

# RETAIL STORE DESIGN AND ENVIRONMENT AS BRANDING SUPPORT IN THE SERVICES MARKETING

Professor PhD Tudor NISTORESCU  
Lecturer PhD Cătălin Mihail BARBU  
*University of Craiova*

## *Abstract:*

*The services are intangibles, therefore their quality is difficult to be evaluated by the client and building a strong brand image is a challenging task. The services are distributed using diverse channels such as: company retail stores, dealers, franchise. The service companies are interested in the environment of the location, not only to increase sells but also in order to boost the image of the company. The excitement that a retail store induces to a client can modify the perception of the brand. The client values more a brand that distributes its services in a luxury, high-tech retail environment than a discount store. In this paper we intended to investigate the techniques that a service company is using to enhance the brand image in a retail location. For this purpose, the various aspects of the retail store design and environment were analyzed in connection with the customer-based brand equity model. This original association will offer the services companies' new perspectives on how to leverage brand image.*

*Keywords: retail environment, brand architecture, point of sale marketing*

## **Introduction**

The design and environment of the retail store represent the aggregate elements which determine the style of the material framework of the location and create a special atmosphere for the client. The creation of a favorable environment is an art which requires considerable financial and time efforts. Once created, the general atmosphere is not easily modifiable.

To the service companies, the physical atmosphere and the manner in which operations are done by the front office staff play an important role in the creation of a specific institutional image and in the creation of the experience the client is going to live. The environment in which the service is marketed, highly influences the purchasing behaviour by representing: a) a support to the message transmitted to the public, in order to communicate the nature and quality of the proposed service; b) a discriminating factor towards the

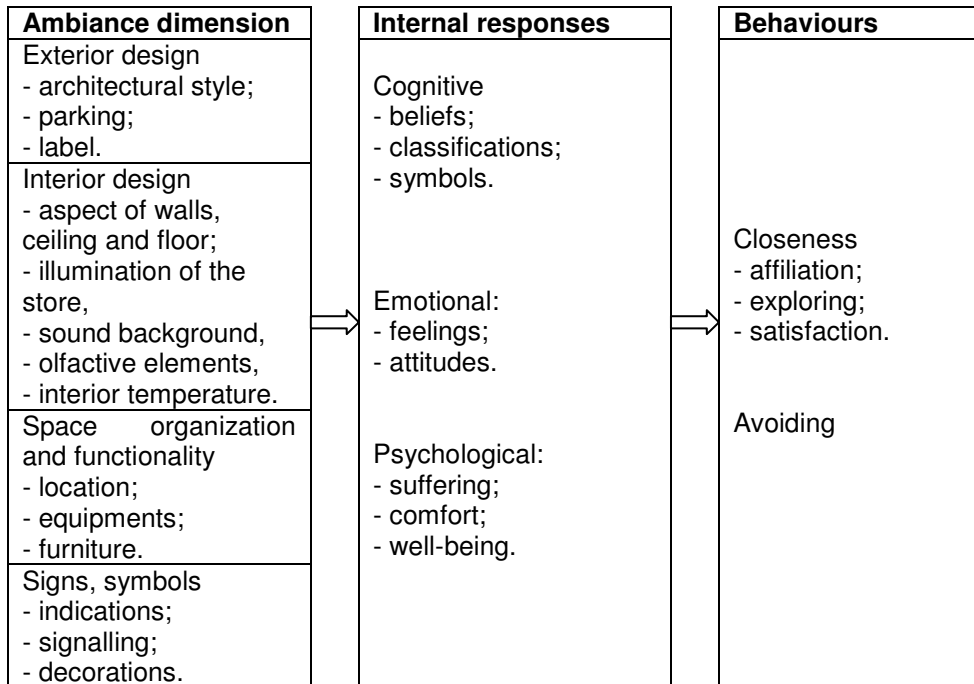
competing companies and c) an incentive aiming at achieving the desired objectives, through the use of colours, materials, sound and olfactive effects.

The environment in which services are marketed is often considered by the client as a reflection of the quality of the company's services, thus the companies make efforts to stimulate this quality with the purpose of acquiring a strong brand image. Consequently, the environment of the retail store modifies the perception on the quality of the distributed services. The client attributes a superior quality to products which are marketed in an opulent, luxurious location, as opposed to those marketed in an environment which suggests a discount atmosphere [3].

Marketing specialists have looked to establish, to evidence the connection between services environment and clients' behaviour. A known model is the one developed by Mary Jo Bitner,

regarding services environment, the “servicescape” model. It describes the general atmosphere, space organization and the functionality of signs and symbols. As individuals tend to perceive these dimensions in a global perspective, the key to effective scenery stands in making these dimensions suitable and interconnecting them. Following the contact to the general scenery, a series of internal reactions

result, respectively, cognitive reactions such as the perception of quality, establishing categories, emotional reactions such as feelings or attitudes and psychological reactions: pain, comfort. These interior reactions give birth to behaviours such as avoiding a too crowded supermarket or, on the contrary, spending an extra sum of money to chose a mobile phone, in a retail store of a mobile phone company.



**Figure 1. Services environment and customers' behaviour**

Source: Adaptation after the servicescape model created by Mary Jo Bitner, cited in Lovelock Ch, Wirtz J., Lapert D., *Marketing des services*, Person Education France, Paris, 2004.

Within our research approach we will analyze the manner in which the retail store environment helps in the creation and stimulation of the company's brand image. The elements of the general atmosphere are implemented by companies with the immediate purpose of creating a pleasant atmosphere and of boosting sales, and aim, in a smaller extent, ambitious objectives such as the correlation with the dominant values of the brand. However, if they are properly

used, the elements of the general environment can contribute to the leverage of brand image.

Building a brand image is a difficult, complex, sensitive process. For our study we will use the customer-based brand equity model. The CBBE model approaches brand value from a customers' angle. The basic assumption of this model is the fact that brand power is based on what customers have learnt, felt, seen and heard about a brand, following their experience with

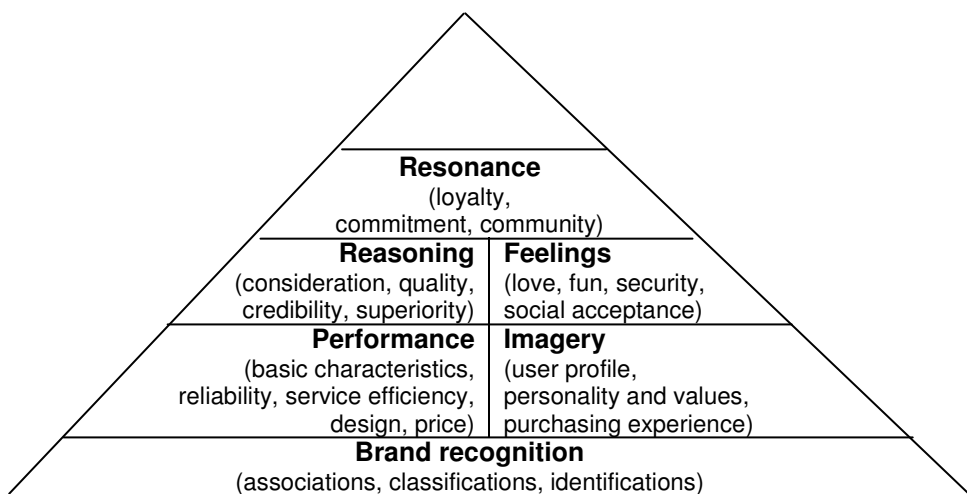
the respective brand along the time. In other words, brand power lies in the consumers' mind [7]. Keller defines the customer-based brand assessment as the differentiated effect label knowledge has on consumer's response regarding the marketing activities of the respective company.

Building a successful brand from the angle of the CBBE model is accomplished in a series of four stages, the passing from one stage to another occurring when the objectives previously had in view have been reached. The four stages are:

- Clients must know the brand, to associate it with a product or service (brand identification);

- Clients must be aware of all the brand senses by associating tangible and intangible elements with certain properties (brand significance);
- Obtaining the desired response from the clients (reaction towards the brand);
- Turning this answer into an intense, active, loyal reaction between customer and brand (brand connection).

The CBBE model may be represented under the form of a pyramid (figure 2). The left side represents a more rational way as regards brand building, while the left side represents a more emotional approach. The most powerful brands have been consolidated in both ways.



**Figure 2. Brand building pyramid**

Source: Kevin Keller, *Strategic Brand Management, Person Education, 2008, p. 61.*

### Impact of exterior design elements

This category includes exterior design elements, interior design elements and the decoration of the retail store. In the category of exterior design elements there is the architectural style of the building, the size of the building, the exterior colour, the material of the exterior walls and other signs, the façade of the store, the parking lot, the space in front of the store, if possible a lawn covered with turf.

An adequate management of the exterior components can lead to the achievement of a competition advantage, in the sense that customers attracted by the general atmosphere of a retail store would want to re-visit the store or to purchase more often in a certain location, a fact that would enhance loyalty towards the brand of the respective services company.

### *Architectural style and exterior aspect*

The location of marketing a service must find a place on the more and more crowded streets of the great cities or within commercial galleries in supermarkets. Consequently, in both cases the predominant pattern is that of renovated buildings, with modern glass facades having a double purpose: to create the impression of modern and, at the same time, to contribute to the increase in services tangibility, through the view of the way in which operations proceed inside. The possibilities of personalisation are limited in this field by the existing urbanism regulations. The imposing presence of the services company's logo and its name can be present or not. If possible, the activity can occur at the ground floor of a historic building, having an architectural style specific for a certain period, which confers an extra charm to the act of purchasing. From the point of view of the CBBE model, the architectural style and the exterior aspect contribute to the formation and strengthening of the feelings towards a specific brand: it deals with social approval which consumers receive following their presence in a recently opened store or in a fashionable restaurant. Moreover, the brand also obtains a positive answer from the part of rational arguments, in the sense that a modern location can induce the appearance of quality and credibility. Furthermore, a remarkable logo can contribute to brand recognition, as it helps customers to remember it every time they pass by the respective retail store.

### *Parking lot*

When they exist, are sufficient and adequately disposed, parking lots may be ignored by customers. However, if they are insufficient or if the access to and from them is done with difficulty, clients may think whether to enter in contact with this retail store or with another. Parking lots can be classified

in the category of *representations* or of *performances*. In the first case, the pleasant experience of shopping will make brand selection process easier. In the second instance, the efficiency of solving a problem, of satisfying an unsatisfied necessity determines the customer to positively consider, appreciate a brand.

As a rule, customers complain about parking lots to other customers, more often than to those responsible with the retail store. Moreover, the working personnel may not observe the lack of parking lots, as, being the first to arrive at work, they block the lot during all program hours.

### **Interior design elements**

Interior elements are numerous and refer to multiple aspects: the aspect of walls, of the ceiling and floor, as well as the materials with which they are covered/papered; the manner in which the store is enlightened, the sound background, olfactive elements, interior temperature, possibilities to move inside.

These interior design elements help creating positive *feelings* towards the brand. Some interiors may suggest a sensation of tranquillity, relaxation, for instance the interior of a spa, a recuperating, relaxation and massage centre decorated with numerous plants and a cascade. Other brands suggest the possibility of entertainment, for instance Disneyland. The feeling of security, too, is enhanced in the case of a bank subsidiary monitored by video cameras. In the case of existing flat screen TVs that present different programs, advertising spots or just ambient images, customers are induced a feeling of maximum intensity living, which may generate loyalty, especially from the young.

As services are intangible, a good way of making them tangible is through design and interior atmosphere. From this point of view, customers look for brand meanings at the level of

performances, materialized through the interior style and design.

Associated to certain scenery, *music* may have a powerful effect on perceptions and behaviours. Thus, defining elements of music such as rhythm, volume or harmony are differently perceived, depending on the listener. Studies have shown that an accelerated tempo and a high volume increase the nervous excitement of an individual, which determines him/her to walk faster, talk precipitately, or eat faster at the restaurant [11]. Willingly or not, individuals tend to adjust their rhythm at the rhythm of music.

The presence of *perfume* highly influences our affective reactions, our perceptions, our intentions to purchase and our behaviour in a store. Thus, a study has shown that respondents, in the presence of a perfumed environment, appreciate the store image as being positive, the store décor as being modern and the quality of services as superior [15]. According to aromatherapy principles, specific characteristics of perfumes can be used in order to generate a certain type of emotional, psychological or behaviour reactions.

Another factor with major impact upon an individual's behaviour is represented by *colour* or dominant colours of a commercial space. Colour can be stimulant, expressive, exuberant, and symbolic. The retail store must be firstly decorated in the brand's dominant colours, so as to favour brand recognition and communion. Starting from brand colour, a series of chromatic combinations are allowed in order to induce a certain state to customers.

### **Space organization and functionality**

This category includes grouping work posts, equipments, the way of placing cashiers, furniture, organizing departments, posters, panels and the signalling system within the commercial

space, the use of hi-tech equipments. Functionality refers to the capacity of all these elements to sustain the effectiveness of operations. Spatial organization and functionality influence customers' purchasing behaviour, his/her level of satisfaction, the attachment towards the brand and, consequently, the service's global performance. Spatial organization and functionality of the retail store contribute to brand building from the point of view of recognition, performances, representations and feelings. From the angle of performances, customers are more interested in a promptly-delivered service, within an ergonomic and functional space. From the angle of representations, spatial organization leads to the establishment of a pleasant experience, capable of regenerating pleasant memories. At the level of feelings, spatial organization can generate a feeling of closeness towards the brand values and, also, a feeling of security.

#### *Use of hi-tech equipments*

Many commercial spaces for services are provided with modern equipments. Thus, extra services are offered such as access to wireless Internet, the possibility to watch financial and business news, the possibility to do certain operations electronically, through the computer. All these generate, for a certain public, the appreciation of effectiveness, efficiency and create the interest of returning to that location as soon as possible. At present, more and more children have access to the modern calculus technique from an early age, a fact which allows them to be open in the future to new technical innovations.

#### **Signs, symbols and artefacts**

A series of elements forming the atmosphere of a service have the role of transporting a company's image, of allowing customers to orientate themselves, of indicating the rules to be

followed. In private, customers visiting a store for the first time try to find information to guide them. Customers who enter for the first time the store of a services company and are unable to receive a clear message on the procedure of unfolding the service would feel confused in a confused environment, which would accentuate their fury and frustration. For instance, in an airport improperly signalled, customers who are less familiar with the symbols or with English would feel confused.

The use of signs, symbols and artefacts would allow explaining the process of unfolding services, reducing time spent by customers, and creating the feeling of effectiveness for customers. In the case of multi-brand retail stores, signs and symbols help in brand recognition. The rapid display of operations results in obtaining an answer from customers regarding service performance, in the brand building process.

The aspects previously presented are summarised in table 1.

**Table 1**

<b>Retail store environment and brand building</b>						
Brand building Environment elements	Recognition	Representation	Performance	Feelings	Reasoning	Resonance
Architectural style						
Parking						
Interior design						
Store decoration						
Signs, symbols						

**Conclusions**

The paper presents a series of aspects of the retail store environment, as a support element in brand building. The basic role of the general atmosphere is to create a state of acceptance, of appreciation by the customers, with the purpose of obtaining recognition and

sales boost. However, the elements of general atmosphere can also contribute to the creation of brand image. The theoretical considerations previously presented have to be verified and validated among consumers, by making a study to strengthen the identified correlations.

**REFERENCES**

[1] Aaker D., *Managementul capitalului unui brand*, Brandbuilders Publishing House, Bucharest, 2005.

[2] Aaker D., *Strategia portofoliului de brand*, Brandbuilders Publishing House, Bucharest, 2006.

[3] Baker J., Grewal D., Parasurama A., The Influence of Store Environment on Quality Inferences and Store Image, *Journal of the Academy of Marketing Science*, 22, no. 4, 1994, pp. 328-339.

- [4] Cateora Ph., *International Marketing*, Canadian Edition, McGraw Hill, 2006.
- [5] Czerniawski R., Maloney M., *Creating Brand Loyalty: The Management of Power Positioning and Really Great Advertising*, Hudson House Publishing, 1999.
- [6] Fournier S., *Consumers and their brands: Developing relationship theory in consumer research*, Journal of Consumer Research, 24 (4), 1998, p. 343-373.
- [7] Keller K., *Strategic Brand Management*, Person Education, New Jersey, 2008.
- [8] Levy M., Weitz B., *Retailing Management*, McGraw Hill, 2007.
- [9] Lovelock Ch, Wirtz J., Lapert D., *Marketing des service*, Person Education France, Paris, 2004.
- [10] Meghișan Gh., Nistorescu T, *Bazele marketingului*, Sitech Publishing House, Craiova, 2008.
- [11] Milliman R, *Using Background Music to Affect the Behaviour of Supermarkets Shoppers*, Journal of Marketing, no. 3, 1982, p. 86-91.
- [12] Olins W., *Despre Brand*, Comunicare.ro Publishing House, Bucharest, 2006.
- [13] Olteanu V., *Marketingul serviciilor*, Ecomar Publishing House, Bucharest, 2006.
- [14] Roberts K, *Viitorul dincolo de branduri*, Business Media Group, 2006.
- [15] Spangenberg E., Crowley A., Henderson P., *Improving the Store Environment: Do Olfactory Cues Affect Evaluations and Behaviours?*, Journal of Marketing, 60, 1996, p. 67-80.