionnaire is technically correct and easily understood (Zikmund & Babin, 2010:54). A pilot test refers to "...the testing of the questionnaire on a small sample of respondents for the purpose of improving the questionnaire by identifying and eliminating potential problems" (Malhorta, 2010:354). To eliminate potential complication and ensure ease of completion, the measuring instrument was subjected to a pilot test prior to conducting the final data collection. Seven questionnaires were distributed to possible respondents. The pilot test was done to confirm that the structured questionnaire was well designed and without error. Respondents indicated that the wording of the structured questionnaire was easily understood and that instructions were well-defined. The structured questionnaire was also evaluated by the supervisor, co-supervisor and statistical research consultants before administering it to the respondents.

A questionnaire incorporates questions phrased by open-ended or closed-ended statements (Zikmund & Babin, 2010:272-273). Closed-ended questions provide respondents with fixed response alternatives in a specific format, for example scale-type questions (Malhorta, 2010:344). Generally considered to be more user-friendly, closed-ended questions were predominantly used in the structured questionnaire. This eliminated the possibility of a biased response and ensured accurate coding (McDaniel & Gates, 2008:297) that facilitated easy interpretation of compatible data (Zikmund & Babin, 2010:273, 255). Although open-ended questions enable respondents to answer questions in their own words, these questions were limited in the structured

questionnaire to avoid potential difficulties and to ensure more accurate results as well as a higher response rate. One open-ended question was included to gain a deeper understanding of consumers' store preferences when shopping for furniture and other interior merchandise items, however the majority of respondents were unwilling to answer the question in their own words and left the question unanswered.

All the close-ended statements in Section A, Section B and Section C of the questionnaire were framed as five-point standardised and tested Likert-type scales where (1) represented '*strongly disagree*', (2) represented '*disagree*', (3) represented '*neither agree or disagree*', (4) represented '*agree*' and (5) represented '*strongly agree*'. This was done to reduce response time and possible respondent fatigue. Items were arranged in random order. The wording of items was kept simple and easy layman's language was used to eliminate error (Leedy & Ormrod, 2010:194). Clear instructions guided respondents in answering each Section. Items were brief and clear to avoid ambiguousness (Zikmund & Babin, 2010:276) and each item only tested a single concept to prevent misunderstanding (Leedy & Ormrod, 2010:192). Furthermore, pages were numbered, each section was structured and ordered, the writing was legible, and items were numbered to provide clarity and avoid confusion (Salkind, 2012:150). The measurement scales employed in this study were adapted from existing research, tested and supported by previous research studies, and in some cases, modified and tailored to appeal to the South African consumer in a brick-and-mortar context (interior retail outlet). The reliability statistics (Cronbach Alphas) of the original measurement scales adapted for this study confirmed valid and consistent responses, i.e. a reliable scale.

Section A consisted of 54 closed-ended statements that investigated consumers' perceptions of the **in-store stimuli (atmospheric- and merchandise cues)** as presented in the retail environment of the interior retail outlet, specifically:

- **Atmospheric cues** namely *ambient-, design- and social cues*:
 - *Ambient cues* expressed in terms of music, lighting and scent
 - *Design cues* expressed in terms of functionality, layout and aesthetics
 - *Social cues* expressed in terms of store employees and other consumers

- **Merchandise cues** expressed in terms of design, quality, price, merchandise mix

Atmospheric cues are grounded on Baker *et al.*'s (1994) three dimension conceptualisation of the retail environment, namely ambient-, design- and social cues. Based on the distinct elements captured in each scale,

three separate atmospheric scales were used to measure ambient-, design- and social cues respectively. For the purpose of this study, the wording of the items was slightly adapted to be applicable to the South African consumer in a brick-and-mortar context. The scale was adapted to a 5 point Likert scale ($M_{\max} = 5$). Consumers' perceptions of ambient cues in the retail environment were measured using a 6 item scale pertaining to music, lighting and scent. Consumers' perceptions of music (3 items) and lighting (2 items) were measured with 5 items adopted from Baker *et al.*, (1994) supported and validated by prior empirical research (Kumar, 2010; Singh, 2006). The Cronbach Alphas were reported to be 0.90 (Baker *et al.*, 1994), 0.86 (Singh, 2006) and 0.89 (Kumar, 2010) which confirm reliability. These researchers (Kumar, 2010; Singh, 2006, Baker *et al.*, 1994) did not investigate consumers' perceptions of scent, however it was deemed significant in an interior merchandise context and therefore one item, namely "*the store smells pleasant*" (V1.6), was taken from Matilla and Wirtz (2001).

Consumers' perceptions of design cues in the retail environment were measured using a twenty-four item scale pertaining to layout, functionality and aesthetics. Consumers' perceptions of the layout were measured with 10 items, consumers' perceptions of the functionality were measured with 4 items and consumers' perceptions of aesthetics were measured with 10 items. The scale items were obtained from prior empirical research (Kumar, 2010; Singh, 2006; Baker *et al.*, 1994). To better signify the construct of design cues, Singh (2006) developed and validated her own scale items that were used in addition to the original scale items developed and tested by Baker *et al.*, (1994). Kumar (2010) used and validated items obtained from Singh (2006) and Baker *et al.*, (1994). The Cronbach Alphas were reported to be 0.90 (Baker *et al.*, 1994), 0.86 (Singh, 2006) and 0.89 (Kumar, 2010) which confirm reliability.

Consumers' perceptions of social cues in the retail environment were measured using a fourteen item scale pertaining to store employees and other consumers. Consumers' perceptions of store employees were measured with 4 items pertaining to number of employees, their appearance, friendliness and helpfulness, adapted from Baker *et al.*, (1994). The Cronbach Alpha of the original scale measuring store employees was reported to be 0.83 (Baker *et al.*, 1994). This scale was also used and validated by prior empirical research (Kumar, 2010; Singh, 2006; Baker *et al.*, 2002; Grewal & Baker, 1994). To measure consumers' perceptions of other consumers, 7 items pertaining to their suitability, physical appearance and similarity, were adapted from a scale that was developed and validated by Brocato *et al.*, (2012). Furthermore, 3 items pertaining to crowdedness, namely "*the store is a little too busy*" (V1.14) "*there are a lot of shoppers in the store*" (V1.29) and "*the store seems very crowded to me*" (V.1.3), were adopted from Kumar (2010) who tested and validated items from Machleit, Kellaris and Eroglu (1994). In their respective studies, both Kumar (2006) and Singh (2006)

reported the overall Cronbach Alpha of scale items for social cues to be 0.89. Machleit *et al.*, (1994) reported the Cronbach Alpha for the original scale items measuring other consumers to be 0.82.

Consumers' perceptions of merchandise cues were measured using a 10 item scale. Merchandise design (style/fashion) was measured with 2 items, namely "*I find the merchandise in this store to be trendy and fashionable*" (V1.16) and "*the designs and styles of the merchandise in this store are outdated*" (V1.30). Merchandise mix was measured with 2 items, namely "*This store offers a wide selection of merchandise*" (V1.12) and "*The variety and assortment of merchandise in this store are inadequate*" (V1.46). Items for merchandise design (style/fashion) and merchandise mix were adapted from Kumar (2010) who tested and validated items from Hansen and Deutscher (1978). Merchandise price was measured with 2 items pertaining to acceptability and fairness, namely "*the prices for the merchandise in this store are right, given the quality*" (V1.23) and "*the prices shown for the merchandise are acceptable*" (V1.51). These items were adapted from Singh (2006) who tested and validated items from prior empirical research (Dodds *et al.*, 1991; Zeithaml, 1998). Merchandise quality was measured with 4 items pertaining to workmanship, dependability and durability, namely "*I find the merchandise very dependable*" (V1.3), "*there is a high likelihood that items purchased at this store are durable*" (V1.20), "*this store offers good quality merchandise*" (V1.34) and "*the workmanship of the products available in this store is very high*" (V1.42), adapted from Sing (2006) who tested and validated items from Dodds *et al.*, (1991). The wording of some of the items were slightly changed to relate to a South African brick-and-mortar context. The scale was adapted to a 5 point Likert scale ($M_{\max} = 5$).

Section B consisted of 18 closed-ended statements that investigated consumers' **internal evaluations (experiential value perceptions)** of the complete shopping experience, specifically:

- **Utilitarian value** expressed in terms of efficiency, economic value and excellence.
- **Hedonic value** expressed in terms of visual appeal, entertainment, escapism and intrinsic enjoyment.

The 19-item experiential value (ESV) scale, developed and validated by Mathwick *et al.*, (2001), was used to measure consumers' experiential value perceptions of the shopping experience in an interior retail outlet. The original scale was applied in the catalogue and Internet shopping environment as subjective measures of retail channel performance and included seven indicators of experiential value that reflected the benefits derived from, namely visual appeal, entertainment value, escapism, intrinsic enjoyment, efficiency, economic value and service excellence. All 19 statements of the original scale were used for this study, 11 items measured respondents' hedonic value perceptions and 8 items measured respondents' utilitarian value perceptions. The

wording was slightly re-phrased to be relevant to a South African brick-and-mortar context. The original scale included a seven-point rating scale in which (1) reflected an intuitive (hedonic) environment and (7) an analytical (utilitarian) environment. The scale was adapted to a 5 point Likert scale ($M_{\max} = 5$).

Section C consisted of 9 closed-ended statements intended to investigate and describe consumers' **response behaviour (approach/avoidance)**. This section also included one open-ended question that gave respondents the opportunity to explain their store preferences when shopping for furniture. For the purpose of this study, the wording of the items was slightly adapted to be applicable to the South African consumer in a brick-and-mortar context. The scale was adapted to a 5 point Likert scale ($M_{\max} = 5$).

- **Purchase intentions**

Respondents' purchase intentions were measured using three items, namely "I am planning on making a purchase, but I have no particular item in mind" (V3.2), "I am browsing with no intention to purchase" (V3.5) and "I am intending to purchase a specific item" (V3.8), taken from the experiential value (ESV) scale developed and validated by Mathwick *et al.*, (2001).

- **Patronage intentions**

Respondents' patronage intentions were measured by six items. Two items, namely "*this store is the best place to shop for furniture*" (V3.3) and "*when it comes to shopping for furniture, this store is my first preference*" (V3.7), were taken from the experiential value (ESV) scale developed and validated by Mathwick *et al.*, (2001) that investigated retailer preference. Three items investigated the likelihood of future sales, namely "*it is very likely that I would purchase a product from this store in the future*" (V3.1), "*I would definitely recommend this store to other people*" (V3.4) and "*I would be willing to shop at this store in the future*" (V3.6), taken from Grewal, Baker, Levy & Voss (2003).

Section D consisted of 5 closed-ended questions and was used to register additional personal (demographic) information of the respondents, specifically gender, age, level of education, approximate monthly household income and population group to make inferences about differences in perceptions of various consumer segments.

The structured questionnaire was divided into four sections that correlated directly to the specific research objectives for this study. The final structure of the questionnaire that indicates the respective sections, aspects pertinent to the items and the measuring scales used, is presented in Table 4.1.

TABLE 4.1: STRUCTURE OF QUESTIONNAIRE

Construct	Dimension	Indicators	Theoretical foundations
Section A: In-store stimuli (atmospheric-and merchandise cues) in the retail environment Five point Likert scale: (1) ' <i>strongly disagree</i> ' to (5) ' <i>strongly agree</i> '			
Atmospheric cues	Ambient cues	- <i>Music</i> - <i>Lighting</i> - <i>Scent</i>	6 Item scale: Kumar (2010); Singh (2006); Matilla & Wirtz (2001); Baker <i>et al.</i> , (1994)
	Social cues	- <i>Employees</i> - <i>Other consumers</i>	14 Item scale: Brocato <i>et al.</i> , (2012); Kumar (2010) Singh (2006); Baker <i>et al.</i> , (1994); Machleit <i>et al.</i> , (1994)
	Design cues	- <i>Layout</i> - <i>Functionality</i> - <i>Aesthetics</i>	24 Item scale: Kumar (2010); Singh (2006); Baker <i>et al.</i> , (1994)
Merchandise cues	Merchandise cues	- <i>Design (style/fashion)</i> - <i>Price</i> - <i>Quality</i> - <i>Merchandise mix</i>	10 Item scale: Kumar (2010); Singh (2006); Zeithaml (1988) Dodds <i>et al.</i> , (1991) Hansen & Deutscher (1978)
Section B: Consumers' internal evaluations of the shopping experience Five point Likert scale: (1) ' <i>strongly disagree</i> ' to (5) ' <i>strongly agree</i> '			
Experiential value of the shopping experience	Hedonic value	- <i>Visual appeal</i> - <i>Entertainment</i> - <i>Escapism</i> - <i>Intrinsic enjoyment</i>	19 Item scale: Mathwick <i>et al.</i> , (2001)
	Utilitarian value	- <i>Efficiency</i> - <i>Economic value</i> - <i>Excellence</i>	
Section C: Consumers' response behaviour (approach/ avoidance) Five point Likert scale: (1) ' <i>strongly disagree</i> ' to (5) ' <i>strongly agree</i> '			
Response behaviour	Purchase intentions		3 Item scale: Mathwick <i>et al.</i> ,(2001)
	Patronage intentions		6 Item scale: Mathwick <i>et al.</i> , (2001); Grewal <i>et al.</i> , (2003)
Section D: Demographic information			
Demographic information	Gender, age, level of education, total monthly household income, population group		

4.2.3 Data collection

Market research is crucial for any type of business, for example retailers, to find out what their consumers and potential consumers need, desire and demand (Bradley, 2010:7). Primary data refers to the data that is gathered to resolve a specific research problem or opportunity (Malhorta, 2010:73). Primary data was collected for this study relevant to the original account of the event (in-store shopping experience in an interior retail outlet) under study (Robinson & Parman, 2010:115) in an attempt to make inferences about consumers' internal evaluations. To make sure that the required responses were obtained within the required time limit, the data collection was carried out by the researcher and trained fieldworkers during October 2014 in a prominent interior retail outlet, @Home Livingspace, situated within The Grove Mall. This is a trendy shopping destination conveniently located on the corner of Lynnwood and Simon Vermooten Roads in the ever-growing residential eastern region of Tshwane, South Africa. Tshwane, the administrative capital of South Africa, is a major metropolitan area situated in the most affluent and fastest growing province (Gauteng) in South Africa (City of Tshwane, 2014).

Home to over 100 shops, The Grove Mall offers consumers a fine selection of prime quality retailers, thus catering to the requirements of the most discerning shopper (<http://www.thegrovemall.co.za>). The Foschini Group (<http://www.tfg.co.za>) has a comprehensive portfolio of 18 retail brands, including @Home Livingspace, the leading choice for innovative, quality furniture and other interior merchandise items such as soft-furnishings and decorative interior accessories (<http://www.home.co.za>). As an acknowledged trendsetter with stores throughout South Africa, their buying teams travel the world to source quality ranges and credible brands that reflect a passion for all things functional and innovative with the goal to inspire consumers to create beautiful homes.

For this field study, data-collection was conducted in an actual setting that incorporated several aspects of store atmosphere and merchandise as in-store stimuli, hence a real-time shopping experience. A store intercept method was used as arranged with the approval of store management. The letter requesting permission for data- collection is presented in addendum C. This implies a method of data collection whereby consumers in the particular interior retail outlet were stopped and invited to participate in the study by completing a questionnaire in the store. This method of data collection provided several advantages, namely a personal face-to face interviewing method that established a good relationship with respondents, encouraged them to willingly participate in the study, provided explanations sought by respondents on the spot, and enabled the collection of questionnaires without delay once they were completed (Kumar, 2010).

The @Home Livingspace store at The Grove Mall (shop number L48/U28) offers discerning consumers an inspiring in-store retail environment focused on providing fashionable, quality interior merchandise and exceptional in-store service through an easy, pleasant shopping experience. The interior retail outlet, targeted at more affluent consumer segments, showcases innovative furniture, soft furnishings and decorative interior accessories, through creative visual merchandising displays. The in-store displays incorporate current décor and design trends, as well as lifestyle trends (<http://www.thegrovemall.co.za/shop.htm?shopMGID=22496>). The researcher took photos (see addendum E) of the retail environment that portray the curated room settings and visual displays of the interior merchandise at the specific timeframe (October 2014) when the data was gathered. The room settings in the store comprised of simply styled merchandise that aimed to inspire consumers and encouraged them to visualise the interior merchandise in their own homes to simplify consumers' selection process.

The data was collected in the course of October 2014 on weekdays and weekends during trading hours. Fieldworkers did not disrupt normal store activities. Fieldworkers recruited willing consumers by introducing themselves and briefly describing the aim of the research project to establish good rapport with respondents. Fieldworkers motivated consumers to participate in the study and complete all the questions in the questionnaire by offering them an incentive (Zikmund & Babin, 2010:169) in the form of a lucky draw prize (a R500 @Home gift card). A printed questionnaire (see addendum D) together with a cover letter (see addendum C) from the researcher that broadly explained the purpose of the research project, was personally handed to each respondent who agreed to participate in the study. In addition to using the University of Pretoria emblem on the cover letter, the contact details of the Department of Consumer Science as well as the researcher's contact details were provided in an effort to give credibility and authority to the questionnaire (Zikmund & Babin, 2010:172). Respondents were instructed to complete the survey on the spot in the interior retail outlet, hence they were invited to make themselves feel 'at home' in a curated room setting of their choice where they could complete the questionnaire in comfort at their own time. This guaranteed that respondents were given the opportunity to take note of the in-store stimuli, as well as attentively focus on the benefits relating the shopping experience. Fieldworkers could provide clarifications to respondents on the spot if needed (Kumar, 2010). Once completed, questionnaires were immediately collected and inspected for missing data and respondent error, to diminish the problem of low response rates and missing values (Kumar, 2010). These measures proved to be successful in ensuring that sufficient useful questionnaires were obtained. Each questionnaire was posted in a closed box with a slit opening which confirmed to the respondents that their questionnaires would be treated anonymously. A total of 272 useful questionnaires were retrieved upon completion of the data collection process.

4.3 DATA ANALYSIS

Data analysis refers to the translation of data into usable information (Zikmund & Babin, 2010:59, 66). This study followed a five-step approach used by professionals to analyse data, namely validating and editing responses, coding, converting information to obtain data, revising the data and lastly, statistical analysis (Salkind, 2012:159; Zikmund & Babin, 2010:59; McDaniel & Gates, 2008:390). The data preparation for data analysis necessitated the coding, checking and editing of the data (Strydom, 2011a:252). Completed questionnaires were checked for legibility (Salkind, 2012:159; Zikmund & Babin 2010:59). The main data obtained from the completed questionnaires was coded in accordance with the predetermined data definitions. Coding was done in a numerical manner (Strydom, 2011a:255). Being qualitative in nature, the open-ended question was coded by hand and relevant information were identified. To ensure reliability of the results and prevent errors, the data set was checked by the researcher and crosschecked by a trained assistant (Salkind, 2012:159; Fouché & Bartley, 2011:252). Qualified statisticians from the University of Pretoria proceeded with the statistical analysis for this study. Without the help of electronic resources data analysis can be laborious and can make the data difficult to interpret (Leedy & Ormrod, 2010:257). A computerised statistical program (SPSS) was therefore utilised as a data analysis tool for this study to prepare and transfer the quantitative data gathered from respondents in electronic format. The quantitative data was then translated and interpreted into the relevant information needed to reach the set research objectives for this study (Zikmund & Babin, 2010:326; 385).

Data analysis for this study involved quantitative descriptive- and inferential statistics (see Table 4.2.). The descriptive statistics for this study comprised numeric measurements, including frequencies, percentage distributions, means and standard deviations (Salkind, 2012: 161-171). Since descriptive statistics does not assume that the data comes from a larger population but focus on properties of the data collected, this study used descriptive statistics to study the characteristics of the data relating to the respondents (consumers) who participated in the study. Inferential statistics refers to a data analysis process of deducing properties of an underlying distribution (forming conclusions about a population), including the testing of hypotheses and deriving estimates, used to reach interpretations that extend beyond the immediate data (Cook, 2008). Since inferential statistics assume the population to be larger than the observed data set, this study required exploratory factor analysis, confirmatory factor analysis, t-test and analyses of variance (ANOVA) to reach conclusions about factors that would enhance consumers' total value experiences and subsequent response behaviour to interior retail outlets in general that extend beyond the immediate data.

Exploratory- and confirmatory factor analysis was done to identify and drop items that did not load significantly on the appropriate factors. Graphs and tables were used to present the statistical data in a rational and manageable manner and to present results more visually. Qualified statisticians from STATOMET of the University of Pretoria provided the researcher with assistance and guidance in terms of final quantitative descriptive and inferential statistical procedures, thereby ensuring that the data was analysed in accordance with the set research objectives and that the results were addressed in a scientific manner as well as a publishable format. Demographic differences were only interpreted within the parameters of this particular interior retailers' target segment and can therefore not be generalised. The statistical procedures used for this study is indicated in Table 4.2. The findings of this study will be discussed in detail in Chapter 5.

4.4 CONCEPTUALISATION AND OPERATIONALISATION

The conceptualisation and operationalisation for this study is presented in Table 4.2, indicating the sections in the questionnaire, the research objectives, the relevant constructs, dimensions and indicators, as well as the statistical procedures that were used to analyse the data in accordance with the specific research objectives.

4.5 THE QUALITY OF THE STUDY

To establish the overall quality of the study and to ensure that the findings could be published, the research design, and methodology and data analysis needed to be relevant to the study. Validity and reliability are two important aspects that enhanced the overall quality of this study (Leedy & Ormrod, 2010:28). The quality of the study ensured that the findings were significant and applicable to the retail industry in South Africa, and provided a basis for further studies.

4.5.1 The importance of research design and methodology

Various factors, including the advantages and disadvantages of the research design and methodology, were considered to select the most fitting and convenient research design under the circumstances and to improve the overall quality of the study (Fouché *et al.*, 2011:214). Convenient sampling was used due to time-and financial constraints. Findings could however not be generalised to the population (Salkind, 2012:102, Zikmund & Babin, 2010:312). The sample size of 272 respondents was deliberated to be satisfactory for the purpose of statistical data analysis and interpretation (Strydom, 2011b:224).

TABLE 4.2: CONCEPTUALISATION AND OPERATIONALISATION OF OBJECTIVES

SECTION A Objective 1: To explore, describe and discuss consumers' perceptions of selected in-store stimuli (atmospheric- and merchandise cues) as presented in the retail environment of an interior retail outlet as an indication of how pertinent they are, specifically;						
<ul style="list-style-type: none"> Five point Likert Scale which ranges from 1- Strongly Disagree to 5- Strongly Agree 						
Sub-Objective	Construct	Dimension	Indicator	Item	Q No	Statistical Analysis
1.1. To explore, describe and discuss consumers' perceptions of selected ambient cues (<i>music, lighting, scent</i>), design cues (<i>layout, functionality, aesthetics</i>), social cues (<i>employees, other consumers</i>) and merchandise cues (<i>design/style, price, quality, merchandise mix</i>) as presented in the retail environment.	In-store stimuli: Atmospheric cues	Ambient cues scale adapted from Baker <i>et al.</i> , (1994); Matilla & Wirtz (2001)	Music	The music in the store is pleasing to me	V1.2	Frequencies Percentages Exploratory factor analysis to explore the constructs relating to ATMOSPHERIC- AND MERCHANDISE CUES
				The music in the store is played at the right volume	V1.27	
				The music in the store is appropriate and fit the image	V1.49	
			Lighting	The lighting in the store is pleasing to me	V1.21	
				The lighting accentuates products that are displayed in the store	V1.39	
			Scent	The store smells pleasant	V1.9	
		Social cues scale adapted from Baker <i>et al.</i> , (1994); Singh (2006); Brocato <i>et al.</i> , (2012)	Employees	The employees in the store are friendly	V1.5	Cronbach Alphas % Variance explained Means Standard deviations ANOVA T-tests
				The employees are knowledgeable	V1.10	
				Employees greeted me courteously when I entered the store	V1.32	
			Consumers	The store is a little too busy	V1.14	
				There are a lot of shoppers in the store	V1.29	
				The store seems very crowded to me	V1.37	
				Other consumers come from a similar background to myself	V1.18	
				I find that the other consumers behave well	V1.25	
				I fit right in with the other consumers	V1.35	
				The other consumers are friendly towards me	V1.7	
				The other consumers look like they are my type of people	V1.41	
				Behaviour of other consumers are appropriate for setting	V1.47	
				I can identify with the other consumers in the store	V1.53	

SECTION A continued...						
Sub-Objective	Construct	Dimension	Indicator	Item	Q No	Statistical Analysis
1.1. To explore, describe and discuss consumers' perceptions of selected ambient cues (<i>music, lighting, scent</i>), design cues (<i>layout, functionality, aesthetics</i>), social cues (<i>employees, other consumers</i>) and merchandise cues (<i>design/style, price, quality, merchandise mix</i>) as presented in the retail environment.	In-store stimuli: Atmospheric cues	Design cues scale adapted from Baker <i>et al.</i> , (1994); Singh (2006)	Layout	The store layout is cluttered and confusing	V1.4	Frequencies Percentages Exploratory factor analysis to explore the constructs relating to IN-STORE STIMULI (ATMOSPHERIC- AND MERCHANDISE CUES) Cronbach Alphas % Variance explained Means Standard deviations ANOVA T-tests
				It is easy to find what I am looking for in this store	V1.8	
				The traffic flow in the store is uncomfortable	V1.11	
				There is sufficient aisle space in the store	V1.15	
				Sufficient open space in the store to prevent congestion	V1.22	
				It is easy to locate merchandise	V1.28	
				Navigating the store is easy	V1.31	
				The merchandise grouping in this store is organised	V1.48	
			Functionality	The store feels overfilled (congested)	V1.52	
				The in-store signage is easily seen	V1.13	
				Pricing are adequately displayed in the store	V1.38	
				The in-store signage is very helpful	V1.40	
			Aesthetics	There is adequate display of in-store information	V1.50	
				The in-store furniture is complimentary to store design	V1.1	
				The décor of the store is pleasing to me	V1.6	
				The in-store shelving suits design scheme of the store	V1.17	
				Colours used appears to be currently fashionable	V1.24	
				In-store displays are fun and imaginative	V1.26	
	The physical facilities are attractive	V1.33				
	I like the interior design of this store	V1.36				
	The finishes and fittings in the store are adequate	V1.43				
	The in-store displays are impressive	V1.45				
	The colour scheme used in the store is pleasing	V1.54				
	In-store stimuli: Merchandise cues	Design (style/fashion)	Merchandise cues scale adapted from Kumar (2010); Singh (2006)	I find the merchandise in store to be trendy, fashionable	V1.16	
				Designs, styles of merchandise in store are outdated	V1.30	
		Price	Prices for the merchandise are right, given the quality	V1.23		
			The prices shown for the merchandise are acceptable	V1.51		
			Quality	I find the merchandise very dependable	V1.4	
High likelihood that items purchased are durable		V1.20				
This store offers good quality merchandise		V1.34				
Merchandise mix		The workmanship of the products available is very high	V1.42			
	This store offers a wide selection of merchandise	V1.12				
	Variety and assortment of merchandise are inadequate	V1.46				

Section B Objective 2: To explore, describe and discuss consumers' internal evaluations (experiential value perceptions) of the shopping experience in interior retail outlets, specifically: Five point Likert Scale which ranges from 1- Strongly Disagree to 5- Strongly Agree						
Sub-Objective	Construct	Dimension	Indicator	Item	Q No	Statistical Analysis
2.1. To explore, describe and discuss consumers' hedonic value perceptions , expressed in terms of <i>visual appeal, intrinsic enjoyment, entertainment value and escapism</i> .	Internal evaluations: Experiential value	Hedonic value experiential value scale Mathwick et al., (2001)	Visual appeal	The way this store displays the merchandise is attractive	V2.1	Frequencies Percentages Confirmatory factor analysis to confirm the constructs relating to HEDONIC - AND UTILITARIAN VALUE Cronbach Alphas % Variance explained
				This store is aesthetically appealing	V2.8	
				I like the way this store looks	V2.14	
			Entertainment value	I think this store is entertaining	V2.5	
				This store doesn't just sell products, it entertains me.	V2.16	
				The enthusiasm of this store is catching, it picks me up	V2.19	
			Intrinsic enjoyment	I shop at this store for the pure enjoyment of it	V2.3	
				I enjoy shopping at this store for its own sake, not just for the items I purchase	V2.10	
			Escapism	Shopping at this store "gets me away from it all".	V2.6	
				Shopping at this store makes me feel like I am in another world	V2.12	
				I get so involved when I shop at this store that I forget everything else	V2.18	
			2.2. To explore, describe and discuss the consumers' utilitarian value perceptions , expressed in terms of <i>efficiency, economic value and excellence</i> .	Internal evaluations: Experiential value	Utilitarian value experiential value scale Mathwick et al., (2001)	
Shopping at this store makes my life easier	V2.11					
Shopping at this store fits my schedule	V2.17					
Economic value	The prices of the merchandise in this store are too high, given the quality	V2.4				
	Overall, I am happy with the prices in this store	V2.9				
Excellence	I think of this store as an expert in the merchandise it offers	V2.7				
	When I think of this store I think of excellence	V2.13				

Section C Objective 3: To explore, describe and discuss consumers' response behaviour (approach/avoidance) to interior retail outlets, specifically:						
<ul style="list-style-type: none"> Five point Likert Scale which ranges from 1- Strongly Disagree to 5- Strongly Agree 						
Sub-Objective	Construct	Dimension	Indicator	Item	Q No	Statistical Analysis
3.1. To explore, describe and discuss consumers' purchase intentions of interior retail outlets.	Response behaviour (approach/ avoidance)	Purchase intentions Scale adapted from Mathwick <i>et al.</i> , (2001)		I am planning on making a purchase, but I have no particular item in mind	V3.2	Frequencies Percentages Exploratory factor analysis to explore the constructs relating to RESPONSE BEHAVIOUR Cronbach Alpha % Variance explained Means Standard deviations ANOVA T-tests
				I am browsing with no intention to purchase	V3.5	
				I am intending to purchase a specific item	V3.8	
3.2. To explore, describe and discuss consumers' patronage intentions of interior retail outlets.		Patronage intentions scale adapted from Mathwick <i>et al.</i> , (2001); Grewal <i>et al.</i> , (2003)		This store is the best place to shop for furniture	V3.3	
				It is very likely that I would purchase a product from this store in the future	V3.1	
				I would definitely recommend this store to other people	V3.4	
				I would be willing to shop at this store in the future	V3.6	
				When it comes to shopping for furniture, this store is my first preference	V3.7	
				In the future, this store is one of the first places I will look when I need to purchase furniture	V3.9	
Section D Demographic information						
				Item	Q No	Statistical Analysis
Demographic information	Gender			What is your gender?	V4	Frequencies
	Age			What is your age?	V5	
	Level of education			What is your highest level of education?	V6	
	Monthly household income			What is your approximate total monthly household income?	V7	Percentages
	Population group			What population group do you belong to according to the SA Population Equity Act?	V8	
						Means

Any measuring instrument has certain advantages and disadvantages. A structured questionnaire enabled respondents the opportunity to complete the questionnaire anonymously with no interference by the researcher (Salkind, 2012:148). It was however observed that some respondents completed the questionnaires in a hurry, which may have resulted in incorrect answers. In addition, it was noted that the open-ended question in the questionnaire (*When shopping for furniture, which interior outlets do you support most often and why?*), resulted in a low response rate. Respondents were kindly asked to explain in at least 50 words and although they were informed that their explanation is highly important to the researcher, the majority of the respondents ignored the question completely. Trained fieldworkers had a hard time convincing respondents to complete the open-ended question. In response, respondents argued that they were in a hurry. Unfortunately, people are not always willing to put time aside to fill in forms and answer questions in their own words. It is contended that both quantitative and qualitative research methods have their advantages and disadvantages and it is therefore suggested to combine both in one research project or study to result in more advantages (Zikmund & Babin, 2010:93).

4.5.2 Validity

Validity refers to the degree to which the research design truthfully reveals the concepts, measure what it is intended to (Lacobucci, 2013:58; Zikmund & Babin, 2010:250), and ensure that the findings are indeed correct (Salkind, 2012:123). The validity of this study *inter alia* refers to the accuracy of the measurement instrument (the questionnaire) to truthfully reflect concepts relating to factors that would enhance consumers' total value experiences in a brick-and-mortar context. Generally indicated in levels of high- and low, this study aimed to achieve a high level of validity during the entire research process to ensure that the results were honest, sound and credible (Salkind, 2012:123). The degree to which results can be generalised to an outside population, i.e. external validity, could not be guaranteed for this study due to the use of non-probability sampling. The internal validity of research refers to the accuracy of a measure in truthfully reflecting the concepts under study (Zikmund & Babin, 2010:222). Various types of internal validity can be distinguished that must be followed throughout the entire research project (Zikmund & Babin, 2010:123-124,251; Delpont, 2009:161). Theoretical validity considers the accuracy of the concepts and underlying relationships in terms of the phenomenon under study. A literature review refers to a direct investigation into published data which discuss theory and present empirical results relevant to a specific topic and can be used to explain and define a research problem (Zikmund *et al.*, 2010:654).

Effort was made consult the most recent, academically recognised sources pertaining to in-store stimuli as presented in retail environments, consumers' internal evaluations of retail environments and the shopping experiences, as well as consumer response behaviour (approach or avoidance). This enabled the researcher to propose a well-planned, structured conceptual framework, and to clearly and correctly define all the relevant concepts. Theoretical foundations for this study were cross-checked to ensure consistency of information (Zikmund & Babin, 2010:25, 124,125). Construct validity is defined as the "extent to which an instrument measures a characteristic that cannot be directly observed but is assumed to exist based on patterns in people's behaviour" (Leedy & Ormrod, 2010:92). Shuttleworth (2009:1) explicates that construct validity seeks accord between a theoretical concept and a specific measuring instrument or procedure. To ensure construct validity, the structured questionnaire comprised of four sections that correlated directly to the set research objectives. Prior to designing the questionnaire, an in-depth analysis of the theoretical background and research objectives was done to ensure that all the theoretical concepts pertaining to this study were pertinent. This was also done to avoid poor construct validity resulting in misleading empirical results (Rossiter, 2008:381). The thorough theoretical background ensured the legitimacy of all the relevant constructs, dimensions, indicators and relationships pertaining to the research objectives. Construct validity is a pre-requisite for predictive validity (Rossiter, 2008:380, 387), which necessitated that the questionnaire indeed tested what the study needed to test (Shuttleworth, 2009:1).

The questionnaire provided empirical evidence of factors that would enhance consumers' total value experiences in interior retail outlets as a suggestion of the effort and the skill that is required to entice and maintain consumers in a highly competitive market. Based on the underlying theory and supported by empirical research, only existing, established measuring scales with proven reliability measures, were incorporated to accurately measure all the relevant theoretical constructs and relationships. A comprehensive review of the relevant literature facilitated the appropriate description of the theoretical constructs and the selection of suitable scales. The research objectives and theoretical constructs relating to this study were clearly conceptualised and operationalised (see Table 4.2) to develop a well-designed questionnaire that accurately measured the relevance of atmospheric-and merchandise cues in an interior retail outlet, consumers' experiential value perceptions of the complete shopping experience, as well as their subsequent purchase-and patronage intentions. The training of fieldworkers, self-coding of the completed questionnaires and self-checking of the data are examples of measures taken by the researcher to eliminate error throughout the research process.

4.5.3 Reliability

Reliability refers to the internal dependability of a measuring instrument (Leedy & Ormrod, 2010:93), in other words the credibility of a measuring instrument. A method is considered reliable when the same characteristics are measured throughout and delivers the same results (Lacobucci, 2013:57, Zikmund & Babin; 2010:248; Delport 2009:162-163). To ensure that the measuring instrument (the questionnaire) employed for this study was indeed accurate (valid) and consistent (reliable) the questionnaire was developed with the guidance of the supervisor and co-supervisor together with qualified statisticians from STATOMET at the University of Pretoria.

In addition to clearly conceptualising and operationalising the theoretical constructs and objectives of the study (see Table 4.2), existing, reputable measuring scales (see Table 4.1) supported by empirical research were used in the questionnaire to ensure that the measuring instrument is consistent the underlying theory. Questions were formulated in simple layman's English for easy interpretation and answering to diminish ambiguousness and measurement errors, to ensure that the application of the questionnaire was without fault, and to increase consistency of the measurement. A pilot study was also done to ensure that the instructions and the wording of the items were clear.

Fieldworkers made an effort to maximise the representativeness of the sample selection, for example the ratio of males and females participating in the study in an attempt to eliminate sampling bias associated with a store intercept method. Because errors in reliability often result from factors such as respondent tiredness, lack of understanding and time constraints, fieldworkers were trained to be familiar with the purposes of the study, the instructions on the questionnaire, and the interpretations of the questions. This ensured that respondents clearly understood the wording of the questions and interpreted the meaning correctly. Respondents had to complete the questionnaires on the spot in the interior retail outlet, enabling fieldworkers to inspect completed questionnaires for missing data or respondent error. This measure reduced the problem of low response rates and eliminated missing values. Although high reliability does not guarantee valid results, when results are not reliable, they may also not be valid (Delport, 2009:163). One way to test for reliability is to calculate the Cronbach Alpha coefficient, accordingly for a multiple scale to be reliable a Cronbach Alpha needs to be a minimum of $\alpha = 0.60$ (Zikmund & Babin, 2010:248, 249). For this study, the Cronbach Alpha coefficients were calculated to ensure validity and reliability, as well as to confirm that the measuring scales were applicable to a brick-and-mortar interior merchandise context.

In addition to conducting a pilot test prior to data collection, the final measuring instrument (the questionnaire) was evaluated by the supervisor and co-supervisor with the expert help from the Department of Statistics at the University of Pretoria. All levels of measurement were calculated at the most precise levels by qualified statisticians in order to make logical inferences. The results of this study will be discussed in detail in Chapter 5

4.6 ETHICS

To guarantee that the study was ethically conducted, effort was made to ensure the application of moral principles and correct behaviour at all times (Strydom, 2011a:114). This was specifically done to eliminate common ethical pitfalls such as bias, exclusion, discrimination and stereotyping. Pertinent actions were taken by the researcher to guarantee that the research was performed in an ethical manor. This included the written consent of the Faculty of Natural and Agricultural Sciences' Ethical Committee, University of Pretoria. The research project, measuring instrument (questionnaire) and procedures were approved before commencing with data collection (Salkind, 2012:90). Honesty with professional colleagues was established by honest and truthful recording of findings and avoidance of plagiarism (Leedy & Ormrod, 2010:103-104). As a requirement of the Department of Consumer Science, University of Pretoria, the adapted Harvard referencing method was employed and a thorough literature reference list of all the sources consulted and used was compiled (Strydom, 2011a:126). The plagiarism declaration of the University of Pretoria is included in addendum A. This dissertation formed part of a Master's degree in Consumer Science at the University of Pretoria. In addition to completing course modules, the researcher was required to present a research proposal to the research committee of the Department of Consumer Science prior to being allowed to commence with the research project.

Permission to proceed with the research was requested and obtained from the store management prior to conducting the data collection. The letter to request permission is included in addendum B. Fieldworkers were trained to ensure that they had the necessary knowledge to proceed with the data collection (Salkind, 2012:90). Besides briefly describing the purpose of the research and the use of the results, fieldworkers also answered respondents' questions and clarified uncertainties. Individuals who participated in this study on a voluntary basis, had the right to be protected from harm at all times (Leedy & Ormrod, 2010:101-102). Respondents were under no obligation to participate.

Only willing respondents took part and remained unidentified. There was no violation of privacy or anonymity. The cover letter of the questionnaire (see addendum C) informed participants that their information would be treated confidentially. The cover letter furthermore explained the nature of the study and provided the contact details of the researcher and the Department of Consumer Science, University of Pretoria. The structured questionnaire (see addendum D) was self-administered and did not include any unreasonably sensitive questions. This study did not cause any physical or emotional impairment, distress or discomfort, neither were respondents misled or influenced in any way (Strydom, 2011a:119). Completed questionnaires were placed into a sealed box to ensure anonymity and privacy. The data collected was handled with confidentiality and was only used as aggregate data. A comprehensive research report that contained the findings of the study was compiled as accurately and objectively as possible (Strydom, 2011a:126). All contributors to the study were acknowledged (Strydom, 2011a:124).

4.7 SUMMARY

With the aim to publish the findings of this study in a scientific accredited journal, steps were taken to safeguard that the research design, methodology and data analysis were relevant. A predominantly quantitative survey design was used to provide objective answers to the specific research objectives. The structured questionnaire was evaluated by the supervisor, co-supervisor and statistical research consultants. Non-probability sampling was used to recruit respondents through a store intercept method. The unit of analysis included willing consumer, irrespective of their gender, age, ethnicity and income. The research was cross-sectional relating findings to a particular context at a specific point in time (October 2014). A total of 272 useful questionnaires were retrieved. Data analysis involved descriptive and inferential statistics that interpreted the quantitative data gathered. The validity and reliability of the study was deliberated to attend to the overall quality of the study. Pertinent actions were also taken by the researcher to guarantee that the research was ethically conducted at all times.



CHAPTER 5

RESULTS AND DISCUSSIONS

This chapter presents the results of the study and a discussion of the findings in accordance with the specific research objectives.

5.1 INTRODUCTION

The data relating to the research objectives were analysed using descriptive and inferential statistics. The results of the study are presented in accordance with the specific research objectives and interpretations of the findings are supported with relevant literature.

5.2 DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE

A discussion of the results of the study requires an overview of the demographic characteristics of the sample. In 2014 according to the mid-year population estimate (Statistics South Africa, 2014), the South African population was calculated as 54 million. The largest share of the South African population, an estimated 12.91 million people (23.9%), lives in Gauteng (Statistics South Africa, 2014), the province in which the data collection was conducted. Willing respondents, irrespective of their demographic characteristics, were recruited to complete a questionnaire on the spot in a specific retail setting. A total of 272 useable questionnaires were retrieved. Selected demographic information relevant to this study were included in section D of the questionnaire. Demographic characteristics encompassed five of the most common demographic variables used in research and market segmentation, namely gender, age, level of education, approximate monthly household income and population group.

A nominal scale, defined as a hierarchy of precision on which a variable might be assessed (Salkind, 2012:111) was used to code the data for gender, level of education, approximate total monthly household income and population group. Accordingly, variables being examined differ in quality rather than quantity, each variable can be divided into only one category, and a label is assigned to each variable to identify the items being measured (Salkind, 2012:111). Consumers' needs and desires for products and services, alter as they age and pass through the various lifecycle stages due to consumer socialisation (Schiffman & Kanuk, 2010:78). Understanding the changing demographics of South African consumers is therefore critical for retailers in order to be profitable and successful in the current economic climate. Different interior retailers have different target segments. As a result, the findings of the sample for this study cannot be generalised to consumer profiles of other interior retail outlets, but merely correlate to the target segment of the particular interior retail outlet (@Home LivingSpace, The Grove Mall) where the data collection took place.

5.2.1 Gender

Gender is considered to be one of the most powerful individualities in forming consumers' perceptions and purchasing behaviour (Workman & Cho, 2012). The level of significance placed on different atmospheric and merchandise cues in a retail environment may differ between the sexes since they are directed by diverse preferences, lifestyles, social pressures and social images when making purchase decisions (Singh & Goyal, 2009). Although the aim of the study was not to infer gender differences, one could reason that gender might significantly impact many aspects of consumer behaviour in interior retail outlets, for example consumers' internal evaluations of the shopping experience and their response behaviour, for example that the atmosphere is too feminine in a modern society where men have become more involved with shopping. Approximately 51% of the total South African population is female according to Statistics South Africa (Mid-year population estimate, 2014). Because both sexes make purchasing decisions regarding high priced and major durables, such as furniture (Erasmus, Donoghue & Sonnenberg, 2011; Schiffman & Kanuk, 2010:79), males and females were encouraged to participate in the study. From the total number of questionnaires that were retrieved (N=272), the majority of the respondents were females (n=202; 74.3%), which may be attributed to females' interest in purchasing decorative interior merchandise and accessories.

A reasonable percentage of the respondents were males (n=70, 25.7%), which enabled inferences about gender differences. The gender representation of respondents is indicated in Figure 5.1.

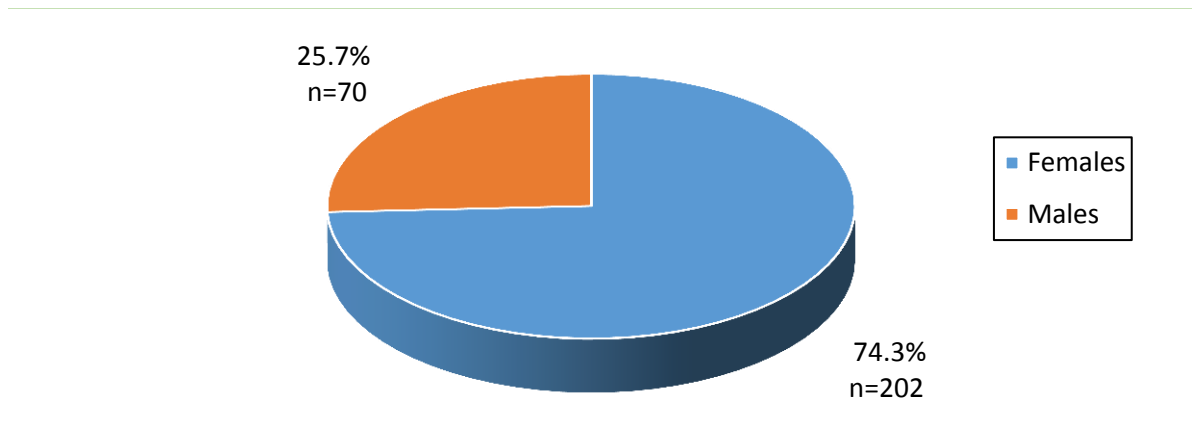


FIGURE 5.1: GENDER OF THE RESPONDENTS (N = 272; MISSING: n = 0)

5.2.2 Age

Age is known to influence many aspects of consumer behaviour. Individuals of a particular age group have related priorities, preferences, needs and desires that vary as they evolve through each lifecycle, such as bachelorhood, honeymooners, parenthood, post-parenthood and dissolution (Schiffman & Kanuk, 2010: 78). Evidence of unique consumer traits and characteristics of the Millennials (adults who are younger than 40 years at present) are significant in terms of age in consumer research. No age requisites were set for participation in the study. Respondents were asked to indicate their exact age in years in an open question. Descriptive statistics were calculated for the sample as indicated in Table 5.1. The respondents (N=272) were aged between 21 (minimum) and 74 (maximum) years. The average age of the respondents (Mean 40.46; Median 38), may be attributed to the type of consumers who patronised the store, i.e. higher income consumers with more spending power which can be associated with middle aged consumers. The age categories of the respondents can broadly be associated with distinct generational groups (Pew Research Centre, 2015), namely the Millennial generation born between 1981 and 1997 (age in 2015: 18-34); Generation X: born 1965 to 1980 (age in 2015: 35 to 50); the Baby Boom Generation: born 1946 to 1964 (age in 2015: 51 to 69), the Silent Generation: born 1928 to 1945 (age in 2015: 70 to 87).

An understanding of consumers' perceptions of in-store stimuli and experiential value among different age groups is essential for retailers to create more favourable retail environments and meaningful shopping

experiences that would be in line with the demands and expectations of the specific target market. It was expected that different age groups might have dissimilar perceptions, and therefore three age categories of investigation were distinguished for the purpose of statistical analysis and interpretation.

TABLE 5.1: AGE OF RESPONDENTS (N = 272; MISSING: n = 0)

Categories of investigation	N	%
20-35 years	117	43.0
>35-50 years	94	34.6
>50 years and older	61	22.4

5.2.3 Level of education

Consumers with comparable education levels usually have similar values, purchasing behaviour and preferences (Schiffman & Kanuk, 2010:80). Respondents were asked to indicate their highest level of education to provide an overview of the socio-economic status and social class of the sample. This enabled the researcher to draw comparisons among groups with similar and dissimilar levels of education. It was assumed that consumers with a higher level of education would have higher levels of occupation, consequently earn higher incomes (Schiffman & Kanuk, 2007:53) and thus have a higher standard of living. The representation of respondents (N=272) based on their level of formal education is shown in Figure 5.2. The majority of respondents obtained a high level of formal education: 61% (n=166) of the respondents possessed a tertiary degree or diploma, while 32% (n=87) possessed some post-graduate qualification.

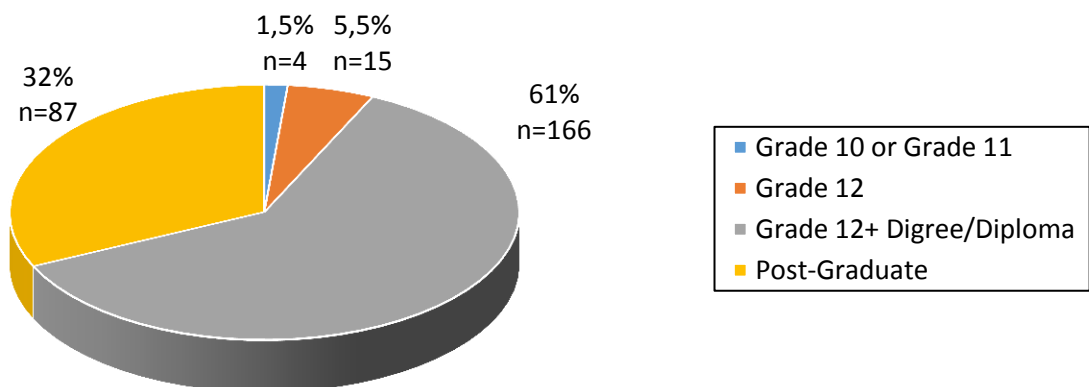


FIGURE 5.2: EDUCATION LEVEL OF RESPONDENTS (N = 272; MISSING: n = 0)

Although the results may not be an accurate reflection of the education level of the population of South Africa, the results are encouraging for this study because better educated consumers are believed to have

the potential to make more informed purchase decisions. Only four respondents (1.5%) indicated a low level of education (Grade 10 or Grade 11), while 5.5 % (n=15) possessed a Grade 12 (Matric) certificate. Table 5.2 indicates the regrouping of the four categories into three categories of investigation for the purpose of statistical analysis.

TABLE 5.2: EDUCATION LEVEL OF RESPONDENTS (N = 272; MISSING: n = 0)

Education level Categories in the questionnaire	n	%	Education level Categories of investigation	n	%
Grade 10 or Grade 11	4	1.5	Gr 12 and lower	19	6.9
Grade 12	15	5.5			
Grade 12+ Degree/ Diploma	166	61.0	Grade 12+ Degree/ Diploma	166	61.0
Post-graduate Degree/ Diploma	87	32.0	Post graduate qualification	87	32.1

Consumers with a lower level of education generally earn significantly less than consumers with a tertiary qualification (Schiffman & Kanuk, 2007:53, 453). One could argue that a higher level of education in addition to a higher income, expose consumers to different perspectives, and opportunity of exposure to diverse and more innovative retail environments (interior retail outlets) and subsequently dynamic shopping experiences.

5.2.4 Total monthly household income

South Africa has the third highest level of income disparity in the world (Pricewaterhouse Coopers (PwC) & Economist Intelligence Unit, 2012). The South Africa monthly gross wage 2004-2015 data chart, according to Trading Economics (www.tradingeconomics.com/south-africa/wages), show that monthly gross wages of South Africans increased to R14 911 in the fourth quarter of 2014. From 2004 until 2014 the average monthly gross wage in South Africa was calculated at R10 451.84. Respondents were requested to provide their approximate total monthly household income for this study (in the form of categorical information) as an indication of spending power and standard of living. In general, people may be hesitant to provide answers to sensitive questions such as income. Nevertheless, the store intercept method of data collection used for this study enabled fieldworkers to check completed questionnaires on the spot for missing values thereby persuading respondents to answer all the questions. The household income distribution of the sample is illustrated Figure 5.3.

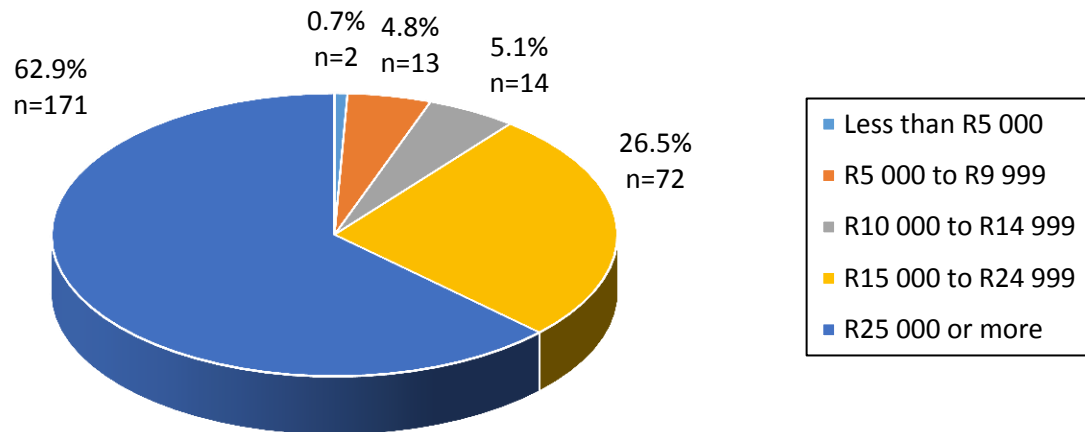


FIGURE 5.3: TOTAL MONTHLY HOUSEHOLD INCOME OF RESPONDENTS (N = 272; MISSING: n =0)

This study considered the joint total monthly income of a household. As indicated in Figure 5.3, the majority of the sample (62.9%) indicated an approximate total monthly household income of R25 000 or more, while 26.5% (n=72) of respondents indicated an approximate total monthly household income of R15 000 to R24 999 and 5.1% (n=14) of the respondents indicated an approximate total monthly household income of R10 000 to R14 999. Only a small percentage (5.5%) of the respondents earned less than R10 000 per month.

The income categories were based on definite income bands clearly defined by the SAARF Living Standards Measure (LSM) (<http://www.saarf.co.za>), a marketing segmentation tool that divides the South African population into comparatively homogenous groups in relation to their living standards or social class using measures such as extent of urbanisation and ownership of assets (SAARF, 2011). As a wealth measure, the LSM groups are divided from 1 (lowest) to 10 (highest). The categories are as follows: lower income group (\geq R5 00 to <R10 000, LSM 6 (low) to LSM 7 (low)); middle income group (\geq R10 00 to <R15 000, LSM 7 (high) to LSM 8(low)); middle upper income group (\geq R15 00 to <R25 000, LSM groups 8 (high) to LSM9 (high)); high income group LSM 10 (low) to LSM10 (high) (SAARF, 2011). Table 5.3 indicates the regrouping of the five categories into three categories of investigation for the purpose of statistical analysis and interpretation.

TABLE 5.3: TOTAL MONTHLY HOUSEHOLD INCOME OF RESPONDENTS (N = 272; MISSING: n = 0)

Monthly household income Categories in questionnaire	n	%	Monthly household income Categories of investigation	n	%
Less than R5000 per month	2	0.7	R9 999 and less	15	5.5
R 5 000 to R9 999	13	4.8			
R10 000 to R14 999	14	5.1	R10 000-R24 999	86	31.6
R15 000 to R24 999	72	26.5			
R25 000 or more	171	62.9	R25 000 and more	171	62.9

Based on the results, respondents predominantly belonged to LSM groups 8 to 10, i.e. affluent households. According to Woolworths Holdings' annual investor report (2012) on integrated business industry trends in South Africa, the annual growth rate for LSM groups 8 to 10 from 2001 to 2015 for the South African population is 5.6% compared to 1.3% for the total population. A further growth of 26% is predicted for between 2010 and 2015 (Woolworths Holdings, 2012).

The South African retail and consumer products outlook 2012-2016 (Pricewaterhouse Coopers (PwC) & Economist Intelligence Unit, 2012) estimate that approximately 11 million South African households are expected to have an annual income above R89 500 (or US\$10 000) by 2016. They further call attention to the growth of the large band of middle-income groups in South Africa, an emerging market, and in particular the rise of black middle- and upper-class consumers. These consumers are extremely aspirational and pursue opportunities to spend their disposable income on luxury consumer goods and services, i.e. status purchases (Pricewaterhouse Coopers (PwC) & Economist Intelligence Unit, 2012). Strong growth in middle- and higher income groups in South Africa offers an opportunity for interior retailers to create superior shopping experiences that will lure these affluent consumers into their stores and increase sales.

5.2.5 Population group

Even though this study did not aim to make a distinction between the perceptions of different population groups, respondents were distinguished in terms of the population groups of South Africa as described in the Employment Equity Act of South Africa as illustrated in Figure 5.4. The data provided a presentation of the sample's composition and was used to draw inferences for possible future studies. As indicated in Figure 5.4, respondents (n=167; 61.4%) were predominantly white, although blacks were well presented (n=87; 32%). Respondents from other population groups formed only 9.6% of the sample, to be more specific nine

respondents were coloured (3.3%) and nine were Indian. The mid-year population estimate statistical release P0302 (Statistics South Africa, 2014), estimated the black population at 80.2% of the total South African population. In comparison, the coloured population is estimated at 8.8%, the white at 8, 4% and the Indian population at 2.5%. The sample was therefore not representative of the South African population but approximately presented the customers in the particular store at the time of the study.

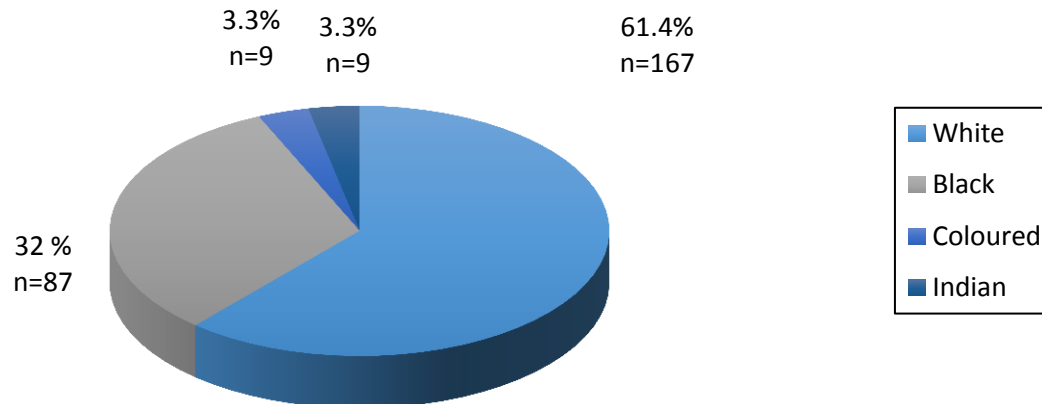


FIGURE 5.4: POPULATION GROUP OF THE SAMPLE (N = 272; MISSING: n = 0)

Table 5.4 indicates the regrouping of the five categories into three categories of investigation for the purpose of statistical analysis. The fact that most of the respondents who participated in this study were white (n=167; 61.4%) was coincidental as willing respondents were recruited on the spot through a store intercept method at the selected interior retail outlet situated within The Grove Mall (<http://www.thegrovemall.co.za>) in Pretoria East (Tshwane), South Africa.

TABLE 5.4: POPULATION GROUP OF RESPONDENTS (N = 272; MISSING: n = 0)

Population group Categories in the questionnaire	n	%	Population group Categories of investigation	n	%
White	167	61.4	White	167	61.4
Black	87	32	Black	87	32
Coloured	9	3.3	Other	18	6.6
Indian	9	3.3			
Other	0	0			

5.3 CONSUMERS' PERCEPTIONS OF SELECTED IN-STORE STIMULI AS PRESENTED IN THE RETAIL ENVIRONMENT OF AN INTERIOR RETAIL OUTLET (OBJECTIVE 1)

Section A of the questionnaire comprised of 54 closed-ended questions relating to consumers' perceptions of selected in-store stimuli as presented in the retail environment of interior retail outlet. This study argued that the retail environment presents consumers with in-store stimuli that are integrated and ongoing. A holistic view of investigation was therefore deemed necessary to better understand how consumers evaluate the entire retail environment, i.e. to distinguish factors that would enhance their internal evaluations of the retail environment and ultimately result in positive response behaviour. This study took into account the total impact of both atmospheric- and merchandise cues as presented in the retail environment of an interior retail outlet, and therefore differs from the majority of previous studies pertaining to in-store stimuli in a retail environment. The aim was to investigate consumers' perceptions of selected atmospheric cues, namely ambient cues (music, lighting, scent), design cues (layout, functionality, aesthetics) and social cues (employees, other consumers), as well as merchandise cues (design/ style, price, quality, merchandise mix), i.e. how pertinent they are.

5.3.1 Consumers' perceptions of selected atmospheric- and merchandise cues as presented in the retail environment (Sub-objective 1.1)

In-store stimuli refer to retail environment characteristics that are implemented with the goal to develop an image in order to appeal to consumers (Berman & Evans, 2010). Research pertaining to consumer behaviour in retail environments predominantly attempt a more detailed categorisation of individual cues in order to manipulate them and comprehend their influence on consumer behaviour. Ballantine, Jack, and Parsons (2010) explain that it is difficult to measure a multisensory experience using the traditional stimulus-organism response model due to the broad set of interactions that need to be studied. There is nevertheless a need to investigate in-store stimuli as presented in the retail environment and their effects from a more holistic consumer-centric perspective. This study therefore investigated consumers' internal evaluations of integrated and ongoing in-store stimuli, that comprise both atmospheric- and merchandise cues as presented in the retail environment of an interior retail outlet, from a holistic view. A better understanding of consumers' internal evaluations of the various in-store stimuli in the retail environment is essential for retailers to meet consumers' expectations with regards to product- and in-store offerings (Evans, Jamal & Foxall, 2010:191).

Due to the inclusion of several scales as part of the measuring instrument, exploratory factor analysis was used to obtain manageable data by exploring the main constructs within the variables (Williams & Onsmann, 2010). The value of the Kaiser-Meyer-Olkin measure of sampling adequacy for the set of variables was 0.938 which is satisfactory. Bartlett's test of sphericity (approximate Chi-Square 9572.449 and Sig. value 1378) concluded that there were correlations in the data set that were appropriate for factor analysis. Exploratory factor analysis, forcing four factors, reverse coding 8 items and omitting one item, V1.29, was done to differentiate consistent factors and to determine components of each factor as an indication of consumers' perceptions of in-store stimuli (atmospheric-and merchandise cues) as presented in the retail environment of an interior retail outlet.

Through Principal Axis Factoring four coherent components were extracted. Oblimin with Kaiser Normalization was used as rotation method with Eigen values >1. Rotation converged in 12 iterations. The four factors that emerged described the variance which is shared by several variables (Mvududu & Sink, 2013). The factor scores were used as dependent variables (Sakind, 2012:191). Factor loadings equal or greater ± 0.50 were considered adequate (Williams *et al.*, 2010). The items within the four factors yielded were reasoned in terms of literature. The four factors that emerged during exploratory factor analysis are presented in Table 5.5.

Although items, e.g. *"the prices shown for the merchandise are acceptable"* (V1.51; Factor 1 and 2), *"the store layout is well thought out"* (V1.19; Factor 1 and 3) and *"the traffic flow in the store is uncomfortable"* (V1.11; Factor 1 and 3), cross loaded on two factors, they were not deleted because they fit the data well as indicated in Table 5.5. Factor loadings equal or greater ± 0.50 are considered adequate (Williams *et al.*, 2010). It should be noted that some of the items in Factor 3 loaded below the acceptable 0.50.

TABLE 5.5: FACTORS THAT EMERGED DURING EXPLORATORY FACTOR ANALYSIS (N=271; Missing: n=1)

Atmospheric-and merchandise cues	Factor 1	Factor 2	Factor 3	Factor 4	In-store stimuli
The finishes and fittings in the store are adequate (V1.43)	.780	-.565	.461	-.029	Design cue: aesthetics
I find the merchandise in the store to be trendy and fashionable (V1.16)	.765	-.193	.391	.253	Merchandise cue: design
The store offers good quality merchandise (V1.34)	.755	-.424	.394	.073	Merchandise cue: quality
The colours used in the store appear to be currently fashionable (V1.24)	.752	-.238	.391	.247	Design cue: aesthetics
There is a high likelihood that items purchased at this store are durable (V1.20)	.735	-.357	.397	.081	Merchandise cue: quality
The workmanship of the products available in the store is very high (V1.42)	.734	-.510	.350	.223	Merchandise cue: quality
The physical facilities are attractive (V1.33)	.733	-.408	.477	.186	Design cue: aesthetics
I like the interior design of this store (V1.36)	.716	-.302	.482	.289	Design cue: aesthetics
The décor of the store is pleasing to me (V1.6)	.705	-.313	.471	-.064	Design cue: aesthetics
The lighting in the store is pleasing me (V1.21)	.693	-.432	.344	-.100	Ambient cue: lighting
The in-store shelving suits the design scheme of the store (V1.17)	.686	-.257	.456	.115	Design cue: aesthetics
In-store displays are fun and imaginative (V1.26)	.679	-.471	.405	.122	Design cue: aesthetics
The store offers a wide selection of merchandise (V1.12)	.679	-.296	.447	.020	Merchandise cue: mix
The employees are well-dressed and appear neat (V1.44)	.674	-.374	.458	.106	Social cue: employees
The colour scheme used in the store is pleasing (V1.54)	.673	-.414	.434	-.068	Design cue: aesthetics
The store smells pleasant (V1.9)	.662	-.391	.372	-.186	Ambient cue: scent
The in-store displays are impressive (V1.45)	.662	-.391	.449	.290	Design cue: aesthetics
I find the merchandise very dependable (V1.3)	.628	-.380	.439	-.131	Merchandise cue: quality
The music in the store is appropriate and fit the image of the store (V1.49)	.622	-.557	.285	-.018	Ambient cue: music
It is easy to find what I am looking for in the store (V1.8)	.619	-.442	.536	-.281	Design cue: layout
The lighting accentuates the products that are displayed in the store (V1.39)	.619	-.535	.383	-.108	Ambient cue: lighting
The prices for the merchandise in this store are right, given the quality (V1.23)	.618	-.563	.370	-.108	Merchandise cue: price
The employees greeted me courteously when I entered the store (V1.32)	.617	-.478	.464	.154	Social cue: employees

Atmospheric-and merchandise cues continued.....	Factor 1	Factor 2	Factor 3	Factor 4	In-store stimuli
The merchandise grouping in the store is organised and makes sense (V1.48)	.603	-.452	.549	.102	Design cue: layout
The employees are knowledgeable (V1.10)	.603	-.346	.445	-.173	Social cue: employees
It is easy to locate merchandise (V1.28)	.603	-.452	.549	.102	Design cue: layout
The music in the store is played at the right volume (V1.27)	.566	-.493	.211	-.138	Ambient cue: music
The in-store furniture is complimentary to the store design (V1.1)	.537	-.305	.317	-.092	Design cue: aesthetics
The music in the store is pleasing me (V1.2)	.533	-.486	.217	-.170	Design cue: aesthetics
Pricing are adequately displayed in the store (V1.38)	.515	-.381	.457	.026	Design cue: functionality
The employees in the store are friendly (V1.5)	.512	-.358	.401	-.031	Social cue: employees
The other consumers look like they are my type of people (V1.41)	.445	-.835	.331	.005	Social cue: consumers
The other consumers come from a similar background to myself (V1.18)	.445	-.830	.307	-.103	Social cue: consumers
I fit right in with the other consumers (V1.35)	.488	-.790	.329	-.016	Social cue: consumers
I can identify with the other consumers in the store (V1.53)	.444	-.761	.356	.014	Social cue: consumers
I find that the other consumers behave well (V1.25)	.403	-.714	.202	-.316	Social cue: consumers
The other consumers are friendly towards me (V1.7)	.385	-.675	.237	-.204	Social cue: consumers
The behaviour of the other consumers are appropriate for the setting (V1.47)	.465	-.665	.241	-.007	Social cue: consumers
The prices shown for the merchandise are acceptable (V1.51)	.538	-.552	.398	-.115	Merchandise cue: price
The store layout is well thought out (V1.19)	.606	-.439	.674	-.117	Design: layout
There is adequate display of in-store information (V1.50)	.577	-.502	.662	-.029	Design: functionality
The in-store signage is easily seen (V1.13)	.548	-.378	.649	-.143	Design: functionality
The in-store signage is very helpful (V1.40)	.419	-.267	.625	.003	Design: layout
There is sufficient aisle space in the store (V1.15)	.554	-.516	.624	-.057	Design: functionality
The store feels overfilled (V1.52r)	.320	-.189	.605	.347	Design: layout
There is sufficient open space in the store to prevent congestion (V1.22)	.456	-.378	.582	-.022	Design: layout
Navigating the store is easy (V1.31)	.374	-.326	.493	-.033	Design : layout
The store layout is cluttered, confusing (V1.4r)	.323	-.072	.440	.128	Design: layout

Atmospheric-and merchandise cues continued.....	Factor 1	Factor 2	Factor 3	Factor 4	In-store stimuli
The store seems very crowded to me (V1.37r)	.155	-.117	.407	.138	Social cue: crowdedness
The store is a little too busy (V1.14r)	.139	.217	.404	.186	Social cue: crowdedness
The traffic flow in the store is uncomfortable (V1.11r)	.327	-.108	.373	-.089	Social cue: crowdedness
The designs and styles of the merchandise in the store are outdated (V1.30r)	.248	-.059	.287	.548	Merchandise cue: design
The variety and assortment of merchandise in the store are inadequate (V1.46r)	.419	-.108	.305	.514	Merchandise cue: mix
Mean	4.43	3.87	4.24	4.58	
% Variance explained (VP)	37.89	6.33	4.06	3.42	
Cronbach Alpha	0.957	0.895	0.810	0.619	

Factor 1: Thirty-one items loaded onto Factor 1, which was labelled: **General store image cues**. All the items were retained for statistical analysis and interpretations.

Factor 2: Eight items loaded onto Factor 2, which was labelled: **Social cues**. One item, namely *“the prices shown for the merchandise are acceptable”* (V1.51) was omitted for the purpose of statistical analysis due to the item not being relevant in terms of the literature.

Factor 3: Twelve items loaded onto Factor 3, which was labelled **Accessibility cues**.

Factor 4: Two items loaded onto Factor 4, labelled **Adequacy cues**. but this factor was disregarded for further discussion because the two items, namely *“the designs and styles of the merchandise in the store are outdated”* (V1.30r) and *“the variety and assortment of merchandise in the store are inadequate”* (V1.46r) were similar to content included in Factor 1, i.e.: *“I find the merchandise in the store to be trendy and fashionable”* (V1.16) and *“the store offers a wide selection of merchandise”* (V1.12). Inclusion in Factor 1 was logical in terms of the literature and were coherent with the rest of the cues that assembled in that factor.

The variance explained by the factors in the data is 51.7%, which is acceptable in terms of explaining variance in the data. Reliability statistics confirm internal consistency of the responses. The Cronbach Alphas for Factor 1: general store image cues ($\alpha = 0.957$), Factor 2: consumer characteristic cues ($\alpha = 0.895$) and Factor 3: accessibility cues ($\alpha = 0.818$), indicated highly satisfactory internal consistency. The Cronbach Alpha for Factor 4 ($\alpha = 0.661$) was lower, yet still acceptable.

Descriptive statistics were also calculated for the sample’s perceptions of the four factors that emerged from the exploratory factor analysis. Means were interpreted as follows:

$M \geq 4$: Strongly positive perceptions; $M \geq 3.5 < 4$: Positive perceptions;
 $M \geq 2.5 < 3.5$: Impartial/ detached; $M < 2.5$: Unfavourable perceptions.

TABLE 5.6: RESPONDENTS’ PERCEPTIONS OF IN-STORE STIMULI (N=272; Missing: n=0)

In-store stimuli (atmospheric-and merchandise cues)	Minimum	Maximum	Mean	Cronbach Alpha
Factor 1: General store image cues	4.20	4.70	4.43	0.957
Factor 2: Social cues	3.70	4.21	3.87	0.895
Factor 3: Accessibility cues	3.86	4.38	4.24	0.818
Factor 4: Adequacy cues	4.50	4.66	4.58	0.619

Findings are visually illustrated in Figure 5.5.

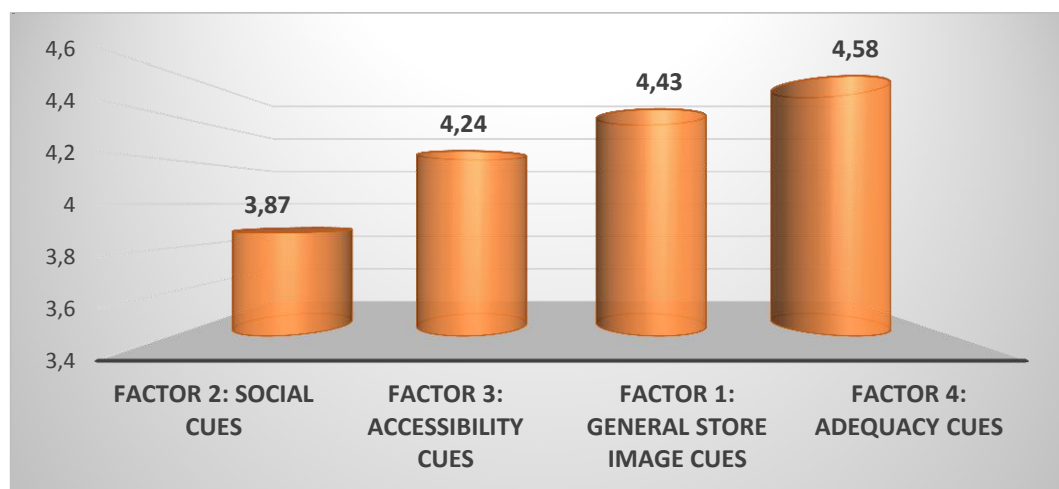


FIGURE 5.5: RESPONDENTS’ PERCEPTIONS OF IN-STORE STIMULI (N=272; Missing: n=0)

Results indicate that three of the four factors are regarded highly relevant, namely: *Adequacy cues*; *General store image cues* as well as *Accessibility cues*. Least relevant was *Social cues*, which was nevertheless relevant in terms of consumers’ perception of the store environments. Although less relevant, it has positive implications as it seems as though consumers are less concerned about congestion in an interior retail store. Consumers remained predominantly neutral/ impartial with regards to the relevance of social cues (Factor 2: $M = 3.87$; $M_{\max} = 5$).

In terms of consumers' internal evaluations of in-store stimuli as presented in the retail environment of an interior retail outlet, the results suggest that consumers regard general store image cues (Factor 1: $M = 4.43$; $M_{\max} = 5$) as a more prominent factor than accessibility cues (Factor 3: $M = 4.24$; $M_{\max} = 5$) and social cues (Factor 3: $M = 3.87$; $M_{\max} = 5$). Since merchandise offered is considered to be one of the main reasons why consumers visit brick-and-mortar retail environments (Kumar, 2010), it is necessary to include merchandise cues as part of in-store stimuli (Kumar & Kim, 2014). Consequently, this study confirms that consumers internally evaluate atmospheric and merchandise cues (which are tangible evidence of effort to impress consumers and to present an idea of the actual use of products as well as interior trends) as presented in the retail environment from a holistic point of view. It is evident that social cues are less important and that consumers would not be deterred by the presence of other customers and even crowding in interior outlets in terms of their internal evaluations of the retail environment.

5.3.1.1 General store image cues (Factor 1)

As indicated by the total mean ($M_{\text{Total}} = 4.43$; variance = 0.22), respondents held positive perceptions of general store image cues (Factor 1). Findings indicate that (general store image cues, comprising both atmospheric- and merchandise cues, is a prominent factor that determine consumers' internal evaluations of an interior retail outlet. The findings suggest that positive (favourable) general store image cues would enhance consumers' internal evaluations of an interior retail outlet. The Cronbach Alpha ($\alpha = 0.957$) confirmed the internal reliability of the responses. The thirty-one items that loaded onto general store image cues (Factor 1) comprise of ambient cues (music, lighting, scent), social cues (employees), design cues (aesthetics; layout: merchandise allocation and grouping; functionality: merchandise price information and signage) and merchandise cues (design/ style, price, quality, merchandise mix). Although it was expected that more distinct individual factors/ dimensions would emerge from the exploratory factor analysis procedure, the outcome clearly indicates that consumers perceive atmospheric- and merchandise cues in the retail environment of an interior retail outlet to be integrated. Consumers seem to holistically take into account both atmospheric- and merchandise cues when internally evaluating the retail environment and subsequent store image, i.e. the design, merchandise and ambient cues are perceived as an entity. Although advertising and other promotional activities are essential to communicate brand value, the atmospherics have long-term impact because they create a lasting impression on consumers' collective consciousness (Kumar *et al.*, 2010).

With the goal to strengthen retailers' merchandise strategy in accordance with the needs of their target market and to create a maintainable competitive advantage, it is important that retailers use in-store stimuli that are consistent (Levy *et al.*, 2012:468). As concluded by other researchers, this study indicates that in order to prevent misperception, retailers should create a holistic image of the retail environment and merchandise (Jones & Kim, 2011; Grewal & Levy, 2009). This poses a challenge as the retail space to do that is extensive and expensive.

The items that loaded onto general store image cues (Factor 1) will now be discussed in more detail.

- **Aesthetics (atmospheric design cues)**

The physical appearance of a retail environment is characterised by design elements that are either functional in nature (e.g. layout and functionality) or aesthetic (e.g. interior design and visual merchandising displays) that have an impact consumers' evaluations of the people and objects within the physical space (Singh, 2006). Retailers implement creative and technical solutions to create aesthetically pleasing and functional spaces (Mazarella, 2010). Visual merchandising displays are used to beautify and decorate a retail environment through the use of objects, props, fixtures, materials, posters, frills, and colours that draw attention or create pleasure (Cant & Hefer, 2014). Ten items measured consumers' perceptions of aesthetics (atmospheric design cues) as presented in the retail environment of an interior retail outlet. A favourable retail environment that evoke positive consumer evaluations and drive purchases can be achieved through atmospheric design cues (Jiang & Liu, 2014).

Means ($M_{\max} = 5$) for the ten items varied between 4.34 and 4.65. The findings therefore indicate that respondents held strongly positive perceptions of the aesthetics (atmospheric design cues) in interior retail outlet. To be specific, respondents' evaluation of visual design elements such as the interior design, interior finishes and fittings, physical facilities, in-store furniture, décor elements and visual merchandising displays, i.e. the interior retail outlet was considered to be aesthetically very appealing. As was expected, the findings confirm that positive (favourable) aesthetic atmospheric design cues as presented in the retail environment are prominent in-store stimuli that would enhance consumers' perceptions of an interior retail outlet. As an influential driver of overall store image, interior retailers should focus on implementing favourable aesthetic

atmospheric design cues to create visually appealing retail environments consistent with the target market's expectations.

- **Layout: merchandise allocation and grouping (atmospheric design cues)**

The layout of a retail environment encompasses the quantity, size and array of merchandise, fixtures and furnishings, as well as the spatial relation to ensure that consumers would be able to "picture" the setting in their own homes (Singh, 2006). Consumers' perceptions of layout (atmospheric design cues) in the retail environment of an interior retail outlet were measured with ten items. Accordingly, three items pertaining to merchandise allocation and grouping loaded onto general store image cues (Factor 1), while seven items pertaining to the space planning and navigation of the retail environment loaded onto accessibility cues (Factor 3). Since the thirty-one items that loaded onto general store image cues (Factor 1) comprise both atmospheric- and merchandise cues, the three items that loaded onto general store image cues are fitting and make sense. Merchandise layout hence refers to merchandise allocation, grouping and arrangement into distinct categories, for example furniture and accessories pertaining to the living room, dining room and bedroom. Retailers implement elements of visual merchandising to generate visual displays and arrange merchandise assortments to improve the store layout (Cant & Hefer, 2014). Prominent merchandise displays in the retail environment can significantly enhance sales (Ballantine *et al.*, 2010).

As indicated in Table 5.7, means ($M_{\max} = 5$) for the three items varied between 4.24 and 4.51, suggesting that respondents' perceptions of the layout of the merchandise in the interior retail outlet were strongly positive. To be specific, the layout of merchandise in the interior retail outlet was organised and made sense to respondents, hence it was easy to locate merchandise and find what they were looking for. The findings indicate that layout (atmospheric design cues) pertaining to merchandise are prominent in-store stimuli that would enhance consumers' perceptions of an interior retail outlet.

- **Functionality: merchandise price information and signage (atmospheric design cues)**

In-store signage combined with price information can attract consumers' attention and motivate them to make a purchase (Ballantine *et al.*, 2010). Consumers' perceptions of functionality (atmospheric design cues) were measured with four items. Accordingly, one item pertaining to merchandise price information and signage in the interior retail outlet loaded onto general store image cues (Factor 1), while three items

pertaining to in-store information and signage in the retail environment provided loaded onto accessibility cues (Factor 3). Consumers expect to easily locate a vast merchandise range with adequate price information and product specification (Gupta, 2013). Merchandise assortment and price signage in terms of visual merchandising displays are hence particularly significant (Seock, 2013).

The mean ($M=4.44$; $M_{\max} = 5$) for the one item that loaded onto general store image cues (Factor 1), namely, *“pricing is adequately displayed in the store”* (V1.38), indicates that respondents held highly favourable perceptions of functionality (atmospheric design cues) pertaining to merchandise pricing. This item was applicable and relevant, since the thirty-one items that loaded onto general store image cues (Factor 1) encompass both atmospheric- and merchandise cues. Findings indicate that positive (favourable) functionality (atmospheric design cues) pertaining to merchandise pricing are prominent in-store stimuli that would enhance consumers’ perceptions of an interior retail outlet.

- **Merchandise design (style), - price, -quality and merchandise mix (merchandise cues)**

Consumers’ purchase decisions regarding interior merchandise is mostly determined by functional properties, appearance, cost and affordability (Yoon *et al.*, 2010:33). Furthermore, Consumers expect the latest style of merchandise which is in current trend (Mehta & Chugan, 2014). Generally considered as part of the retailers’ image, the merchandise displayed in a retail environment comprise the single most important element of the conventional retail marketing mix (Kumar, 2010). Retailers could use merchandise to their advantage by promoting unique features and informing consumers of the exclusivity of the merchandise (Kumar & Kim, 2014). Consumers’ perceptions of merchandise cues in the retail environment of an interior retail outlet were measured with ten items. Seven items loaded onto general store image cues (Factor 1), while one item, namely, *“the prices shown for the merchandise are acceptable”* (V1.51) ($M=4.21$; $M_{\max} = 5$), loaded onto consumer characteristics cues (Factor 2).

For the purpose of statistical analysis and interpretation the item was deleted from Factor 2, the reason being that the item was not relevant or coherent with the other seven items. Two items, namely *“the variety and assortment of merchandise in this store are inadequate* (V1.46r) ($M=4.66$; $M_{\max} = 5$), and *“the designs and styles of the merchandise in this store are outdated”* (V1.3r) ($M=4.50$; $M_{\max} = 5$), loaded onto Factor 4. It was decided not to elaborate on the fourth factor that emerged from the exploratory factor analysis with the two items too much as the content was namely *“I find the merchandise in the store to be*

trendy and fashionable” (V1.16) and *“the store offers a wide selection of merchandise”* (V1.12) was already captured in *General store image cues* (Factor 1). For statistical analysis and interpretation, it made sense to scrutinise the three factors coherent with the literature. Omission of the two items resulted in a reconfiguration of the factors that was less acceptable in terms of literature.

The means ($M_{\max} = 5$) for the seven items relating to merchandise cues varied between 4.21 and 4.70, once again highly positive perceptions of the merchandise cues as presented in the retail environment of the interior retail outlet. Respondents perceived the interior merchandise in the interior retail outlet to be trendy and fashionable, i.e. in line with the latest design- and lifestyle trends. Furthermore, respondents also were highly positive about the prices of the merchandise in the store, i.e. perceiving prices to be fair and acceptable.

Results ($M > 4$) also reveal that respondents positively perceived the quality of the merchandise, specifically respondents indicated that the interior merchandise in the interior retail outlet were dependable, durable, of high workmanship and of excellent quality. The findings likewise show that respondents held positive perceptions regarding the merchandise mix, hence they were satisfied with the selection of merchandise offered by the interior retailer.

This study confirms that merchandise cues are highly relevant and influential in-store stimuli that would enhance consumers’ perceptions and subsequent evaluations of interior retail environments. This study also confirms that consumers take into account both atmospheric- and merchandise cues as presented in the retail environment, and that they are interpreted holistically when internally evaluating an interior retail outlet. Interior retailers should therefore focus on promoting an entire image rather than focusing on single elements in an interior retail outlet.

- **Music, lighting and scent (atmospheric ambient cues)**

Consumers’ perceptions of music, scent and lighting (ambient cues) in the retail environment of the interior retail outlet were measured with 6 items. Means ($M_{\max} = 5$) for the 6 items varied between 4.20 and 4.45, implying very favourable perceptions about the music, lighting and scent (ambient cues) in the retail environment. Retailers implement certain music genres to affect, to direct and control the pace of in-store traffic, to generate a particular image and to lure consumers (Levy *et al.*, 2012:491).

From the findings it is evident that the music that was played in the interior retail outlet at the time was appropriate, the music was played at the right volume and the music was pleasing to respondents.

Lighting has the ability to lure consumers into a retail environment and direct them through it, by shifting their attention from one feature area to another (Pegler, 2010:28). Lighting draws attention to merchandise, form space and evoke a mood or a feeling that can improve the overall store image (Levy *et al.*, 2012:490). Findings indicate that respondents held positive perceptions of the lighting in the retail environment, hence the lighting was satisfactory and was effectively used to accentuate the interior merchandise. The scent in a retail environment influence the reactions to the merchandise being sold (De Farias *et al.*, 2014). How pleasant the scent is, how it serves to evoke consumers' emotional responses, and how strong feelings the scent convey, can influence consumers (Mattilla & Wirtz, 2001). Respondents perceived the ambient scent that was present in the retail environment as pleasant, i.e. positively contributing to the ambience. The findings suggest that positive (favourable) music, lighting and scent (atmospheric ambient cues) are prominent in-store stimuli that would enhance consumers' perceptions of the retail environment. These cues are therefore influential in terms of consumers' perceptions of the overall store image. It is suggested that interior retailers should intentionally generate favourable ambient cues (music, lighting, scent) to enhance consumers' internal evaluations of the overall store image.

- **Employees (atmospheric social cues)**

The appearance of store employees and the number of employees present in a retail environment are tangible indicators of service quality. Consumers' perceptions of employees (atmospheric social cues) in the retail environment of an interior retail outlet were measured with four items. Consumers' interpersonal quality perceptions may be influenced by social cues of positive interaction between the employees and consumers (Singh, 2006). Poor customer service by employees can make consumers feel uncomfortable, resulting in them leaving the store (Saleh, 2012). Means ($M_{\max} = 5$) for the four items varied between 4.22 and 4.61, which is highly favourable. To be specific, respondents perceived the employees to be friendly, knowledgeable, courteous, well-dressed and neat. The findings indicate that respondents held positive perceptions of the employees in the interior retail outlet. The findings suggest that positive (favourable) employees (atmospheric social cues) can be highly influential to enhance consumers' perceptions of the retail environment and subsequent overall store image of an interior retail outlet.

It is hence crucial for interior retailers to train employees to provide excellent customer service. Furthermore, interior retailers should ensure that the physical appearance of employees is consistent with the store image that the retailer wishes to portray.

5.3.1.2 Social cues (Factor 2)

Insights from consumers' internal evaluations of other consumers in the retail environment could help retailers to more appropriately define the "right" customers for their brand and accordingly, implement strategies to recruit and retain these consumers (Brocato *et al.*, 2012). Social cues encompass suitability, physical appearance and similarity of other consumers (atmospheric social cues) in the retail environment. Similarity refers to the degree to which an individual consumer can relate to and identify with other consumers in the retail environment (Brocato *et al.*, 2012). Suitable behaviour refers to the degree to which a consumer considers the behaviour of other consumers in the retail environment to be appropriate given the consumption context (Brocato *et al.*, 2012). Physical appearance refers to the physical characteristics and overall appearance of other consumers in the retail environment as perceived by a consumer (Brocato *et al.*, 2012). Seven items that loaded onto *Social cues* (Factor 2) were statistically analysed and interpreted. The item "*the prices shown for the merchandise are acceptable*" (V1.51) ($M=4.21$; $M_{\max} = 5$), was deleted due to the fact that the item was not applicable to the other items.

Means for the individual items varied between 3.70 and 4.04. For all items, the higher the mean ($M_{\max} = 5$), the more positive (favourable) consumers perceived cues, i.e. the more favourable. As indicated by the total mean ($M_{\text{Total}} = 3.87$), respondents' perceptions of social cues in the interior retail outlet were less favourable compared to the Merchandise cues, but nevertheless positive ($M > 3.5$). To be specific, respondents held strongly positive perceptions of the behaviour (appropriate) of consumers ($M = 4.04$), and were positive in terms of identifying, fitting in, and interacting with other customers in the interior retail outlet. Findings indicate that social cues were perceived less favourable than merchandise cues, but consumers' perceptions were still favourable. The Cronbach Alpha ($\alpha = 0.895$) confirmed the internal consistency of the responses. This study however focused on only one interior retailer, and the study was done in a normal week when there were no special offers and when stores were not particularly crowded. A comparison between more interior retail outlets might produce different results. A research opportunity therefore exists for future studies to investigate consumers' internal evaluations of several interior retail outlets/ retailers.

5.3.1.3 Accessibility cues (Factor 3)

Twelve items loaded onto the third factor (Factor 3), encompassing layout (space planning and navigation)- and functionality (in-store information and signage) atmospheric design cues as well as consumer crowdedness (atmospheric social cues) in the retail environment of an interior retail outlet. Accessibility cues thus refer to the space planning of the retail environment, the in-store information and signage provided and the consumer crowdedness that ultimately influence consumers' ease of movement. The findings indicate that accessibility cues are influential in-store stimuli. As a prominent factor that would enhance consumers' perceptions of the retail environment, it is suggested that interior retailers implement positive accessibility cues in the retail environment with the goal to simplify and enhance the shopping experience for consumers. Descriptive statistics pertaining to consumers' perceptions of accessibility cues were once again interpreted as: the higher the mean ($M_{\max} = 5$), the more positive (favourable) consumers perceived the particular accessibility cue. As indicated by the overall mean ($M_{\text{Total}} = 4.24$) for this factor, the findings indicate that respondents were very positive about the *Accessibility cues* (Factor 3) in the interior retail outlet. Positive (favourable) accessibility cues are pertinent to enhance consumers' internal evaluations of an interior retail outlet. The Cronbach Alpha calculated for accessibility cues ($\alpha = 0.818$) confirm internal consistency of the responses.

- **Layout: space planning and navigation (atmospheric design cues)**

Layout refers to the effective flow within the available space, traffic control and sales productivity of a retail environment in order to ensure a comfortable shopping experience and a pleasant overall appearance (Levy *et al.*, 2012:473). Layout thus encompasses space planning and allocation, grouping and traffic flow (Levy *et al.*, 2012:473). Ten items measured consumers' perceptions of layout (atmospheric design cues) in the retail environment of an interior retail outlet. From the exploratory factor analysis, three items pertaining to merchandise allocation and grouping loaded onto general store image cues (Factor 1), while seven items pertaining to the space planning of the retail environment and navigation loaded onto accessibility cues (Factor 3). Means for the seven items that loaded onto *Accessibility cues* (Factor 3) varied between 4.18 and 4.51, therefore respondents held strongly positive perceptions about the layout pertaining to space planning and navigation of the interior retail outlet. To be specific, respondents were particularly positive about the well planned layout of the retail environment that was neither congested (overfilled), cluttered or

confusing. Aisle spaces were sufficient and the traffic flow in the retail environment was perceived as comfortable, hence it was easy for respondents to navigate the interior retail outlet.

The findings suggest that as a prominent driver of *Accessibility cues*, positive (favourable) layout (atmospheric design cues) pertaining to space planning and navigation of the retail environment are significant to enhance consumers' internal evaluations of the retail environment of an interior retail outlet. Interior retailers should therefore intentionally implement favourable layout design cues that would facilitate ease of access and navigation in the retail environment. This is a challenge as floor space is very expensive and it poses a major challenge to display a merchandise assortment when space is limited.

- **Functionality: in-store information and signage (atmospheric design cues)**

Consumers' perceptions of functionality (atmospheric design cues) were measured with four items. Accordingly, three items pertaining to in-store information and signage loaded onto *Accessibility cues* (Factor 3). The functionality of the retail environment refers to the capability of design elements, such as signage and graphics, to improve performance and attainment of goals (Singh, 2006). Signage and graphics comprise visual graphic displays in a retail environment that retailers implement to help consumers locate merchandise (Pegler, 2010:256). Means for the three items pertaining to in-store information and signage that loaded onto this factor varied between 4.28 and 4.51, indicating strongly positive perceptions. To be specific, respondents perceived the in-store signage and the display of in-store information to be easily seen and comprehended, adequate as well as helpful. Findings indicate that positive (favourable) functionality pertaining to in-store information and signage (atmospheric design cues), is prominent to enhance consumers' internal evaluations of an interior retail outlet. Interior retailers should therefore apply favourable functionality design cues in interior retail outlet that would simplify the purchase situation for consumers.

- **Social cues (other consumers: crowdedness)**

Due to the inseparability of the service delivery, brick-and-mortar retail shopping experiences are primarily social activities with an essential human component (Brocato *et al.*, 2012). Interactions among consumers in a retail environment can also have a significant impact on consumers' service experience (Verhoef *et al.*, 2009). A consumer may for instance perceive too many people in a confined retail environment as

undesirable crowding (Ballantine *et al.*, 2010). Consumers' perceptions of consumer crowdedness (atmospheric social cue) were measured with 2 items. Means for the two items were 3.86 and 4.19 respectively, which suggest positive perceptions. The overall mean for the two items ($M_{\text{Total}} = 4.03$) imply that respondents held strongly positive perceptions of the *Social cues* which encompass the crowdedness. Therefore, the interior retail outlet was not perceived as being crowded. Positive (favourable) perceptions of this factor/ dimension could enhance consumers' internal evaluations of an interior retail outlet. As a significant driver of accessibility cues, retailers should therefore guard against crowdedness in their stores.

5.3.2 A comparison of consumers' perceptions of the in-store stimuli (atmospheric- and merchandise cues) in terms of consumers' demographic characteristics

Means for the factors that emerged from the exploratory factor analysis were re-calculated per subset of each demographic category. This was done to make inferences about differences in consumers' perceptions of the *General store image cues* (Factor 1), *Social cues* (Factor 2) and *Accessibility cues* (Factor 3) among the various demographic groups. This was done using t-tests for dimensions across gender, total household income, level of education and population group categories, and ANOVAs (oneway) for dimensions across age and population group. It should be noted that the results of the sample relate to the target segment of the particular interior retail outlet (@Home LivingSpace, The Grove Mall) where the data collection took place. Since different interior retailers have different target segments, the findings cannot be generalised to consumer profiles of other interior retail outlets. Table 5.7 presents the means per subset for each demographic category. Results indicate significant differences between males and females ($p < 0.05$), as well as significant differences among the population groups ($p < 0.05$).

Gender: The t-test for all three dimensions across the gender categories indicated significant differences (p -value ≤ 0.05) between males and females. Although both males and females held strongly positive perceptions of general store image cues (Factor 1), females' perceptions were significantly more favourable ($M_{\text{Females}} = 4.54$) than men's perceptions ($M_{\text{Males}} = 4.11$). Both male consumers ($M_{\text{Males}} = 3.72$) and female consumers ($M_{\text{Females}} = 3.98$) were positive about *Social cues* (Factor 2), but females were significantly more positive ($p = 0.002$). Female consumers were significantly more positive ($p < 0.001$) about *Accessibility cues* (Factor 3; $M_{\text{Females}} = 4.33$) than male consumers ($M_{\text{Males}} = 3.97$) who were nevertheless positive.

TABLE 5.7: A COMPARISON OF THE MEANS FOR THE VARIOUS DEMOGRAPHIC CATEGORIES (N = 272)

Means for the three factors per demographic category				
Category		Factor 1 Mean (SEM*)	Factor 2 Mean (SEM)	Factor 3 Mean(SEM)
Gender:				
Male	n =70	4.11 (0.053)	3.72 (0.064)	3.97 (0.060)
Female	n =202	4.54 (0.027)	3.98 (0.042)	4.33(0.030)
t-test p-value		<0.0001	0.002	<0.0001
Age:				
20-35 years	n =117	4.41 (0.040)	3.91 (0.053)	4.20 (0.047)
36-50 years	n =94	4.44 (0.047)	3.93 (0.062)	4.27 (0.042)
51 years and older	n =61	4.43 (0.054)	3.90 (0.080)	4.24 (0.065)
ANOVA p-value		0.672	0.064	0.196
Income:				
R10 000-R24 999	n =86	4.39 (0.048)	3.89 (0.061)	4.20 (0.049)
R25 000 and more	n =171	4.44 (0.034)	3.91 (0.047)	4.26 (0.036)
t-test p-value		0.386	0.751	0.266
Level of education (excluding the group with Grade 12 and lower, which was too small):				
Gr 12 + degree or diploma	n =166	4.42 (0.033)	3.91 (0.047)	4.27 (0.034)
Post graduate qualification	n =87	4.45 (0.047)	3.90 (0.062)	4.19 (0.056)
t-test p-value		0.620	0.842	0.206
Population group:				
White	n =167	4.46 (0.034)	3.91 (0.046)	4.30 (0.032)
Black	n =87	4.36 (0.053)	3.90 (0.071)	4.10 (0.066)
Other	n =18	4.42 (0.109)	3.90 (0.149)	4.31 (0.097)
ANOVA: p-value		0.261	0.999	0.008

*SEM: Standard error of the mean

Age: ANOVA indicated no significant differences for any of the three factors across the age categories ($p > 0.05$). Perceptions for factor 1 and 3 were strongly positive across the age groups and perceptions were positive for factor 2, *Social cues*.

Total household income: The t-test for dimensions across income categories indicated no evidence of significant differences ($p > 0.05$). As indicated by the means, income category R10 000 to R24 999 ($M_{\geq R10\ 000-\leq R24\ 999} = 4.39$) and income category R25 000 or more ($M_{\geq R25\ 000} = 4.44$) held strongly positive perceptions of general store image cues (Factor 1). Furthermore, both categories ($M_{\geq R10\ 000-\leq R24\ 999} = 4.20$; $M_{\geq R25\ 000} = 4.26$) held strongly positive perceptions of accessibility cues (Factor 3), while both income categories ($M_{\geq R10\ 000-\leq R24\ 999} = 3.89$; $M_{\geq R25\ 000} = 3.91$) were positive about *Social cues* (Factor 2). Therefore, income is not a useful predictor of differences in consumers' perceptions of cues in the interior retail environment.

Level of education: The t-test used to identify significant differences between the two level of education categories excluding the group with Grade 12 and lower, which was not well represented, indicated no evidence of significant differences ($p>0.05$). The post-graduate qualification level category ($M_{\text{Post-graduate qualification}} = 4.45$) as well as the Gr 12 plus degree or diploma category ($M_{\text{Gr12+degree/diploma}} = 4.42$) held strongly positive perceptions of general store image cues (Factor 1) as presented in the retail environment of the interior retail outlet. Both categories ($M_{\text{Gr12+degree/diploma}} = 3.91$; $M_{\text{Post-graduate qualification}} = 3.90$) were positive towards the social cues (Factor 2) while both categories were positive ($M_{\text{Gr12+degree/diploma}} = 3.27$; $M_{\text{Post-graduate qualification}} = 3.19$) about accessibility cues (Factor 3).

Population group: Oneway ANOVA indicated significant differences among population groups for one of the factors, namely for accessibility cues (Factor 3). All three population group categories under investigation held strongly positive perceptions of general store image cues (Factor 1) as well as accessibility cues (Factor 3) as presented in the retail environment of an interior retail outlet, and were positive about social cues (Factor 2). A post-hoc test (Bonferroni) confirmed significant differences between the white population group and the black population group ($p = 0.007$). No significant differences were evident ($p>0.05$) between the white and other population groups and both held strongly positive perceptions. Indications are that black consumers perceived the accessibility in the retail store significantly less favourable than the white and other population groups. Because all consumers' perceptions were strongly positive ($M>4.0$), this is probably not an issue that the retailer should be concerned about.

5.4 CONSUMERS' EXPERIENTIAL VALUE PERCEPTIONS OF THE SHOPPING EXPERIENCE IN AN INTERIOR RETAIL OUTLET (OBJECTIVE 2)

Researchers are constantly in pursuit of a more comprehensive understanding of consumers' perception of value (Hanzaee & Rezaeyeh, 2013). This study used the most widely adopted dimensions of value in marketing literature, namely hedonic- and utilitarian value (Mathwick *et al.*, 2001; Babin *et al.*, 1994). Literature confirm that consumers' internal evaluations of shopping experiences are grounded on the ability of retailers to satisfy their needs and motivations, i.e. an emphasis on the trade-off between what is received as opposed to what is given (Davis & Hodges, 2012). A multidimensional impression is needed based on consumers' perception of the value derived from the entire shopping experience (Walls *et al.*,

2011; Garvin, 2009), including all the experiential stimuli (Schmitt, 2010). A holistic approach implies that retailers should intentionally aim to satisfy rational and functional utilitarian needs of consumers, as well as emotional or expressive hedonic desires (Kim *et al.*, 2007). Unfulfilled consumer needs may encourage consumers to seek different kinds of shopping experiences at other retailers that may satisfy those needs more satisfactorily (Davis & Hodges, 2012). Superior shopping experiences that offer exceptional value may therefore be vital for interior retail outlets to exceed improved competition from other retail channels and other brick-and-mortar retailers.

Section B of the questionnaire comprised 19 closed-ended statements that investigated consumers' internal evaluations (experiential value perceptions) of the shopping experience in an interior retail outlet. The scale used for this investigation was the 19-item experiential value (ESV) scale developed and tested by Mathwick and co-workers (2001) for application in the catalogue and Internet shopping environment as subjective measures of retail channel performance. Although the construct of value obtained from the shopping experience is complex and multi-faceted, Gallarza *et al.*, (2011) contend that the value dimensions identified by Mathwick *et al.*, (2001) provide reliable and valid indices of value. Similarly, Davis and Hodges (2012) accentuate the significance of experiential value dimensions identified by Mathwick *et al.*, (2001).

The original scale comprised 19 items that reflected the benefits derived from seven indicators of experiential value, namely visual appeal, entertainment value, escapism, intrinsic enjoyment, efficiency, economic value and service excellence. All nineteen statements of the original scale were used for this study, although the wording was slightly re-phrased to appeal to the South African consumer in a brick-and-mortar context. The original scale included a seven-point rating scale in which (1) reflected an intuitive (hedonic) environment and (7) an analytical (utilitarian) environment. For the purpose of this study, the experiential value (ESV) scale was adapted to a five point Likert-type scale ($M_{\max} = 5$). Response options ranged from (1) 'strongly disagree' (very negative), and (5) represented 'strongly agree' (very positive). Items were listed randomly.

5.4.1 Consumers' hedonic value perceptions of the shopping experience (Sub-objective 2.1)

Literature confirm that hedonic values are non-instrumental, experiential, affective and frequently connected to non-tangible retailer or merchandise characteristics (Hanzaee & Rezaeyeh, 2013). Hedonic value of a shopping experience is gained from uniqueness, symbolic meaning, or the emotional arousal and

imagery (Ha & Jang, 2010), prompted by a product (e.g. interior merchandise), service (e.g. customer service) or setting (e.g. an interior retail outlet). To accomplish hedonic value, it is suggested that retailers should create a shopping experience that results in a fun and memorable experience for the consumer (Kumar & Kim, 2014).

Eleven items investigated consumers' hedonic value perceptions of the shopping experience in an interior retail outlet. Confirmatory factor analysis (CFA) was done to confirm the constructs relating to hedonic value. As illustrated in Figure 5.6, a four factor CFA model was specified using maximum likelihood estimation (SPSS, Amos) with raw data as input. In this four factor CFA model all items relating to hedonic value were required to load onto their particular factors, namely visual appeal (Factor 1), entertainment value (Factor 2), intrinsic escapism (Factor 3) and intrinsic enjoyment (Factor 4). The goodness of fit is presented in Table 5.8. The CFA results indicate that the four factor model fit the data well with great fit indices as follows: chi-square ($\chi^2 = 140.795$), degrees of freedom ($df = 38$), probability level ($p=.000$), standardized RMR =0.237.

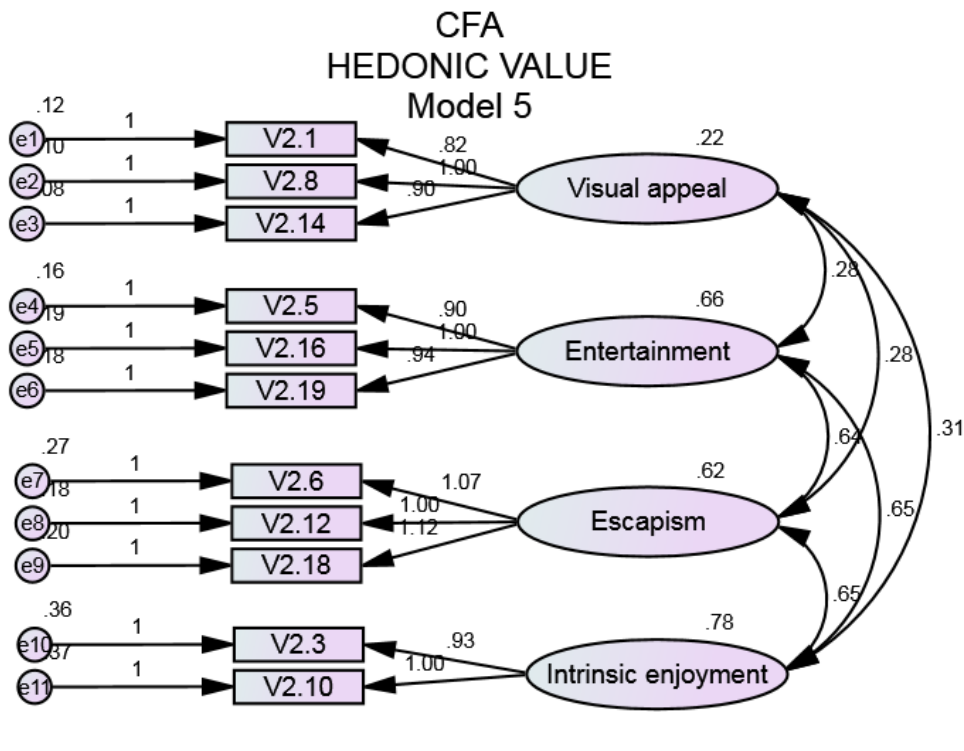


FIGURE 5.6: HEDONIC VALUE CONFIRMATORY FACTOR ANALYSIS MODEL

TABLE 5.8: HEDONIC VALUE CONFIRMATORY FACTOR ANALYSIS STATISTICS

CFA	χ^2	df	P	χ^2/df	RMSEA	GFI	AGFI	NFI	CFI
Goodness of fit criterion				≤ 5	$<.07$	$\geq .95$	$\geq .90$	$\geq .95$	$\geq .95$
Four factor model	140.795	38	0.000	3.705	.100	.918	.857	.947	.961

Notes. RMSEA = Root Mean Square Error of Approximation; GFI = Goodness-of-Fit Index; AGFI = Adjusted-Goodness-of-Fit Index; NFI=Normed Fit Index; CFI=Comparative Fit Index. ^aGoodness of fit criterion as recommended by Hooper, Coughlan and Mullen (2008).

The Cronbach Alpha (α) was calculated for each of the four constructs (factors) relating to hedonic value. The reliability coefficients (Cronbach Alpha) for visual appeal ($\alpha = 0.846$), entertainment ($\alpha = 0.902$), escapism ($\alpha = 0.906$) and intrinsic enjoyment ($\alpha = 0.800$) confirm satisfactory internal consistency of responses to the items.

Descriptive statistics were calculated for the sample as presented in Table 5.9. The higher the mean ($M_{max} = 5$), the more positive (favourable) respondents' perceptions of the particular construct, i.e. the more pertinent.

Means were interpreted as follows:

$M \geq 4$: Strong agreement that it was a pleasurable experience; $M \geq 3.5 < 4$: Agreement-;

$M \geq 2.5 < 3.5$: Impartial/ detached; $M < 2.5$: Strong disagreement that it was a pleasurable experience.

TABLE 5.9: RESPONDENTS' HEDONIC VALUE PERCEPTIONS (N=272; Missing: n=0)

Hedonic value	Minimum	Maximum	Mean	Standard Deviation	Cronbach Alpha
Visual appeal	2.67	5	4.58	0.466	0.846
Entertainment	1.67	5	3.93	0.807	0.909
Escapism	2.00	5	3.95	0.881	0.906
Intrinsic enjoyment	2.00	5	4.17	0.954	0.800
Overall					

Results indicate strong agreement about the favourable visual appeal ($M=4.58$) and the intrinsic enjoyment ($M=4.17$) as part of consumers' hedonic value perceptions of the shopping experience in an interior retail outlet. Respondents agreed that the entertainment value ($M=3.95$) and escapism ($M=3.95$) was pleasurable in terms of the shopping experience. Although important, results indicate that that entertainment value and

escapism were perceived less impressive than visual appeal and intrinsic enjoyment in terms of consumers' perceptions of the hedonic value provided by the shopping experience in the interior retail outlet. The overall means suggest that respondents perceived these two factors positively and therefore interior retailers should not ignore these aspects of the shopping experience.

5.4.1.1 Visual appeal (Factor 1)

The visual appeal of retail environments is driven by the design, beauty and physical attractiveness of the setting (Mathwick *et al.*, 2001; Holbrook 1994). Aesthetic response refers to the consumer's level of cognitive and/or affective response to an aesthetically pleasing object or experience that connects the consumer at multiple sensory levels (Wilhoit, 2010). Three items investigated respondents' regard of the visual appeal of the interior retail outlet. Descriptive statistics were calculated for the sample. For all the items the higher the mean ($M_{\max} = 5$), the more positive (favourable) respondents' perceptions of the visual appeal of the interior retail outlet, i.e. the more pertinent. Means for the individual items varied between 4.55 and 4.61, which indicate strong agreement, i.e. highly positive perceptions. As indicated by the overall mean ($M_{\text{Total}} = 4.58$), respondents strongly agreed about the appropriateness/ pleasure provided by the visual elements of the interior retail outlet. To be more specific, respondents perceived the merchandise displays to be attractive, and they liked the overall look. Results suggest that visual appeal is a prominent driver of consumers' hedonic value perceptions of the shopping experience in an interior retail outlet. A positive (favourable) visual appeal of the retail environment would enhance consumers' hedonic value perceptions of the shopping experience in an interior retail outlet. The Cronbach Alpha calculated for the original scale was $\alpha = 0.94$. The Cronbach Alpha for this study ($\alpha = 0.846$) also confirm that responses to all the items were reliable.

5.4.1.2 Entertainment value (Factor 2)

Literature confirm that some consumers regard a shopping experience as more than a task or a purchase opportunity (Singh, 2006), hence they value dynamic shopping experiences that offer elements of fun, amusement and excitement (Mathwick *et al.*, 2001). Three items investigated respondents' perceptions of the entertainment value provided by the shopping experience in an interior retail outlet. Descriptive statistics were calculated for the sample. The higher the mean ($M_{\max} = 5$), the more positive (favourable)

respondents perceived the entertainment value of the shopping experience to be, i.e. the more pertinent. Means for the individual items varied between 3.91 and 3.97. Findings indicate that respondents were positive about the entertainment value of the interior retail outlet. The total mean ($M_{\text{Total}} = 3.93$) reveal that the interior retail outlet provided entertainment value but that the retailer could further enhance this dimension of the service offering. The findings suggest that entertainment is not perceived as a pertinent driver of consumers' hedonic value perceptions of the shopping experience in an interior retail outlet. For the original scale the reliability coefficient was $\alpha = 0.89$. The Cronbach Alpha ($\alpha = 0.909$) for this study also confirm satisfactory internal consistency of responses to the items.

5.1.4.3 Escapism (Factor 3)

Escapism refers to the extent that consumers become so absorbed in the retail environment that it temporarily fulfils a desire to hide from their daily demands in a cognitive or emotional way, while escapism often involves an element of pretend (Mathwick *et al.*, 2001). Three items investigated respondents' perceptions of the level of escapism provided by the shopping experience in an interior retail outlet. Descriptive statistics were calculated for the sample. For the three items the higher the mean ($M_{\text{max}} = 5$), the more positive (favourable) consumers' perceptions of the level of escapism provided by of the shopping experience in an interior retail outlet, i.e. the more positive perceptions. Means varied between 3.89 and 4.04. The total Mean ($M_{\text{Total}} = 3.95$) signifies that respondents were positive about the level of escapism provided by the retail environment. To be more specific, a positive level of escapism was perceived by the sample with regards to the interior retail outlet's ability to make them feel like they are in another world. The shopping experience did however not entirely engage respondents in the sense that they escaped their reality or forgot everything else ($M < 4$), hence the level of escapism was not optimal.

Findings suggest that in this particular store, escapism was not a prominent driver of consumers' hedonic value perceptions of the shopping experience. One could however reason that if the shopping environment provides a sense of being "in another world" customers might feel that they do not fit/ belong in that particular store. Therefore, possible escapism should be positively perceived as was the case in this study, but it should not be beyond customers' expectations. This could be investigated further. For the original scale the Cronbach Alpha was $\alpha = 0.81$. The Cronbach Alpha ($\alpha = 0.906$) for this study also confirm consistent (reliable) responses to all the items.

5.4.1.4 Intrinsic enjoyment (Factor 4)

Intrinsic enjoyment is an aspect of playfulness that refers to the extent to which consumers find pleasure and delight in a shopping experience (Mathwick *et al.*, 2001). Two items investigated respondents' perceptions of the intrinsic enjoyment provided by the interior retail outlet. Descriptive statistics were calculated for the sample. For the two items, the higher the mean ($M_{\max} = 5$), the more positive (favourable) respondents' perceptions of the intrinsic enjoyment obtained from the shopping experience in an interior retail outlet, i.e. the more pertinent.

Means for the two items were $M = 4.12$ and $M = 4.23$ respectively, which indicate a highly pleasurable experience (positive). To be specific, respondents indicated that they shop at the interior retail outlet for pure enjoyment of it and that they enjoy shopping for its own sake. As indicated by the overall mean ($M_{\text{Total}} = 4.17$), the results suggest that intrinsic enjoyment strongly enhanced consumers hedonic value perceptions of the shopping experience in an interior retail outlet.

The Cronbach Alpha for the original scale was $\alpha = 0.80$. The Cronbach Alpha ($\alpha = 0.80$) for this study also confirm satisfactory internal consistency of responses to the items.

5.4.2 Customers' hedonic value perceptions in terms of their demographic characteristics

Means for the four factors that emerged from the confirmatory factor analysis were re-calculated per subset of each demographic category. This was done to identify possible significant differences in consumers' perceptions of the visual appeal (Factor 1), entertainment value (Factor 2), escapism (Factor 3) and intrinsic enjoyment (Factor 4) among the various demographic groups as an indication of their hedonic value perceptions of the shopping experience in an interior retail outlet. T-tests were used to investigate dimensions across gender, total household income, and level of education categories. ANOVAs (oneway) were used for dimensions across age and population group. Table 5.10 presents the means per subset for each demographic category. The results of the sample relate only to the target segment of the particular interior retail outlet (@Home Livingspace, The Grove Mall) where the data was conducted. Findings can therefore not be generalised to consumer profiles of other interior retail outlets.

TABLE 5.10: A COMPARISON OF THE MEANS FOR THE VARIOUS DEMOGRAPHIC CATEGORIES (N = 272)

Means for the four factors per demographic category					
Demographic categories (n = 272)		Factor 1 Mean (SEM*)	Factor 2 Mean (SEM)	Factor 3 Mean(SEM)	Factor 4 Mean(SEM)
Gender:					
Male	n =70	4.27 (0.057)	3.38 (0.100)	3.37 (0.104)	3.36 (0.128)
Female	n =202	4.68 (0.029)	4.12 (0.050)	4.15 (0.056)	4.45 (0.051)
p-value		<0.001	<0.001	<0.001	<0.001
Age:					
20-35 years	n =117	4.60 (0.044)	3.91 (0.073)	3.97 (0.076)	4.21 (0.088)
36-50 years	n =94	4.56 (0.049)	3.90 (0.088)	3.90 (0.096)	4.05 (0.106)
51 years and older	n =61	4.57 (0.056)	3.99 (0.097)	3.98 (0.119)	4.30 (0.105)
p-value		0.871	0.748	0.249	0.782
Income:					
R10 000-R24 999	n = 86	4.55 (0.049)	3.90 (0.086)	3.89 (0.092)	4.14 (0.102)
R25 000 or more	n =171	4.56 (0.036)	3.95 (0.063)	4.00 (0.068)	4.21 (0.073)
p-value		0.495	0.667	0.573	0.310
Level of education (excluding the group with Grade 12 and lower):					
Gr 12 + degree or diploma	n =166	4.59 (0.034)	3.95 (0.060)	3.97 (0.066)	4.19 (0.073)
Post graduate qualification	n = 87	4.60 (0.053)	3.90 (0.094)	3.98 (0.099)	4.18 (0.108)
p-value		0.905	0.646	0.945	0.898
Population group:					
White	n =167	4.63 (0.034)	4.06 (0.054)	4.10 (0.063)	4.32 (0.068)
Black	n =87	4.46 (0.058)	3.74 (0.102)	3.77 (0.106)	3.98 (0.114)
Other	n =18	4.59 (0.116)	3.63 (0.276)	3.69 (0.263)	3.89 (0.293)
ANOVA: p-value		0.041	0.005	0.014	0.010
Post hoc: p-value		0.039	0.009	0.005	0.010

*SEM: Standard error of the mean

Means were interpreted as follows:

$M \geq 4$: Strong agreement that it was a pleasurable experience; $M \geq 3.5 < 4$: Agreement-;

$M \geq 2.5 < 3.5$: Impartial/ detached; $M < 2.5$: Strong disagreement that it was a pleasurable experience.

Gender: The t-test for all four dimensions across gender categories indicated significant differences ($p \leq 0.05$). From the means it could be deduced that for all four factors, females' perceptions were significantly higher compared to men ($p < 0.05$).

Visual appeal, factor 1: Although males as well as females were strongly positive about the visual appeal (Factor 1), females' perceptions ($M_{\text{Females}} = 4.68$) were significantly more favourable than their male counterpart ($M_{\text{Males}} = 4.27$).

Entertainment value, factor 2: Male consumers were somewhat detached about the interior environments ability to evoke a sense of entertainment while females' perceptions were significantly more positive (Factor 2; $M_{\text{Females}} = 4.42$) which indicate that the environment failed to entertain men. Probably men do not like shopping as much as females.

Escapism, factor 3: For escapism (Factor 2; $M_{\text{Males}} = 3.38$; $M_{\text{Females}} = 4.12$) females were significantly more positive about the environment's ability to evoke a sense of escapism from real life, probably because they are more emotional than men. This could be investigated further.

Intrinsic enjoyment, factor 4: Female consumers held significantly more positive perceptions of the entertainment value of the store environment than men (Factor 4; $M_{\text{Males}} = 3.36$; $M_{\text{Females}} = 4.45$), suggesting that the store did not succeed to create a sense of intrinsic enjoyment among men although the contrary was true for female shoppers. Therefore, gender is a significant indication of customers' hedonic experiences in an interior retail outlet. More effort should be made to excite male customers.

Age: ANOVA indicated no significant differences for dimensions across the age categories. From the means it could be inferred that all age groups were strongly positive about Factor 1, Visual appeal and Factor 4, Intrinsic enjoyment ($M < 4$), while all age groups were slightly less affirmative about Factors 2, Entertainment value and Factor 3, Escapism although they were nevertheless positive ($M > 3.5 < 4$). Age differences are therefore apparently not useful predictors of consumers' perceptions of the hedonic value of interior environments. However, age per se, indicates differences in consumers' perception of the individual dimensions of hedonic value, implying that the entertainment value and escapism are less impressive than the visual appeal and intrinsic enjoyment experienced in the store.

Household income: Findings for household income differences were similar to the results for age differences. The t-test for dimensions across income categories indicated no evidence of significant differences ($p > 0.05$). From the means it could be inferred that both income groups were strongly positive about Factor 1, Visual appeal and Factor 4, Intrinsic enjoyment ($M < 4$), while both groups were slightly less

affirmative about Factors 2, Entertainment value and Factor 3, Escapism although they were nevertheless positive ($M > 3.5 < 4$). Household income differences (excluding the low income group as only middle and high income consumers were part of this investigation). Household income is therefore apparently not a useful predictor of consumers' perceptions of the hedonic value of interior environments. However, household income per se, indicates differences in consumers' perception of the individual dimensions of hedonic value, implying that the entertainment value and escapism are perceived as less impressive than the visual appeal and intrinsic enjoyment by all income groups.

Level of education: The t-test for dimensions across level of education categories excluding the group with Grade 12 and lower, indicated no evidence of significant differences ($p > 0.05$). Level of education differences (excluding the lowest level of education group that possess $< \text{Grade 12}$ that was not well presented in the sample) therefore do not seem significant in terms of consumers;' perception of the hedonic value of store environments. However, as with age and household income, level of education seems to influence consumers' perception of the individual dimensions of hedonic value, specifically indicating that the entertainment value and escapism are less impressive across all level of education groups than their perception of the visual appeal and intrinsic enjoyment experienced in the store.

Population group: Oneway ANOVA indicated significant differences for all four dimensions across the three population group categories ($p < 0.05$). A post-hoc test (Bonferroni) confirmed that the white and other population groups had significantly more favourable perceptions of the visual appeal (Factor 1) than the black population group ($p = 0.039$), although all population groups were strongly positive. A post-hoc test (Bonferroni) confirmed that the white population group had significantly more favourable perceptions of entertainment value (Factor 2) than the black as well as other population groups ($p = 0.009$) who were positive but not strongly positive as the while consumers. Similarly, a post-hoc test (Bonferroni) confirmed that the white population group had significantly more favourable perceptions of escapism (Factor 3) as well as for intrinsic enjoyment (Factor 4) than the black and other population groups ($p = 0.005$; $p = 0.010$) although the latter two groups were nevertheless positive about both dimensions of the service offering. Therefore, population groups' experience of hedonic value in the interior retail setting differ significantly: for all four dimensions of the service offering, whites' experience of the hedonic value is significantly more positive. This indicates that although black and other population groups' perceptions are positive, interior retailers could make more effort to address the needs of population groups other than whites.

5.4.3 Consumers' utilitarian value perceptions (Sub-objective 2.2)

As a rational product- and purchase-oriented perspective of value (Garvin, 2009), utilitarian value is generally derived from money saving, task accomplishment and convenience (Davis & Hodges, 2012). Retailers can accomplish utilitarian value by providing extra benefits such as financial savings, and a convenient shopping experience that simplify the shopping process for consumers (Kumar & Kim, 2014). Eight items investigated consumers' utilitarian value perceptions of the shopping experience in an interior retail outlet. Confirmatory factor analysis (CFA) was done to confirm the constructs relating to utilitarian value.

A three factor CFA model as illustrated in Figure 5.7, was specified using Maximum Likelihood Estimation (SPSS, Amos) with raw data as input. Respondents' utilitarian value perceptions were expressed in terms of three factors, specifically efficiency, economic value and excellence. In this three factor model, all items relating to utilitarian value were expected to load onto their respective factors.

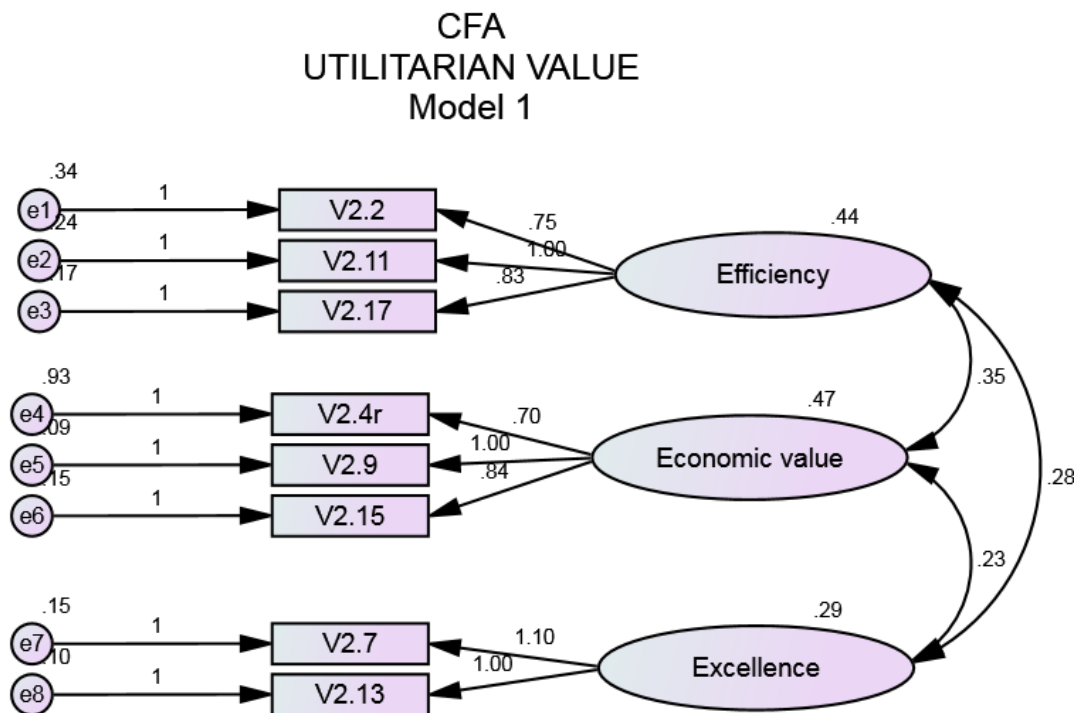


FIGURE 5.7: UTILITARIAN VALUE CONFIRMATORY FACTOR ANALYSIS MODEL

The goodness of fit indices are presented in Table 5.11. Accordingly, the three factor model fit the data well.

TABLE 5.11: UTILITARIAN VALUE CONFIRMATORY FACTOR ANALYSIS STATISTICS

	CMIN	df	p	χ^2/df	RMSEA	GFI	AGFI	NFI	CFI
Goodness of fit criterion ^a				≤5	<.07	≥.95	≥.90	≥.95	≥.95
Three factor model	18.860	17	.337	1.109	.020	.983	.964	.982	.998

Notes. RMSEA = Root Mean Square Error of Approximation; GFI = Goodness-of-Fit Index; AGFI = Adjusted-Goodness-of-Fit Index; NFI=Normed Fit Index; CFI=Comparative Fit Index. ^aGoodness of fit criterion as recommended by Hooper, Coughlan and Mullen (2008).

Confirmatory factor analysis indicate that the three factor model fit the data well with great fit indices as follows: chi-square ($\chi^2 = 18.860$), degrees of freedom ($df = 17$), probability level ($p=.337$), standardized RMR =0.211. Descriptive statistics were calculated for the sample as presented in Table 5.12. The higher the Mean ($M_{max} = 5$), the more positive (favourable) respondents' perceptions of the particular construct, i.e. the more noteworthy to them.

Means were interpreted as follows:

$M \geq 4$: Strong agreement that it was a pleasurable experience; $M \geq 3.5 < 4$: Agreement-;

$M \geq 2.5 < 3.5$: Impartial/ detached; $M < 2.5$: Strong disagreement that it was a pleasurable experience.

TABLE 5.12: RESPONDENTS' PERCEPTIONS OF UTILITARIAN VALUE (N=272; Missing: n=0)

Utilitarian value	Minimum	Maximum	Mean	Standard Deviation	Cronbach Alpha
Efficiency	1.67	5	4.11	0.640	0.790
Economic value	1.67	5	4.02	0.686	0.718
Excellence	2.00	5	4.48	0.618	0.836

Results indicate that respondents evaluated all three factors, namely excellence ($M=4.48$), efficiency ($M=4.11$) and economic value ($M=4.02$) strongly positive. This suggests that positive (favourable) excellence, positive (favourable) economic value and positive (favourable) efficiency perceptions can be crucial drivers of consumers' utilitarian value perceptions in an interior retail outlet. To demonstrate adequate reliability, the Cronbach Alpha (α) was calculated for each of the three constructs (factors) relating to utilitarian value. The reliability coefficients for efficiency ($\alpha = 0.790$), economic value ($\alpha=0.718$) and excellence ($\alpha = 0.836$) also confirm satisfactory internal consistency of responses to the items.

5.4.3.1 Efficiency (Factor 1)

Efficiency refers to the extent to which the retailer simplifies the purchase situation for consumers and save them time, i.e. convenience and resource allocation (Mathwick *et al.*, 2001). Consumers' perceptions of higher efficiency may result in positive value perceptions that may encourage consumers to spend more time in a retail environment (Singh, 2006). Three items investigated consumers' perceptions of the interior retail outlet's level of efficiency.

Means for the individual items varied between 3.98 and 4.20, with an overall mean ($M_{\text{Total}} = 4.11$) that indicate highly positive perceptions the efficiency of the store. This signifies that the interior retail outlet successfully provided respondents with convenience and resource allocation that managed and saved time, and to simplify the shopping experience. The results suggest that positive perceptions of efficiency could enhance consumers' utilitarian value perceptions of the shopping experience in an interior retail outlet. The Cronbach Alpha for the original scale was $\alpha = 0.70$. The Cronbach Alpha ($\alpha = 0.790$) for this study also confirm reliable responses to all the items.

5.4.3.2 Economic value (Factor 2)

Economic value refers to consumers' net gain from purchasing an item, i.e. the value-for-money associated with the merchandise (Mathwick *et al.*, 2001). Three items investigated consumers' perceptions of the economic value provided by the interior retail outlet. Descriptive statistics were calculated for the sample. The higher the mean ($M_{\text{max}} = 5$), the more positive (favourable) respondents perceived the economic value associated with the interior retail outlet, i.e. the more prominent. Means varied between 3.72 and 4.20 with an overall mean ($M_{\text{Total}} = 4.02$) that indicates strongly positive perceptions. Respondents therefore perceived the economic value to be good and beneficial to them, i.e. positive. To be specific, respondents positively perceived the merchandise in the interior retail outlet to be good value for money. Furthermore, on the whole respondents were content with the prices and value for money. The findings suggest that positive (favourable) economic value is prominent to enhance consumers' utilitarian value perceptions of the shopping experience in an interior retail outlet. The Cronbach Alpha for the original scale was $\alpha = 0.80$. The Cronbach Alpha ($\alpha = 0.718$) for this study also confirm consistent responses to all the items.

5.4.3.3 Excellence (Factor 3)

Excellence refers to the extent to which a retailer accomplishes consumers' needs through proficiency and task-related functioning such as service quality (Mathwick *et al.*, 2001). Three items investigated consumers' perceptions of the level of excellence associated with the shopping experience in an interior retail outlet. Descriptive statistics were calculated for the sample. For the two questions the higher the mean ($M_{\max} = 5$), the more positive (favourable) consumers' perceptions of the level of excellence, i.e. the more pertinent. Means were 4.43 and 4.53 respectively, with an overall mean ($M_{\text{Total}} = 4.35$) that suggests strongly positive perceptions about the level of excellence of the interior retailer's offering. To be specific, respondents associated the interior retail outlet to be an expert in the merchandise it offers. The results suggest that positive perceptions regarding the excellence of a retailer would enhance consumers' utilitarian value perceptions. The Cronbach Alpha for the original scale was $\alpha = 0.76$. The Cronbach Alpha ($\alpha = 0.84$) for this study confirms consistent responses to all the items.

5.4.4 A comparison of consumers' utilitarian value perceptions in terms of consumers' demographic characteristics

Means for the three factors that emerged from the confirmatory factor analysis were re-calculated per subset of each demographic category within a model that acknowledged all five demographic variables (categories) simultaneously. This was done to make inferences about possible significant differences in consumers' perceptions of the efficiency (Factor 1), economic value (Factor 2) and excellence (Factor 3) among the various demographic groups as an indication of their utilitarian value perceptions of the shopping experience in an interior retail outlet. This was done using t-tests for dimensions across gender, total household income, and level of education categories, and ANOVAs (oneway) for dimensions across age and population group. The findings of the sample relate only to the target segment of the particular interior retail outlet (@Home LivingSpace, The Grove Mall) where the data collection took place. Findings cannot be generalised to consumer profiles of other interior retail outlets. Table 5.13 presents the means per subset for each demographic category.

TABLE 5.13: A COMPARISON OF THE MEANS FOR THE VARIOUS DEMOGRAPHIC CATEGORIES (N = 272)

Means for the three factors per demographic category				
Category (n = 272)		Factor 1 Mean (SEM*)	Factor 2 Mean (SEM)	Factor 3 Mean(SEM)
Gender:				
Male	n =70	3.67 (0.071)	3.63 (0.083)	4.12 (0.082)
Female	n =202	4.26 (0.041)	4.15 (0.044)	4.60 (0.038)
p-value		<0.0001	<0.0001	<0.0001
Age:				
20-35 years	n =117	4.09 (0.060)	4.01 (0.062)	4.49 (0.060)
36-50 years	n =94	4.15 (0.063)	4.05 (0.068)	4.44 (0.068)
51 years and older	n =61	4.07 (0.086)	3.98 (0.098)	4.52 (0.062)
p-value		0.726	0.855	0.671
Income:				
R10 000-R24 999	n =86	4.10 (0.071)	3.92 (0.076)	4.49 (0.061)
R25 000 and more	n =171	4.13 (0.047)	4.07 (0.051)	4.50 (0.048)
p-value		0.686	0.084	0.914
Level of education (excluding the group with Grade 12 and lower):				
Gr 12 + degree or diploma	n =166	4.10 (0.051)	4.04 (0.052)	4.53 (0.043)
Post graduate qualification	n =87	4.12 (0.066)	4.03 (0.074)	4.45 (0.077)
p-value		0.794	0.899	0.408
Population group:				
White	n =167	4.17 (0.046)	4.10 (0.667)	4.57 (0.547)
Black	n =87	3.96 (0.700)	3.90 (0.682)	4.35 (0.654)
Other	n =18	4.15 (0.698)	3.89 (0.732)	4.44 (0.802)
ANOVA: p-value		0.118	0.071	0.032
Post hoc: p-value				0.018

*SEM: Standard error of the mean

Gender: The t-test for dimensions across gender categories indicated significant differences ($p \leq 0.05$). From the means it could be deduced that for all three factors, females were significantly more positive than their male counterparts. Female consumers ($M_{\text{Females}} = 4.26$) held strongly positive perceptions of efficiency (Factor 1), and although male consumers ($M_{\text{Males}} = 3.67$) were positive, their perceptions were significantly less favourable compared to females' perceptions of efficiency. The same applied for economic value (Factor 2): $M_{\text{Females}} = 4.15$; $M_{\text{Males}} = 3.63$. In terms of Factor 3, females were significantly more positive than male consumers, although both were strongly positive about the excellence of the interior retailer: $M_{\text{Females}} = 4.60$; $M_{\text{Males}} = 4.12$. It therefore seems that men tend to be more critical in their assessment, and that it is more difficult to impress male consumers.

Age, level of education and income: ANOVA indicated no significant differences among groups within these three demographic categories ($p > 0.05$). Of importance is that perceptions were strongly positive across age, level of education and income categories which mean that these denominators are probably not useful to predict significant differences in consumers' perception of the utilitarian value perceptions of consumers in an interior retail setting.

Population group: Oneway ANOVA indicated significant differences among population groups for excellence (Factor 3), specifically that all population groups are strongly positive but that white customers are significantly more impressed than the others. Therefore, interior retailers could try to target the needs and expectations of population groups other than whites to make their experiences of utility even more favourable.

5.5 CONSUMERS' RESPONSE BEHAVIOUR TO AN INTERIOR RETAIL OUTLET (OBJECTIVE 3)

Literature confirm that individuals (consumers) respond towards an environment, for example an interior retail outlet, in terms of psychological reactions such as the positive behaviour (approach), or on the contrary negative behaviour (avoidance) (Kawaf & Tagg, 2012). Section C comprised 9 close-ended statements pertaining to consumers' responses (approach/avoidance) to interior retail outlets, specifically consumers' purchase- and patronage intentions. An analysis was done to ensure that the data set met the requirements for factor analysis. The value of the Kaiser-Meyer-Olkin measure of sampling adequacy for the set of variables was 0.868 which is meritorious. Bartlett's test of sphericity (approximate Chi-Square 1349.162 and Sig. value 0.000) concluded that there were correlations in the data set that were appropriate for factor analysis.

As a statistical technique, exploratory factor analysis generates theory and obtain manageable data by exploring the main constructs within the variables (Williams *et al.*, 2010). Exploratory factor analysis was chosen for this study to differentiate coherent factors and to determine the components of each factor, i.e. consumers' response behaviour (approach/ avoidance) as an indication of their purchase- and patronage intentions of an interior retail outlet.

As extraction method, Principal Component Analysis was done and two components were extracted. Varimax with Kaiser Normalization was used as rotation method with Eigen values: >1. Rotation converged in 3 iterations. The factor scores were used as dependent variables (Sakind, 2012:191). The factors that emerged described the variance which is shared by several variables (Mvududu & Sink, 2013). Findings of the exploratory factor analysis procedure is indicated in Table 5.14.

Two factors emerged. One cross loading occurred, namely “*in the future, this store is one of the first places I will look when I need to purchase furniture*” (V3.9; Factor 1 and 2). All the items were however retained for further analysis and interpretation because items fit well as indicated in Table 5.14. Factor loadings equal or greater ± 0.50 are considered adequate (Williams *et al.*, 2010). The factor loadings are represented by the correlation coefficients between the factor and the variable, and may explain the significance of a variable to a factor. Variables with higher factor loadings are more significant to the factor than variables with a lower factor loading (Mvududu & Sink, 2013). The items within the two factors yielded were coherent in terms of literature and were labelled:

Factor 1, Patronage intentions;

Factor 2, Purchase intentions.

TABLE 5.14: FACTORS THAT EMERGED DURING EXPLORATORY FACTOR ANALYSIS (N=271; Missing: n=0)

Response behaviour (approach/ avoidance)	Factor 1	Factor 2
In the future, this store is one of the first places I will look when I need to purchase furniture (V3.9)	0.885	0.82
I would definitely recommend this store to other people (V3.4)	0.833	0.160
I would be willing to shop at this store in the future (V3.6)	0.827	0.168
When it comes to shopping for furniture, this store is my first preference (V3.7)	0.825	0.272
This store is the best place to shop for furniture (V3.3)	0.767	0.295
It is very likely that I would purchase a product from this store in the future (V3.1)	0.683	0.344
I am browsing with the intention to purchase (V3.5)	0.123	0.888
I am intending to purchase a specific item (V3.8)	0.161	0.779
I am planning on making a purchase, but I have no particular item in mind (V3.2)	0.391	0.507
Mean	4.35	3.26
Standard deviation	0.627	0.978
% Variance explained (VP)	53.46	13.72
Cronbach's Alpha	0.900	0.661

Six items loaded onto patronage intentions (Factor 1) and 3 items loaded onto purchase intentions (Factor 2). The variance explained by the factors in the data is 67.18%, which is acceptable in terms of explaining variance in the data. Descriptive statistics were calculated for the sample' response behaviour to an interior retail outlet as shown in Table 5.15.

TABLE 5.15: RESPONDENTS' RESPONSE BEHAVIOUR (N=272; Missing: n=0)

Response behaviour (approach/avoidance)	Minimum	Maximum	Mean	Standard Deviation	Cronbach Alpha
Purchase intentions	1	5	3.26	0.978	0.661
Patronage intentions	2.5	5	4.35	0.627	0.900

The Cronbach Alpha for factor 1 ($\alpha = 0.900$) indicates internal consistency while the Cronbach Alpha for Factor 2 ($\alpha = 0.661$) was acceptable.

Means were interpreted as follows:

$M \geq 4$: Strongly positive; $M \geq 3.5 < 4$: Positive;

$M \geq 2.5 < 3.5$: Impartial/ detached; $M < 2.5$: Strongly negative.

Results show that consumers' patronage intentions (Factor 1: $M = 4.36$; $M_{\max} = 5$) of an interior retail outlet is a stronger driver of response behaviour (approach) than consumers' purchase intentions (Factor 2: $M = 3.25$; $M_{\max} = 5$). Therefore, browsing is more relevant than pre conceived plans to purchase something in an interior retail outlet.

5.5.1 Consumers' purchase intentions (Sub-objective 3.1)

Planned purchases refer to a consumer's conscious decision and determination to make a purchase, while impulse purchases refer to instant unplanned purchasing behaviour (Virvilaite *et al.*, 2009). Purchase decisions can however result from consumers' shopping plans that were made before they enter the store, or from their internal evaluations of the in-store retail environment (Jiang & Liu, 2014). Respondents' purchase intentions of an interior retail outlet were measured using three items taken from the experiential value (ESV) scale developed and tested by Mathwick *et al.*, (2001), namely:

"I am planning on making a purchase, but I have no particular item in mind" (V3.2),

"I am browsing with no intention to purchase" (V3.5) and

"I am intending to purchase a specific item" (V3.8).

The wording of the items was slightly adapted to be applicable to the South African consumer in a brick-and-mortar context. All the items were answered in terms of a five point Likert-type scale where (1) represented 'strongly disagree' (very negative) and (5) represented 'strongly agree' (very positive).

For all the items, the higher the mean ($M_{\max} = 5$), the more positive (favourable) respondents' purchase intentions of the interior retail outlet. Literature confirms that the retail environment and shopping experience may determine response behaviour such as purchase behaviour (Garvin, 2009). Means for the statements varied between 3.04 and 3.38 with an overall mean ($M_{\text{Total}} = 3.26$) that indicates detachment. Respondents' purchase intentions were therefore not strong. Results suggest that consumers' internal evaluations of the retail environment and the shopping experience in an interior retail outlet, was not determined by their purchase intentions. On surface value, many of the consumers in the store may therefore simply have been browsing.

5.5.2 Consumers' patronage intentions (Sub-objective 3.2)

All the attributes within a store environment that can be controlled by the retailer, may impact patronage intentions (Garvin, 2009). Patronage intention refers to the possibility of a consumer who have purchased merchandise (interior merchandise) once, to continue to purchase from the same retailer for future purchases (Chiu *et al.*, 2014; Mehta & Chugan, 2014). Patronage also embrace the communication of positive word-of-mouth, i.e. making positive recommendations to other people (Mehta & Chugan, 2014). Respondents' patronage intentions of interior retail outlets were measured with 6 items. Two items were taken from the experiential value (ESV) scale developed and tested by Mathwick *et al.*, (2001) that investigated retailer preference, namely:

"This store is the best place to shop for furniture" (V3.3) and
"When it comes to shopping for furniture, this store is my first preference" (V3.7).

Three items investigated the likelihood of future sales taken from previous research tested by Grewal and co-workers (2002), namely:

"It is very likely that I would purchase a product from this store in the future" (V3.1),
"I would definitely recommend this store to other people" (V3.4) and
"I would be willing to shop at this store in the future" (V3.6),

For the purpose of this study, the wording of the items was slightly adapted to be applicable to the South African consumer in a brick-and-mortar context. All the items were answered in terms of a five point Likert-type scale where (1) represented 'strongly disagree' (very negative) and (5) represented 'strongly agree' (very positive). Items were listed randomly.

Means varied between 4.05 and 4.57. The higher the mean ($M_{\max} = 5$), the more positive (favourable) respondents' patronage intentions of the interior retail outlet. As deduced from the overall mean ($M_{\text{Total}} = 4.35$) respondents' patronage intentions were strongly positive, i.e. signifying approach behaviour. To be specific, respondents indicated that their future behaviour would suggest approach behavior, i.e. include positive word-of-mouth, store (retailer) preference, as well as future- and repeat sales. The results confirm respondents' positive perceptions of the in-store experience in the interior retail outlet that is conducive to evoke store loyalty. The Cronbach Alpha ($\alpha = 0.900$) confirms consistent responses to all the items.

5.5.3 Consumers' response behaviour in terms of their demographic characteristics

Means for the two factors that emerged from the exploratory factor analysis were re-calculated per subset of each demographic category within a model that acknowledged all five demographic categories simultaneously. This was done to make inferences about possible significant differences in consumers' patronage intentions (Factor 1) and their purchase intentions (Factor 2) among the groups within various demographic categories as an indication of their response behaviour (approach/avoidance) to interior retail outlets. This was done using t-tests for dimensions across gender, total household income, and level of education and ANOVAs (oneway) for dimensions across age and population group.

The findings of the sample relate to the target segment of the selected interior retail outlet (@Home LivingSpace, The Grove Mall) where the data collection took place. Findings can therefore not be generalised to consumer profiles of other interior retail outlets. The findings highlight the significance of interior retailers' target segment strategies and approaches in meeting consumers' expectations and demands. Table 5.16 presents the means per subset for each demographic category.

TABLE 5.16: A COMPARISON OF THE MEANS FOR THE VARIOUS DEMOGRAPHIC CATEGORIES (N = 272)

Category (n = 272)		Factor 1 Mean (SEM*)	Factor 2 Mean (SEM)
Gender:			
Male	n =70	3.95 (0.067)	2.57 (0.105)
Female	n =202	4.49 (0.041)	3.50 (0.063)
p-value		<0.0001	<0.0001
Age:			
20-35 years	n =117	4.40 (0.052)	3.23 (0.091)
36-50 years	n =94	4.34 (0.070)	3.35 (0.097)
51 years and older	n =61	4.28 (0.085)	3.19 (0.133)
ANOVA p-value		0.491	0.520
Income:			
R10 000-R24 999	n =86	4.31 (0.061)	3.05 (0.106)
R25 000 and more	n =171	4.38 (0.050)	3.36 (0.072)
p-value		0.350	0.014
Level of education (excluding the group with Grade 12 and lower):			
Gr 12 + degree or diploma	n =166	4.36 (0.047)	3.25 (0.080)
Post graduate qualification	n =87	4.41 (0.067)	3.33 (0.090)
p-value		0.519	0.484
Population Group:			
White	n =167	4.43 (0.051)	3.38 (0.073)
Black	n =87	4.22 (0.067)	3.09 (0.113)
Other	n =18	4.35 (0.127)	2.91 (0.248)
ANOVA: p-value		0.055	0.027
Post hoc test: p-value		0.056	0.049

*SEM: Standard error of the mean

Gender: The t-tests for patronage intentions (Factor 1) and purchase intentions (Factor 2) across gender categories indicated significant differences ($p = \leq 0.05$), specifically that females' patronage and their purchase intentions were significantly higher compared to male consumers ($p < 0.05$): Females' patronage intentions ($M_{\text{Females}} = 4.49$) were significantly more positive compared to that of male consumers ($M_{\text{Males}} = 3.95$); and Females' purchase intentions (Factor 2) were significantly higher ($M_{\text{Females}} = 3.50$) compared to that of male consumers ($M_{\text{Males}} = 2.57$), although females' purchase intentions were merely moderate. Men's purchase intentions were not very pertinent.

Age: ANOVA indicated no significant differences across the age categories ($p > 0.05$), i.e. of the age category, consumers' patronage intentions were fairly strong ($M > 0.04$) and their purchase intentions moderate.

Total household income: Results for income differences are similar to the results for age: ANOVA could not confirm significant differences between the age groups for any of the two factors, and again, patronage intentions were fairly strong while purchase intentions were moderate (see Table 5.15). Therefore, income cannot be used to predict significant differences in consumers' patronage- or their purchase intentions in an interior retail store.

Level of education: The t-test could not confirm significant differences for any of the two factors ($p > 0.05$). Again, patronage intentions were fairly high ($M > 4$) while purchase intentions were merely moderate. Therefore, level of education cannot be used to predict significant differences in consumers' patronage- or their purchase intentions in an interior retail store.

Population group: Oneway ANOVA revealed significant differences ($p < 0.05$) among population groups' purchase intentions. A post hoc Bonferroni test indicated that whites have significantly higher purchase intentions ($p < 0.05$) compared to the other population groups although purchase intentions were merely moderate for all. Irrespective of the population group, consumers' purchase intentions are not very pertinent although patronage intentions are fairly strong.

In summary, gender and population differences seem to be important for interior retailers as differences in their perceptions are significant in terms of retailers' success when aiming to create memorable hedonic experiences. Male consumers seem more difficult to please because they seem less enthused, while black consumers may also have alternative expectations compared to white consumers as their perceptions seem to be less favourable and their purchase intentions also seem to be significantly lower compared to white consumers' purchase intentions. Favourable patronage intentions suggest the importance of browsing to evoke pleasurable experiences and to stimulate return intentions.



CHAPTER 6

CONCLUSION OF THE STUDY

This chapter presents the conclusions, implications and the limitations of the study, as well as conclusive recommendations for further research possibilities.

6.1 INTRODUCTION

This study investigated consumers' internal evaluations (perceptions) of selected in-store stimuli, encompassing both atmospheric- and merchandise cues, as presented in the retail environment of an interior retail outlet. The aim was to identify prominent factors, i.e. positive in-store stimuli/ cues that would enhance consumers' internal evaluations of an interior retail outlet. Furthermore, this study investigated consumers' internal evaluations (perceptions) of the total value, i.e. experiential value comprising hedonic- and utilitarian value as provided by the shopping experience in an interior retail outlet once again to identify factors that would enhance consumers' total value experiences in interior retail outlets. Consumers' subsequent response behavior, i.e. whether they experience emotions characteristic of approach or avoidance with regard to purchase- and patronage intentions of interior retail outlets was also investigated. This investigation was done to enable inferences about consumers' internal evaluations of the retail environment in an interior retail outlet and their response behaviour. The Stimulus-Organism-Response (S-O-R) model as proposed by environmental psychologists Mehrabian and Russell (1974) served as the theoretical perspective for this investigation to understand consumer behavioural intentions towards in-store environments of interior retail outlets in a South African context. This model presumes that when exposed to external stimuli in the physical environment, 'inner organism changes' (consumers' internal evaluations) precede and determine their approach-avoidance behavioural responses (Kawaf & Tagg, 2012).

The research was descriptive and explorative in nature. Being predominantly quantitative, the measuring instrument, a self-administered questionnaire, was designed in accordance with the specific research objectives of the study. Existing measuring scales supported by empirical research were used in close-ended questions as fixed alternative. Data was gathered during October 2014 through a store intercept method in an interior retail outlet located in Pretoria East (Tshwane), South Africa. Due to time- and financial limitations, convenience sampling, a non-probability sampling method was used to recruit willing individuals (consumers) in an actual interior retail outlet, hence a real-time shopping experience that incorporated atmospheric-and merchandise cues. A total of 272 usable questionnaires were retrieved as respondents completed them in the store, on the spot Data were analysed by the University of Pretoria's Department of Statistics. Statistical procedures included descriptive statistics, analysis of variance (ANOVA), t-tests, exploratory factor analysis and confirmatory factor analysis. Findings cannot be generalised to consumer profiles of other interior retail outlets and other interior retail formats, but can only be interpreted within the parameters of the particular interior retailer's target segment. In this final chapter, the research is reviewed to determine whether the specific research objectives were met. In addition to presenting the conclusions of the study, the implications of the findings and limitations of the research are also presented. This chapter concludes with recommendations for further research.

6.2 CONCLUSIVE REMARKS ABOUT THE OBJECTIVES OF THE STUDY

6.2.1 Demographic characteristics of the sample

The conclusions are presented in accordance with the specific research objectives. The sample included consumers who entered the store. Customer were approached and invited to participate irrespective of their gender, age, level of education, approximate monthly household income and population group. Effort was however made to include consumers of different demographic categories due to relevance in terms of their spending power and involvement in purchase decisions pertaining to interior merchandise. Because a non-probability sampling method (convenience sampling) was used for this study, the results are sample specific and cannot be generalised to a larger population. It is however important to note that respondents were recruited in a specific store and therefore the sample probably represents the customers of the store in the suburb (Pretoria east region) fairly well.

In retrospect, had the sample included a broader range of interior retail outlets and a broader diversity of consumers who frequented other interior retail formats, ANOVA's might have been of more value. Due to financial- and time constraints this study did however not allow for a wider scope of sampling and recruitment of respondents.

Individual intrinsic characteristics are formed through social interaction as an individual advance through the life cycle, consequently retailers should take note of consumers' lifestyles and values that are highly influential in terms of consumer behaviour (Hawkins & Mothersbaugh, 2010:373). Both females (n=202; 74.3%) and males (n=70, 25.7%) participated in this study. The respondents (N=272) were aged between 21 (minimum) and 74 (maximum) years. The average age of respondents was calculated at 40.46. For statistical analysis and interpretations, three categories of investigation were established, namely 20 to 35 years (n=117; 43%); >35 to 50 years (n=94; 34.6%) and >50 years (n=61, 22.4%).

In terms of respondents' level of education, three categories of investigation were established, namely Gr 12 and lower (n=19; 7 %), Grade 12 plus Degree/ Diploma (n=166, 61%) and Post graduate qualification (n=87, 32%). In general families make purchase decisions based on the needs of all the family members (Levy *et al.*, 2012:94). This study therefore took into account respondents' total monthly household income.

Three income categories of investigation were established for the purpose of statistical analysis and interpretation, namely less than R10 000 per month (n=15; 5.5%) as the lower income consumers; R10 000 to less than R25 000 per month household income (n=86; 31.6%) as middle income consumers, and R25 000 and more (n=171; 62.9%) as high income consumers. In addition, respondents were distinguished in terms of the various population groups of South Africa as described in the Employment Equity Act of South Africa. For the purpose of statistical analysis and interpretation, three categories were formed, namely white (n=167; 61.4%), black (n=87, 32%) and other (n=18, 6.6%). Unfortunately, population groups other than black and white were not well represented. The noticeable income disproportions in South Africa, according to the South African retail and consumer products outlook 2012-2016 (Pricewaterhouse Coopers (PwC) and Economist Intelligence Unit, 2012), have impelled retailers to re-examine and amend their brand positioning against particular income groups, specifically back middle class consumers who continues to drive growth. This implies that interior retailers should review and adjust their differentiation strategies to appeal to these influential and aspirational consumers.

6.2.2 Consumers' perceptions of selected in-store stimuli as presented in the retail environment of an interior retail outlet (objective 1)

The first objective of the study was aimed at investigating and describing consumers' internal evaluation (perceptions) of selected in-store stimuli as presented in the retail environment of an interior retail outlet, i.e. how pertinent they are. This objective involved a sub-objective that specifically explored consumers' perceptions of selected atmospheric-cues, namely ambient cues (music, lighting, scent), design cues (aesthetics, layout, functionality) and social cues (employees, other consumers) as well as merchandise cues (design/ style, price, quality, merchandise mix) as presented in the retail environment of an interior retail outlet. Section A of the questionnaire comprised of 54 closed-ended questions.

6.2.2.1 Consumers' perceptions of selected atmospheric- and merchandise cues as presented in the retail environment (Sub-objective 1.1)

Atmospheric cues are grounded on Baker and co-workers' (1994) three-dimension conceptualisation of the retail environment, namely ambient-, design- and social cues. In this investigation four factors emerged through exploratory factor analysis. Thirty-one items loaded onto Factor 1. All the items were retained for statistical analysis and interpretations. Eight items loaded onto Factor 2. One item was omitted for the purpose of statistical analysis due to the item not being relevant in terms of the literature. Twelve items loaded onto Factor 3 and two items loaded onto Factor 4. It was decided to disregard the two items in Factor 4, due to their similarity to two items that loaded onto Factor 1. Three factors were therefore retained for further analysis and interpretations and were labelled: Factor 1, *General store image cues*; Factor 2, *Social cues*; Factor 3, *Accessibility cues*. The researcher expected more factors based on literature but a reiterative exploratory factor analysis extracted four factors with high Cronbach Alpha values and because the content of the respective factors made sense, they were retained for further analysis. The results therefore indicated that in the context of this investigation, consumers perceived the cues more holistically rather than in the detail that literature presents.

Results indicated that three of the four factors were perceived very positively, namely: *Adequacy cues*; *General store image cues* as well as *Accessibility cues*. Least positive was *Social cues*, although consumers' perceptions nevertheless were positive. This has implications for interior retailers as it seems as though

consumers are less positive about congestion and the presence of other customers in an interior retail store. Consequently, this study confirms that consumers internally evaluate atmospheric and merchandise cues (which are tangible evidence of effort to impress consumers and to present an idea of the actual use of products as well as interior trends) as presented in the retail environment from a holistic point of view. It is however evident that social cues are perceived less favourably and that consumers could be deterred by the presence of other customers and even crowding in interior outlets in terms of their internal evaluations of the retail environment. Although it was expected that more distinct individual factors/ dimensions would emerge from the exploratory factor analysis procedure, the outcome clearly indicates that consumers perceive atmospheric- and merchandise cues in the retail environment of an interior retail outlet to be integrated and well presented. Consumers seem to holistically take into account both atmospheric- and merchandise cues when internally evaluating the retail environment and subsequent store image, i.e. the design, merchandise and ambient cues are perceived as an entity.

Respondents confirmed strongly positive perceptions of the aesthetics (atmospheric design cues) in interior retail outlet. The findings therefore indicate that positive (favourable) aesthetic atmospheric design cues as presented in the retail environment are prominent in-store stimuli that could enhance consumers' perceptions of an interior retail outlet. As an influential driver of overall store image, interior retailers should therefore focus on implementing favourable aesthetic atmospheric design cues to create visually appealing retail environments consistent with the target market's expectations.

The layout of merchandise in the interior retail outlet made sense to respondents, hence they perceived it as easy to locate merchandise and find what they were looking for. The findings indicate that layout (atmospheric design cues) pertaining to merchandise are prominent in-store stimuli that could enhance consumers' perceptions of an interior retail outlet.

Respondents were very positive about the functionality, i.e. atmospheric design cues pertaining to merchandise pricing. Findings indicate that positive (favourable) functionality (atmospheric design cues) pertaining to merchandise pricing are prominent in-store stimuli that could enhance consumers' perceptions of an interior retail outlet. This study also confirms that merchandise cues are highly relevant and influential in-store stimuli that could enhance consumers' perceptions and subsequent evaluations of interior retail environments. Interior retailers should therefore focus on promoting an entire image rather than focusing on single elements in an interior retail outlet.

Findings further suggest that positive (favourable) music, lighting and scent (atmospheric ambient cues) are prominent in-store stimuli that could enhance consumers' perceptions of the retail environment. These cues are influential in terms of consumers' perceptions of the overall store image indicating interior retailers should intentionally generate favourable ambient cues (music, lighting, scent) to enhance consumers' internal evaluations of the overall store image.

Respondents were positive about the employees in the interior retail outlet. The findings suggest that positive (favourable) employees (atmospheric social cues) can be highly influential to enhance consumers' perceptions of the retail environment and subsequent overall store image of an interior retail outlet. It is hence crucial for interior retailers to train employees to provide excellent customer service. Furthermore, interior retailers should ensure that the physical appearance of employees is consistent with the store image that the retailer wishes to portray.

Respondents were very positive about the *accessibility cues* which reflects positively on the retailer's interior planning and display as well as assortment. Respondents were particularly positive about the well planned layout of the retail environment that was neither congested (overfilled), cluttered or confusing. Aisle spaces were sufficient and the traffic flow in the retail environment was perceived as comfortable, hence it was easy or respondents to navigate the interior retail outlet. This is a challenge as floor space is very expensive and it poses a major challenge for interior retailers to display a merchandise assortment when space is limited.

Social cues were however perceived less favourable than merchandise cues, although consumers' perceptions were positive. This study was done in a normal week when there were no special offers and when stores were not particularly crowded, yet respondents indicated that crowding and presence of others could negatively affect their experience. This means that interior retailers have to be more cognisant of this dimension of their service offering so that customers are not discouraged.

An investigation of demographic differences indicated that gender and population groups should be noted as particularly important because males' were significantly less positive than females about all the atmospheric and merchandise cues. Interior retailers therefore have to attempt to impress male consumers, particularly in an era when men are becoming more involved in household purchases than before.

Also, more effort should be made to meet black consumers' expectations about atmospheric and merchandise cues because their perceptions - although positive - were significantly less favourable than the perceptions of white- and other population groups. Perhaps, retailers are still predominantly focussed on white consumers. This should be investigated further.

Two demographic characteristics therefore seem pertinent in terms of consumers' perceptions, namely: gender and population group. Neither income, education level nor age seem to be useful indicators of consumers' value perceptions in an interior retail store.

6.2.3 Consumers' experiential value perceptions of the shopping experience in an interior retail outlet (Objective 2)

The second objective of the study required an investigation and description of consumers' internal evaluations (experiential value perceptions) of the shopping experience in an interior retail outlet. Experiential value perception of a consumer refers to a summary evaluation of the complete shopping experience (Singh, 2006). Two sub-objectives encompassed an investigation of consumers' hedonic value perceptions of the shopping experience in an interior retail outlet, expressed in terms of visual appeal, entertainment value, intrinsic enjoyment and excellence. Furthermore, two sub-objectives involved an investigation of consumers' utilitarian value perceptions of the shopping experience in an interior retail outlet, expressed in terms of efficiency, economic value and excellence.

6.2.3.1 Consumers' hedonic value perceptions of the shopping experience (Sub-objective 2.1)

Four factors emerged through confirmatory factor analysis, namely visual appeal (Factor 1: 3 items), entertainment value (Factor 2: 3 items), intrinsic escapism (Factor 3: 3 items) and intrinsic enjoyment (Factor 4: 2 items). The confirmatory factor analysis results confirm that the four factor model fit the data. The findings indicate that positive (favourable) visual appeal (Factor 1) and positive (favourable) intrinsic enjoyment (Factor 4) are prominent factors that would enhance consumers' hedonic value perceptions of the shopping experience in an interior retail outlet.

Although respondents' perceptions were positive concerning the entertainment value (Factor 2) of the interior retailer, perceptions were not strongly positive ($M < 4$) and the same applied for their perceptions of escapism (Factor 3) provided by the shopping experience. The findings confirm that entertainment value (Factor 2) and escapism (Factor 3) are less impressive and should be augmented to enhance consumers' perceptions of the hedonic value provided by the shopping experience in the interior retail outlet. Again gender and population group seem to be useful indicators of significant differences among consumer groups. Females and white consumers were significantly more positive in their evaluations which means that interior retailers could benefit from attempts to impress black customers who might have different expectations and men who might not enjoy shopping to the same extent that females do.

Respondents strongly agreed about the appropriateness/ pleasure provided by the visual elements of the interior retail outlet. Respondents perceived the merchandise displays to be attractive, and they enjoyed the overall look. Results suggest that visual appeal is a prominent driver of consumers' hedonic value perceptions of the shopping experience in an interior retail outlet. A positive (favourable) evaluation of visual appeal of the retail environment could enhance consumers' hedonic value perceptions of the shopping experience in an interior retail outlet.

Respondents were also positive about the entertainment value of the interior retail outlet. The total mean ($M_{\text{Total}} = 3.93$) revealed that the interior retail outlet provided entertainment value but that the retailer could further enhance this dimension of the service offering. Entertainment was therefore not really a pertinent driver of consumers' hedonic value perceptions of the shopping experience in an interior retail outlet.

Similarly, the mean for escapism ($M_{\text{Total}} = 3.95$) indicated that respondents were positive about the level of escapism provided by the retail environment but not particularly impressed. One could however reason that if the shopping environment provides a sense of being "in another world" (i.e. if $M > 4$) customers might feel that they do not fit/ belong in that particular store. Therefore, possible escapism should be positively perceived as was the case in this study, but it should not be beyond customers' expectations. This could be investigated further.

Respondents also perceived the interior store as a highly pleasurable experience (positive). Results suggest that intrinsic enjoyment strongly enhanced consumers' hedonic value perceptions of the shopping experience in an interior retail outlet.

In terms of demographic differences, males' perceptions were significantly lower than females' perceptions for all four dimensions although men were not necessarily negative. Notwithstanding, in terms of the **visual appeal** in interior retailers, men as well as women's perceptions were strongly positive. In terms of the **entertainment value**, male consumers were however somewhat detached about the interior environments' ability to evoke a sense of entertainment while females' perceptions were significantly more positive. Regarding **escapism** females were significantly more positive about the environment's ability to evoke a sense of escapism from real life, probably because they are more emotional than men. Female consumers held significantly more positive perceptions of the **entertainment value** of the store environment than men, suggesting that the store did not succeed to create a sense of intrinsic enjoyment among men although the contrary was true for female shoppers. Therefore, gender is a significant indication of customers' hedonic experiences in an interior retail outlet. More effort should be made to excite male customers.

Age differences are apparently not useful predictors of consumers' perceptions of the hedonic value of interior environments. However, age per se, indicates differences in consumers' perception of the individual dimensions of hedonic value, implying that the entertainment value and escapism are less impressive than the visual appeal and intrinsic enjoyment experienced in the store.

Neither does household income seem to be useful to predict consumers' perceptions of the hedonic value of interior environments. However, household income per se, indicates differences in consumers' perception of the individual dimensions of hedonic value, implying that the entertainment value and escapism are perceived as less impressive than the visual appeal and intrinsic enjoyment by all income groups.

Level of education differences (excluding the lowest level of education group that possess <Grade 12 that was not well presented in the sample) do not seem significant in terms of consumers' perception of the hedonic value of store environments. However, as with age and household income, level of education seems to influence consumers' perception of the individual dimensions of hedonic value, specifically

indicating that the entertainment value and escapism are less impressive across all level of education groups than their perception of the visual appeal and intrinsic enjoyment experienced in the store.

Population groups' perceptions of hedonic value in the interior retail setting differ significantly: for all four dimensions of the service offering, indicating that whites' experience of the hedonic value is significantly more positive. This indicates that although black and other population groups' perceptions are positive, interior retailers could make more effort to address the needs of population groups other than whites.

6.2.3.2 Consumers' utilitarian value perceptions of the shopping experience (Sub-objective 2.2)

Three factors/ dimensions of utilitarian value emerged through confirmatory factor analysis, namely *Efficiency* (Factor 1: 3 items), *Economic* value (Factor 2: 3 items) and *Excellence* (Factor 3: 2 items). Scrutiny of the confirmatory factor analysis results confirm that the four factor model fit the data well. Results indicated that respondents evaluated all three factors, namely *Excellence* (M=4.48), *Efficiency* (M=4.11) and *Economic* value (M=4.02) very positive. Strongly positive perceptions can be crucial drivers of consumers' utilitarian value perceptions in an interior retail outlet.

From the means it could be deduced that for all three factors, females were significantly more positive than their male counterparts. Females held strongly positive perceptions of *Efficiency* (Factor 1), and although male consumers were positive, their perceptions were significantly less favourable compared to females' perceptions. The same applied for *Economic* value (Factor 2). In terms of Factor 3, females were significantly more positive than male consumers, although both were strongly positive about the excellence of the interior retailer. It therefore seems that men tend to be more skeptical in their assessment, and that it is more difficult to impress male consumers.

No significant differences could be confirmed among groups within age, level of education and income categories ($p>0.05$). Of importance however, is that perceptions were strongly positive across age, level of education and income categories. Nevertheless, these denominators are probably not useful to predict significant differences in consumers' perception of the utilitarian value perceptions of consumers in an interior retail setting.

Significant differences were confirmed among population groups for excellence (Factor 3), specifically that all population groups are strongly positive but that white customers are significantly more impressed than the others. Therefore, interior retailers could try to target the needs and expectations of population groups other than whites to make their experiences of utility even more favourable.

6.2.4 Consumers' response behaviour to an interior retail outlet (Objective 3)

The third objective of the study necessitated an investigation of consumers' response behaviour (approach/avoidance) to interior retail outlets. This involved two sub-objectives. To be specific, two sub-objective necessitated an investigation of consumers' purchase- and patronage intentions of interior retail outlets

6.2.4.1 Consumers' purchase- and patronage intentions of an interior retail outlet (Sub-objectives 3.1, 3.2)

It is important to acknowledge that interior retailers have different target segments and approaches. This study highlights the fact that is critical for interior retailers to clearly define consumer profiles and to create retail environments aimed at their specific target market. It was assumed that when consumers' needs and expectations are met or exceeded, consumers will have positive affective and cognitive evaluations that will result in positive response behavior (approach). The contrary was assumed to be true when the interior retail outlet fail to meet consumers' demands. Two factors emerged through exploratory factor analysis. The results indicated that consumers' patronage intentions (Factor 1: $M = 4.36$; ($M_{\max} = 5$)) of an interior retail outlet is a more prominent driver of response behaviour (approach) than consumers' purchase intentions (Factor 2: $M = 3.25$; ($M_{\max} = 5$)). Respondents' purchase intentions were not strong although their patronage intentions were fairly strong. Therefore, browsing seems more pleasurable and not necessarily an indication of planned purchases.

In terms of demographic differences, age, total monthly household income and level of education do not seem to be useful in predicting significant differences in consumers' patronage or purchase intentions. However, significant differences were confirmed for gender and population group. As became clear in the former findings, men's purchase and patronage intentions seem significantly lower. Also, white consumers' purchase intentions are significantly higher.

Therefore, in terms of the creation of hedonic value, gender and population groups should be distinguished as paramount in the way the merchandise cues are used in the interior retail store, as men and black consumers are less positive about what is offered at present. Avoidance behaviour might therefore be possible unless retailers adapt their cues to meet consumers' expectations more suitably.

6.3 THE RESEARCH IN RETROSPECT

6.3.1 Introduction and planning

The aim of this study was to investigate factors that would enhance consumers' total value experiences in interior retail outlets. Although a vast number of studies have been conducted on consumer behaviour pertaining to retail environments, limited literature exists in the context of interior retailers. Alarming, no evidence could be found on consumer behaviour in interior retail outlets in a South African context. Only a small number of studies have investigated the pertinence of merchandise cues on consumer behaviour in retail environment. This study therefore implemented a holistic approach. Due to their integrated nature, consumers' perceptions of selected in-store stimuli took into account both atmospheric- and merchandise cues as presented in the retail environment of an interior retail outlet. Likewise, consumers' experiential value perceptions of the in-store shopping experience in an interior retail outlet encompassed both hedonic value and utilitarian. This study also investigated consumers' subsequent response behaviour (approach/avoidance), specifically purchase-and patronage intentions. The intention was to build on previous studies and to propose research opportunities for future studies.

More recently, the focus of research on the topic has shifted from traditional brick-and-mortar stores to other retail channel formats, such as online shopping. Because of the challenges faced by interior retailers in the current economic climate in South Africa, an emerging market, it made sense to investigate consumers' internal evaluations of the retail environment and shopping experience, as well as their subsequent responses in a brick-and-mortar context. Furthermore, limited empirical evidence has been generated within the local context on consumers' responses to retail environments, especially on consumers' internal evaluations of the shopping experience in interior retail outlets. The introduction and planning followed a deductive approach that necessitated a thorough review of existing literature. In a brick-and-mortar

context, relevant literature pertaining to the creation of retail environments and consumers' experiential value perceptions, was in general dated, which further justified the contribution of this study.

Consumers' internal evaluations of the shopping experience in a retail environment is however multi-faceted and complex. A comprehensive review of existing literature was conducted prior to designing the questionnaire to ensure that all the relevant constructs were comprehended and measured correctly. This was done to guide the research problem and specific research objectives of the study. The measurement scales employed in the questionnaire were adapted from prior research studies, and in some cases modified to be tailored to the interior merchandise context. It was also important to assess whether the measurements scales indeed measured the constructs adequately. The questionnaire was evaluated by the supervisor, the co-supervisor and a qualified statistical research consultant to ensure that the measurement scales used were indeed appropriate for the study. The items and scales in the questionnaire were clear and constructs were well-defined to avoid misinterpretations.

6.3.2 Implementation of the questionnaire

Approval was obtained from the ethics committee of the Faculty of Natural and Agricultural Sciences at the University of Pretoria prior to commencing with the data collection process during October 2014. The questionnaire was subjected to a pilot test prior to administering it to the respondents. The researcher and trained fieldworkers intercepted consumers shopping for interior merchandise in the particular interior retail outlet (@home LivingSpace) located in The Grove Mall in Pretoria East (Tshwane), South Africa. Prior to commencing with the data collection, the researcher approached store management to obtain permission to conduct the survey in the store. A store intercept method was a convenient sampling method that saved time and financial resources. Respondents were asked to complete a questionnaire in the store. This allowed respondents to indeed notice the in-store stimuli presented in the retail environment to form opinions of the actual shopping experience. This method of data collection also enabled the researcher and fieldworkers to instantly inspect completed questionnaires for missing data. If an unanswered question was noticed respondents were immediately asked to complete the question. As a result, missing values were reduced significantly.

Data collection was conducted on weekdays and weekends at different time slots during trading hours. The interior retail outlet was quiet at times during the week, yet it was easy to approach and recruit

respondents. It was assumed that respondents would be less rushed on weekends, but the contrary seemed to be true. It was noted that some respondents completed the questionnaire very hastily. The interior retail outlet was very busy on weekends, which enabled the recruitment of more respondents in less time.

6.3.3 Data analysis and conclusions

A better understanding of the data can be achieved by recapping the data and finding consistent patterns (Zikmund & Babin, 2010:59). In the analysis of data for this study a five-step approach used by professionals was applied, comprising validating and editing responses, coding, converting information to obtain data, revising the data and finally, statistical analysis (McDaniel & Gates, 2008:390). Electronic resources were used for this study to avoid timewasting and problematic interpretations of data associated with data analysis without the help of electronic resources (Leedy & Ormrod, 2010:257).

As the first step in data analysis, descriptive characteristics of the sample were investigated. Parameters such as minimum and maximum values, means, standard deviations were recorded. On the 5 increment Likert scales ($M_{\max} = 5$; $M_{\min} = 1$) used as fixed alternative in the measuring instrument, positive mean values were 4.0. Attention was given to precision, validity and reliability throughout the study. Reliability tests, such as Cronbach's Alpha, were calculated to confirm internal consistency of the measuring instrument. Statistical analysis also required inferential statistics, namely analysis of variance (ANOVA), t-tests, as well as exploratory- and confirmatory factor analysis to explore and confirm the constructs relating to the research objectives. The analysis of the data for this study was guided by the supervisor and qualified research consultants of the University of Pretoria to ensure that the correct conclusions were drawn from the findings. To the gratification of the researcher, no unforeseen problems transpired during the research period. The aim of the study and the specific research objectives were all met. The researcher is confident that the respondents gave honest answers, the findings are truthful, and that the conclusive remarks give considerable insight on the topic.

6.4 LIMITATIONS OF THE STUDY

As with any research project, several limitations existed. Three limitations prohibited the expansion of the research to include more respondents, namely financial-, time- and geographical limitations. This study was self-funded, as a result the sample size was controlled. This study formed part of a Masters' degree, consequently the study had to be completed within a specific time frame. Data collection was also restricted to a specific geographical area, namely Pretoria East (Tshwane), situated in the province of Gauteng, South Africa, hence the findings are sample specific. A combination of a self-administered questionnaire (quantitative data) and a focus group (qualitative data) would have been ideal for this study, however due to time and financial limitations the combination of both research methods was not a viable option for this study.

Although it is well established that individual psychological- and personal factors, as well as external factors mediate consumer behaviour in retail environments (Verhoef *et al.*, 2009, Fiore & Kim, 2007), this study did not investigate the mediating influence of situation moderators and consumer moderators on consumer behaviour. A study of this nature might have been very time consuming and expensive. Another limitation would be that the study did not consider the influence of individual elements of the in-store stimuli present in the retail environment, for example the influence of music (ambient cue) or store employees (social cue) on consumers' internal evaluations and response behaviour. Recent research into the influence of in-store stimuli on consumer behaviour has focused more on how a specific cue impacts consumer reaction. Instead, this study followed a holistic approach that took into consideration the complete shopping experience. This study's contribution was enthused by an integrative conceptual framework proposed by Fiore and Kim (2007) for future research with the aim to provide guidance for industry professionals in improving and applying successful shopping experiences.

Despite the fact numerous researchers have examined the relationship between retail environments and consumer behaviour, relevant literature on in-store stimuli and experiential value (hedonic- and utilitarian value), specifically in a brick-and-mortar context, was in general dated. The construct of value derived from the shopping experience is also very complex and multi-faceted. This limitation may have hampered the study. A comprehensive classification of consumers' perceived value of the shopping experience is needed to fully capture the value of the shopping experience (Davis & Hodges, 2012).

Evidently existing literature and models are becoming redundant and there is a need to develop new measurement scales. However, this study formed part of a Masters' degree and the intention was therefore not to build new theory.

Several leading interior retailers were approached to participate in this study. Only one interior retailer was willing to participate and gave permission for the researcher to proceed with data collection. Due to time limitations, data was collected in one interior retail outlet. The fact that the retail environment and shopping experience in the selected interior retail outlet was very pleasant and favourable, could have hampered the study. The participation of more interior retailers, or data gathering in several branches, would have been preferable. This might have provided more valuable insight on the topic.

6.5 RECOMMENDATIONS FOR FUTURE STUDIES

Research on consumer behaviour related to retail environments and shopping experiences offer many research opportunities. For this study, in-store stimuli as presented in the retail environment were classified as atmospheric cues, namely ambient-, design-, and social cues, as well as merchandise cues. Future research could investigate the effect of an individual cue in detail, for example ambient cues, or the effect of an individual element, for example lighting. In specifying dimensions and indicators for constructs, attention should be given that there are sufficient items to adequately explore the relevance of the particular dimensions or indicators and their various facets. Contributions to the study of aesthetics in consumer behaviour literature are also limited, hence design cues, and specifically the significance of aesthetics in the retail environments of interior retail outlets, provide excellent research opportunities. Because limited evidence exists on the influence of merchandise cues present in the retail environment, additional research is needed. Furthermore, there is a need to develop a scale that would clearly define and accurately measure merchandise cues as part of in-store stimuli. As an interesting research opportunity, future studies could investigate the potential relationship between consumers' internal evaluations of selected in-store stimuli as presented in the retail environment and consumers' response behaviour (approach/ avoidance). Likewise, the potential relationship between consumers' experiential value perceptions of the shopping experience and consumers' response behaviour (approach/ avoidance) could be investigated.

It is advisable to investigate the mediating influence of situation moderators and consumer moderators on consumer behaviour in retail environments. A deeper understanding of experiential retailing and consumers' internal evaluations of the complete shopping experience is also required. Another important research opportunity is the need for a more comprehensive conceptualisation of the multiple internal and external factors that influence consumers' shopping experience. Future research could build on this study

by focusing on traditional brick-and mortar stores, or investigate consumers' internal valuations of the shopping experiences concerning other retail channel formats. To gain better understanding of consumers' perceptions of the retail environments of interior retail outlets, researchers could attempt a comparison between consumers' internal evaluations of a successful interior retailer, i.e. favourable retail environment and shopping experience, and their internal evaluations of a less successful interior retailer, i.e. mediocre retail environment and unsatisfactory shopping experience. Since interior retailers have different target markets and approaches, the participation of more interior retailers or the expansion of the data collection to more stores, would be preferable. Different geographic areas could also be investigated. Future studies could also consider investigating interior retailers that target a specific consumer segment, for example upper-class consumers. It would also be interesting to investigate differences with regards to specific demographic characteristics, for example gender or population group.

6.6 IMPLICATIONS OF THE STUDY

This study offers several contributions that can benefit interior retailers who want to attract more consumers into their stores, as well as increase sales and store patronage. The findings confirm that the creation of impressive retail environments, integrating both hedonic- and utilitarian value, is a crucial differentiating factor that could determine a retailers' long-term success. With the objective to guide industry professionals in developing and implementing successful shopping experiences, this study highlights the necessity to take into account the complete shopping experience that include both cognitive and affective evaluations. If implemented correctly, expected consumer needs and demands could be met. Evidently, the overarching S-O-R framework is extremely relevant in a South African interior retailer context. Furthermore, this study confirms that consumers use in-store atmospheric- and merchandise cues in the retail environment of interior retail outlets, to form opinions about the store image and consequently the retailer. These internal evaluations eventually impact consumers' response behaviour (approach/avoidance).

Positive evaluations of the in-store stimuli present in the retail environment may lead to the consumer concluding that the interior retail outlet provides a superior in-store shopping experience, which may ultimately encourage the consumer to spend more time and money in the store. To ensure that consumers form positive perceptions about an interior retail outlet and the merchandise offered, interior retailers

should within their budget, put in every effort to provide consumers with impressive in-store shopping experiences. The findings indicate that in-store atmospheric- and merchandise cues are extremely relevant to interior retail outlets. Retailers should however take into consideration individual differences when creating retail environments. Depending on the specific purchase situation, in-store stimuli may not affect all consumers in a similar way and furthermore value perceptions may change with each new shopping experiences. In creating and implementing favourable atmospheric- and merchandise cues in a retail environment, retailers first need to determine whether or not a particular shopping experience is coherent with consumers' needs and expectations. Desired and satisfactory consequences will direct consumers' response behaviour in the future. Consumers' store and merchandise preferences are guided by their store image perceptions. Interior retailers need to create retail environments rich in ambiance that would appeal to the targeted consumer segment. If consistent with the desired store image, ambient cues such as soothing music, effective lighting and pleasant scent, might enhance consumers' shopping experience. Interior retailers could intentionally manipulate suitable ambient cues to provide a more comfortable and preferable shopping experience. Satisfactory retail environments rich in ambiance might increase consumers' value evaluations of the shopping experience and increase the likelihood of consumers returning for future purchases. It is therefore crucial for interior retailers to clearly define their desired store image and to continually research their target market.

Educating and training employees to be knowledgeable, friendly and courteous, is essential for interior retailers to ensure that employees match the envisioned store image. Interior retailers need to clearly define their target market and create retail environments, and consequently shopping experiences that appeal to the intended consumer segment. To enhance consumers' in-store shopping experience, the establishment of excellent customer service is crucial. Interior retailers therefore need to reflect on the image they would like their employees to portray to consumers.

Functionality, layout and aesthetics, are especially important in interior retail outlets. The physical appearance of an interior retail outlet impact consumers' opinions about the people and the merchandise in the physical space. Visually aesthetic retail environments can create a more memorable and enjoyable shopping experience. The layout of the retail environment should be uncluttered with appropriate aisle space and open spaces to prevent congestion. To help consumers easily navigate the retail environment and effortlessly locate merchandise, the layout of the retail environment should facilitate easy traffic flow. In-store signage should be clear, helpful and sufficient. Price information should be adequately displayed.

Interior retailers should also focus on creating imaginative room settings and impressive visual merchandising that will prompt a need or desire and enable consumers to envision the interior merchandise in their own homes. Purchase likelihood will thereby be increased. Interior retailers should frequently update in-store displays to draw consumers' attention to new interior merchandise items, highlight new promotions, and communicate a specific lifestyle and to interest consumers with the latest trends. To be successful, consumers need to perceive the interior retail outlet and the merchandise as a single entity. A major contribution of this study is the inclusion of merchandise cues as part of the in-store stimuli present in the retail environment of interior retail outlets. This study investigated the influence of both atmospheric- and merchandise cues on consumers' internal evaluations of the in-store shopping experience. It is suggested that interior retailers can be profitable if they accentuate merchandise cues in a retail environment to differentiate their offer from those of competitors. This implies that interior retailers ought to draw consumers' attention to unique merchandise characteristics, as well as communicating the exclusivity of interior merchandise only available for purchase at the particular interior retail outlet.

This study confirms that the effective implementation of the overarching Stimulus-Organism-Response framework is crucial for interior retailers to succeed during tough economical times. Interior retailers are advised to conduct thorough market research on their target segments. A shopping experience in an interior retail outlet eventually concludes as the consumers' perception of reality. To increase value for both the consumer and the retailer, interior retailers should focus on improving the present shopping experience in order to satisfy consumers' needs and expectations. Retailers should intentionally try to inspire and stimulate consumers by offering innovative and aesthetically pleasing retail environments, as well as engaging and enriching experiences that include both hedonic- and utilitarian value. Interior retailers could also benefit from the implementation of extraordinary shopping experiences targeting rising aspirational consumer groups, such as the Millennial generation and the growing black middle-class in South Africa.



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ADDENDUM A

UNIVERSITY OF PRETORIA

FACULTY: Agriculture

DEPARTMENT: Consumer Science

The Department of Consumer Science places specific emphasis on integrity and ethical behaviour with regards to the preparation of all written work submitted for academic evaluation.

Although academic personnel will provide you with information regarding reference techniques as well as ways to avoid plagiarism, you also have a responsibility to fulfill in this regard. Should you at any time feel unsure about the requirements, you must consult the lecturer concerned before you submit any written work.

You are guilty of plagiarism when you extract information from a book, article or web page without acknowledging the source and pretend that it is your own work. In truth, you are stealing someone else's property. This doesn't only apply to cases where you quote verbatim, but also when you present someone else's work in a somewhat amended format (paraphrase), or even when you use someone else's deliberation without the necessary acknowledgement. You are not allowed to use another student's previous work. You are furthermore not allowed to let anyone copy or use your work with the intention of presenting it as his/her own.

Students who are guilty of plagiarism will forfeit all credit for the work concerned. In addition, the matter can also be referred to the Committee for Discipline (Students) for a ruling to be made. Plagiarism is considered a serious violation of the University's regulations and may lead to suspension from the University.

For the period that you are a student at the Department Consumer Science, the under mentioned declaration must accompany all written work to be submitted. No written work will be accepted unless the declaration has been completed and attached.

I (full names): **Ina-Mari Du Randt**
Student number: **99105633**
Subject of the work: **Factors that would enhance consumers' total value experiences in interior retail outlets**

Declaration

1. I understand what plagiarism entails and am aware of the University's policy in this regard.
2. I declare that this dissertation is my own, original work. Where someone else's work was used (whether from a printed source, the internet or any other source) due acknowledgement was given and reference was made according to departmental requirements.
3. I did not make use of another student's previous work and submitted it as my own.
4. I did not allow and will not allow anyone to copy my work with the intention of presenting it as his or her own work.

SIGNATURE

ADDENDUM B

University of Pretoria
Faculty of Natural and Agricultural Sciences
Department of Consumer Science
Tel: (012) 420 2531
September 2014

PERMISSION TO CONDUCT MARKET RESEARCH:

FACTORS THAT WOULD ENHANCE CONSUMERS' TOTAL VALUE EXPERIENCES IN INTERIOR RETAIL OUTLETS

To whom it may concern,

I am a post-graduate student (M Consumer Science: Interior Merchandise Management) at the University of Pretoria. For my dissertation I am doing a research project on consumers' perceptions of the in-store retail environment and the shopping experience of interior (furniture and homeware) outlets in a South African context. The study aims to provide empirical evidence of consumers' internal evaluations of in-store (atmospheric- and merchandise cues) used in retail settings, consumers' perceptions of the total value provided by the shopping experience, and ultimately their patronage intentions, as an indication of the effort and the expertise that is required to attract and retain consumers in a highly competitive market.

Efforts to boost sales have to date not included investigations of how the retail environments of interior (furniture and homeware) outlets might mediate consumers' internal evaluations that are crucial in terms of purchasing- and patronage intentions, specifically consumers' experiential value perceptions comprising both utilitarian value (e.g. economic value) and hedonic value (e.g., visual appeal, enjoyment, escapism) of the retail environment and the shopping experience that coherently contribute to consumers' response behaviour (approach or avoidance).

For this field study it is appropriate to incorporate several aspects of store atmosphere and merchandise as stimuli. Only a real-time setting can provide such a scenario and hence, a store intercept method is a suitable, quick and economical way to do sampling. I (the researcher) therefore ask permission to conduct data collection at @Home LivingSpace, The Grove Mall during October 2014. If permission is granted, specific dates and times will be discussed and confirmed with the store manager.

Respondents will remain anonymous; there will be no violation of privacy, anonymity or confidentiality. **Neither the identity of the respondents nor the participating retailer will be disclosed in the eventual findings if published.** Respondents may however, provide their contact details voluntarily to be entered into a lucky draw to stand a chance to win a R500 @home gift card. The researcher will collect the questionnaires from respondents once they are completed and seal them in the envelopes and boxes provided. Data collection will be conducted under the supervision of the store manager, rules and regulations will be adhered to at all times to ensure that **normal store activities will not be interrupted. The data collected will be handled with confidentiality and will only be used as aggregate data. The results and findings will be used for academic purposes only. A research report, containing the findings of the study, will be compiled as accurately and objectively as possible, and all contributors to the study will be acknowledged.**

From a practical viewpoint the findings of this study will contribute to an understanding of consumers' perceptions of the retail environment and shopping experience at @Home LivingSpace. The Grove Mall, which would be useful to meet consumers' expectations and provide guidelines to achieve superior in-store experiences that will attract, engage and retain consumers.

Your participation in the research project will be highly appreciated!

Kind Regards,

Ina-Mari du Randt

Student: M Consumer Science Interior Merchandise Management

Cell: 076 013 9482

E-mail: inasmina@gmail.com

Study leader: Prof. Alet C. Erasmus

Co-study leader: Ms. Bertha M. Jacobs

ADDENDUM C

Faculty of Natural and Agricultural Sciences
Department of Consumer Science
Tel: (012) 420 2531
October 2014

RESEARCH PROJECT: CONSUMERS' PERCEPTIONS OF INTERIOR OUTLETS

Dear respondent,

The intention with this research is to gain insight into...

Completing the questionnaire will take approximately 15 minutes of your time, which forms part of a dissertation for a Master's degree in Consumer Science. **All information will be strictly confidential. Neither the identity of the respondents nor the participating interior outlets will be disclosed in the eventual findings.** Respondents may however, provide their contact details voluntarily to be entered into a lucky draw to win an @Home gift card to the value of R500. The winner will be notified telephonically by the end of the data collection phase.

Please read the questions carefully and give your honest opinion throughout.

Thank you for your participation!

Ina-Mari du Randt

Student: M Consumer Science Interior Merchandise Management
076 013 9482/ inasmina@gmail.com

Study leader: Prof. Alet C. Erasmus

✂.....

INFORMATION FOR THE LUCKY DRAW (R500 GIFT VOUCHER)

Cell number.....

ADDENDUM D

DEPARTMENT OF CONSUMER SCIENCE

CONSUMERS' PERCEPTIONS OF INTERIOR RETAIL OUTLETS

Please follow the instructions for each question very carefully with respect to the store you are in now. There are no correct or incorrect answers. Your answers will remain anonymous and therefore your identity cannot be retrieved and disclosed in any way. *Thank you for your participation!*

Section A	Respondent number:					Office use	
						V0	
<i>IN-STORE STIMULI</i> Please respond to the following statements about the atmospheric- and merchandise cues in this store. Indicate your answer in the adjacent column with an X	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Office use	
The in-store furniture is complimentary to the store design	1	2	3	4	5	V1.1	
The music in the store is pleasing to me	1	2	3	4	5	V1.2	
I find the merchandise very dependable	1	2	3	4	5	V1.3	
The store layout is cluttered and therefore confusing	1	2	3	4	5	V1.4	
The employees in the store are friendly	1	2	3	4	5	V1.5	
The décor of the store is pleasing to me	1	2	3	4	5	V1.6	
The other consumers are friendly towards me	1	2	3	4	5	V1.7	
It is easy to find what I am looking for in the store	1	2	3	4	5	V1.8	
The store smells pleasant	1	2	3	4	5	V1.9	
The employees are knowledgeable	1	2	3	4	5	V1.10	
The traffic flow in the store is uncomfortable	1	2	3	4	5	V1.11	
The store offers a wide selection of merchandise	1	2	3	4	5	V1.12	
The in-store signage is easily seen	1	2	3	4	5	V1.13	
The store is a little too busy	1	2	3	4	5	V1.14	
There is sufficient aisle space in the store	1	2	3	4	5	V1.15	
I find the merchandise in the store to be trendy and fashionable	1	2	3	4	5	V1.16	
The in-store shelving suits the design scheme of the store	1	2	3	4	5	V1.17	
The other consumers come from a similar background to myself	1	2	3	4	5	V1.18	
The store layout is well thought out	1	2	3	4	5	V1.19	

<i>IN-STORE STIMULI continued..... Please respond to the following statements about the atmospheric- and merchandise cues in this store. Indicate your answer in the adjacent column with an X</i>	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Office use	
There is a high likelihood that items purchased at this store are durable	1	2	3	4	5	V1.20	
The lighting in the store is pleasing to me	1	2	3	4	5	V1.21	
There is sufficient open space in the store to prevent congestion	1	2	3	4	5	V1.22	
The prices for the merchandise in this store are right, given the quality	1	2	3	4	5	V1.23	
The colours used in the store appear to be currently fashionable	1	2	3	4	5	V1.24	
I find that the other consumers behave well	1	2	3	4	5	V1.25	
In-store displays are fun and imaginative	1	2	3	4	5	V1.26	
The music in the store is played at the right volume	1	2	3	4	5	V1.27	
It is easy to locate merchandise	1	2	3	4	5	V1.28	
There are a lot of shoppers in the store	1	2	3	4	5	V1.29	
The designs and styles of the merchandise in the store are outdated	1	2	3	4	5	V1.30	
Navigating the store is easy	1	2	3	4	5	V1.31	
The employees greeted me courteously when I entered the store	1	2	3	4	5	V1.32	
The physical facilities are attractive	1	2	3	4	5	V1.33	
The store offers good quality merchandise	1	2	3	4	5	V1.34	
I fit right in with the other consumers	1	2	3	4	5	V1.35	
I like the interior design of this store	1	2	3	4	5	V1.36	
The store seems very crowded to me	1	2	3	4	5	V1.37	
Pricing are adequately displayed in the store	1	2	3	4	5	V1.38	
The lighting accentuates the products that are displayed in the store	1	2	3	4	5	V1.39	
The in-store signage is very helpful	1	2	3	4	5	V1.40	
The other consumers look like they are my type of people	1	2	3	4	5	V1.41	
The workmanship of the products available in the store is very high	1	2	3	4	5	V1.42	
The finishes and fittings in the store are adequate	1	2	3	4	5	V1.43	
The employees are well-dressed and appear neat	1	2	3	4	5	V1.44	
The in-store displays are impressive	1	2	3	4	5	V1.45	
The variety and assortment of merchandise in the store are inadequate	1	2	3	4	5	V1.46	
The behaviour of the other consumers are appropriate for the setting	1	2	3	4	5	V1.47	
The merchandise grouping in the store is organised and makes sense	1	2	3	4	5	V1.48	

<i>IN-STORE STIMULI continued..... Please respond to the following statements about the atmospheric- and merchandise cues in this store. Indicate your answer in the adjacent column with an X</i>	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Office use	
The music in the store is appropriate and fit the image of the store	1	2	3	4	5	V1.49	
There is adequate display of in-store information	1	2	3	4	5	V1.50	
The prices shown for the merchandise are acceptable	1	2	3	4	5	V1.51	
The store feels overfilled (congested)	1	2	3	4	5	V1.52	
I can identify with the other consumers in the store	1	2	3	4	5	V1.53	
The colour scheme used in the store is pleasing	1	2	3	4	5	V1.54	
Section B							
<i>2. YOUR STORE OBSERVATIONS Please respond to the following statements. Indicate your answer in the adjacent column with an X</i>	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Office use	
The way this store displays the merchandise is attractive	1	2	3	4	5	V2.1	
Shopping at this store is an efficient way to manage my time	1	2	3	4	5	V2.2	
I shop at this store for the pure enjoyment of it	1	2	3	4	5	V2.3	
The prices of the merchandise in this store are too high, given the quality	1	2	3	4	5	V2.4	
I think this store is entertaining	1	2	3	4	5	V2.5	
Shopping at this store "gets me away from it all"	1	2	3	4	5	V2.6	
I think of this store as an expert in the merchandise it offers	1	2	3	4	5	V2.7	
This store is aesthetically appealing	1	2	3	4	5	V2.8	
Overall, I am happy with the prices in this store	1	2	3	4	5	V2.9	
I enjoy shopping at this store for its own sake, not just for items I purchase	1	2	3	4	5	V2.10	
Shopping at this store makes my life easier	1	2	3	4	5	V2.11	
Shopping at this store makes me feel like I am in another world	1	2	3	4	5	V2.12	
When I think of this store I think of excellence	1	2	3	4	5	V2.13	
I like the way this store looks	1	2	3	4	5	V2.14	
This store offers merchandise that are good value for money	1	2	3	4	5	V2.15	
This store doesn't just sell products, it entertains me	1	2	3	4	5	V2.16	
Shopping at this store fits my schedule	1	2	3	4	5	V2.17	
I get so involved when I shop at this store that I forget everything else	1	2	3	4	5	V2.18	
The enthusiasm of this store is catching, it picks me up	1	2	3	4	5	V2.19	

Section C											
3. PURCHASING INTENTIONS Please respond to the following statements about this store. Indicate your answer in the adjacent column with an X										Office use	
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree						
It is very likely that I would purchase items from this store in the future	1	2	3	4	5					V3.1	
I am planning on making a purchase, but I have no particular item in mind	1	2	3	4	5					V3.2	
This store is the best place to shop for furniture	1	2	3	4	5					V3.3	
I would definitely recommend this store to other people	1	2	3	4	5					V3.4	
I am browsing with no intention to purchase	1	2	3	4	5					V3.5	
I would be willing to shop at this store in the future	1	2	3	4	5					V3.6	
When it comes to shopping for furniture, this store is my first preference	1	2	3	4	5					V3.7	
I am intending to purchase a specific item	1	2	3	4	5					V3.8	
In the future, this store is one of the first places I will look when I need to purchase furniture	1	2	3	4	5					V3.9	
When shopping for furniture, which interior outlets do you support most often and why? Please explain in at least 50 words. Your explanation is highly important to us!										V3.10	
Section D											
PLEASE TELL US MORE ABOUT YOURSELF											
Please answer every question and mark every relevant answer with an X										Office use	
1. What is your gender?							Male	1	Female	2	V4
2. What is your age?							Years				V5
3. What is your highest level of education?	Lower than Grade 10	1	Grade 10 or Grade 11	2	Grade 12	3	Grade 12 + Degree/ Diploma	4	Post - graduate	5	V6
4. What is your approximate total monthly HOUSEHOLD INCOME?	Less than R5 000	1	R5 000 to R9 999	2	R10 000 to R14 999	3	R15 000 to R24 999	4	R25 000 or more	5	V7
5. What population group do you belong to according to the SA Population Equity Act?											
White	1	Black	2	Coloured	3	Indian	4	Other	5	V8	

Thank you for your participation!

ADDENDUM E





