

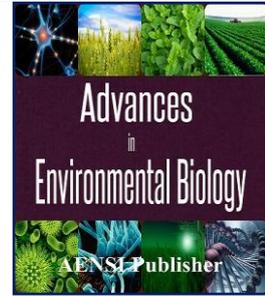


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Store Characteristics affecting the Customer Experience in SHAHRVAND Chain Stores in Tehran

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ABSTRACT

The goal of this research is investigation the effect of “in store factors” on customer experience in Shahr and chain stores. The present research is practical in goal perspective and correlative in nature. The population of this research are SHAHRVAND chain store’s customers. For this purpose a sample of 385 customer were selected by simple random sampling method. This research is done in survey method, so for realized questionnaire is used cronbach’s Alpha coefficient was obtained 0.811 and it was confirmed. Validity of this questionnaire was investigated and confirmed by experts. In this research in order to design research method inferential statistics and structural equation model were used with the help of two software SPSS and Lisrel. In this research the effect of nine independent variable on CE have been investigated. The results shows that the effect of facility on experience is more than the effect of other factors and technology is in lower level and after sale services have not any effect on CE. In chapter 5 there are more suggestions for every hypothesis for improve customer experience.

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INTRODUCTION

Due to the significant population of metropolitan Tehran as consumers existence of chain stores is essential . Considering the importance of chain stores in creating a place that provide most citizen's needful and other functions of chain stores in large cities Such as decrease in inter-urban trips and therefore less urban traffic and providing relief for citizens, Obviously these stores managers should try to improve situation of their store. Also, due to competitive atmosphere in the past few years and increasing number of chain stores in the city, these stores are expected to be equipped with new competitive advantages. So these stores win the competition against new store .And due to recent changes in customer orientation discussions and the recent attention to this issue and manager's efforts in this regard, Factors mentioned in this study could help managers of these stores to offer customers a better shopping experience.

Recently, there has been increased interest in the role of experience in marketing research. Based on the notable contributions of Hirschman and Holbrook (1982) and Schmitt [17] to the experiential marketing literature, numerous articles and studies dealing with the emotional, experiential and sensory dimensions of marketing now address the implications of this approach on purchasing and consumption behavior [19].

Schmitt takes issue with the features and benefits approach of traditional marketing. But structural frame work that he offers is based on 2 element. Experiential Marketing possess two main concepts i.e. strategic experiential modules (SEMs) and Experience providers (ExPros).These SEMs comprises five different types of experiences i.e. sense (experience created through sense organs), feel (appeals to the inner emotions and feelings), think (convergent and divergent engagement through intrigue, surprise and provocation), act (lifestyles, interactions and bodily experiences) and relate (relating to self, with other people or with culture). All these experiences are executed through ExPros, which includes “communications, visual and verbal identity and signage, product presence, co-branding, spatial environments, electronic media, and people” [17]. And also

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Pine and Gilmore [12-13] were some of the first writers to address the notion of the customer experience (see also Carbone and Haeckel [5] and Johnston [9]). In their paper in 1998; "Welcome to the Experience Economy" and their book the following year; *The experience economy – Work is theatre and every business a stage-* Pine and Gilmore observed that as services are becoming more commoditized leading-edge companies are competing on experiences.

The most relevant definition of experience has been given by Gentile *et al.*, [7] i.e. "The Customer Experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial physical and spiritual). Its evaluation depends on the comparison between a customer's expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points."

Since much researches has been done in the field of the impact of store factors on customer behavior. An example of such papers is Baker *et al.* [2] in which an extensive model was tested that considers the effects of several factors such as price and assortment, on the perceived value of store. Other literatures on retail experience has typically focused on store atmospheric and impact of scent, music, tactile inputs, and color on customer affective responses to a retailer (for an overview see Naylir *et al.* [10]). Verhoef, Lemon and Parasuraman in their research in 2009 developed a conceptual model drawing from previous researches that include several elements such as social environment, service interface, retail atmosphere, price and several channels that can offer services.

The idea of this research came from the model of Verhoef *et al.* Because the main emphasis is in store factors so, facilities and after sale services and value factors have been added to Verhoef *et al* and considered as independent variables, also price and quality considered as subset of value also Because of the importance of two factors of technology and staff these two factor were considered as independent variables.



Research methodology:

The aim of this research is to investigate the effect of in store factors on customer experience. Therefore; this research is applied from aim perspective and is descriptive in nature that is done in survey form. Also the present research is in the category of quantitative studies. Statistical population of present research is composed of Shahrvand chain store's customers in Tehran. The simple random sampling method was used. Sample volume is used from ratio estimation formula with limited error of 0.05 and maximum variance of 0.05 that they were totally 385 people.

In this research to collect data based on their being primary or secondary, questionnaire and also document (text) mining are used, so a realized questionnaire is used. In order to measure reliability Cronbach's alpha method and SPSS software are used. For this reason a sample including 30 questionnaires were collected and then by using obtained data of this questionnaires and SPSS software, reliability coefficient was calculated with Cronbach's Alpha method that Cronbach's Alpha coefficient for total questionnaires were 0.811 that is acceptable. Validity of the questionnaire is also investigated and confirmed by using experts and dear professor's opinions and ideas, also to measure context credit, the questionnaire with its index and elements were distributed to 10 experts and its being proper or not proper were investigated by them. Then by using Law she formula every especial item's being proper or fundamental was measured and the questions which had coefficient higher than 0.62 became acceptable, questions of the questionnaire were 55 before content credit that after determining the content credit became 41 questions. Finally in order to analyze data, inferential statistical methods were used. In this research in order to design research model inferential method and structural equation model method and with the help of Lisrel8.5 software the relationship between researches variables are investigated.

Research findings:

The main hypothesis is that "there is significant relationship between customer experience and in store factors "(in store technology, brand, atmosphere, facility, after sale services, location, value, sales persons, and assortment). Descriptive and inferential statistics were used to analyze the results of this research.

In the section of inferential statistics, to examine the hypotheses, after quantifying and score summation of answers related to each question we have considered hypotheses. For quantifying, question scores related to each variable have summed together.

Descriptive statistics for the sample segregated by gender, age and marital status were applied and the results are as follow. Gender, woman Frequency (%52.6), man(% 74.4) –Age: 15-30(%27.3), 30-40(%29.2), 40-50(%21.1), Above 50 years of age(%19.3), No reply(%3.1)- marriage: single (%38.8), Married (%61.2)

First we examine normality of variables by KS test.

Investigating normality of distribution of variables:

H0: normality of distribution of variables

H1: Abnormality of distribution of variables

If the significance level was less than 0.05 the null hypothesis can be rejected with 95% confidence and we can tell that the data distribution is not normal. And if the significance level was more than 0.05 null hypothesis was accepted and the data distribution is normal.

Variable	kS	sig	result
Assortment	0.812	0.525	Sig>0.05 Normal
Value	1.262	0.83	Sig>0.05 Normal
Staff	1.026	0.243	Sig>0.05 Normal
atmosphere	1.386	0.043	Sig<0.05 Abnormal
Location	0.939	0.341	Sig>0.05 Normal
Facility	0.699	0.712	Sig>0.05 Normal
Technology	1.004	0.266	Sig>0.05 Normal
Brand	0.847	0.471	Sig>0.05 Normal
After sale services	1.77	.004	Sig<0.05 Abnormal
Experience	1.3	0.068	Sig>0.05 Normal.

In order to investigate correlation between variable of facility, brand, technology, after sale services, staff, atmosphere, value, assortment, store location on customer experience, correlation test with SPSS software is used. The results of this test is as follow.

Correlation	assortment	value	Atmosphere	staff	technology	brand	facility	after sale services	location
Customer experience	0.37 (0.00)	0.432 (0.00)	0.189 (0.00)	0.537 (0.00)	0.288 (0.000)	0.376(0.000)	0.155 (0.002)	0.085 0.093	0.301 (0.0301)

According to obtained correlation coefficients, we can conclude that after sale services have no effect on CE and other variable have direct and significant effect on CE.

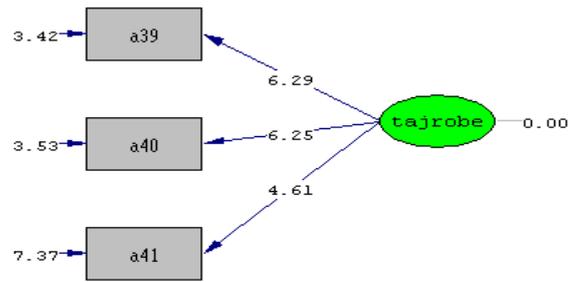
Confirmatory factor analysis of the measurement model:

Today Structural equation as an essential component of multivariate statistical analysis is applied by biologists, economists, academic researchers, marketing scientists, medical researchers, and social and behavioral scientists.

In this section effects of independent variable on dependent variable would be determined by factor load and amount of effects would be measured by T statistics, then research model would be compared with standard models by fitness indexes.

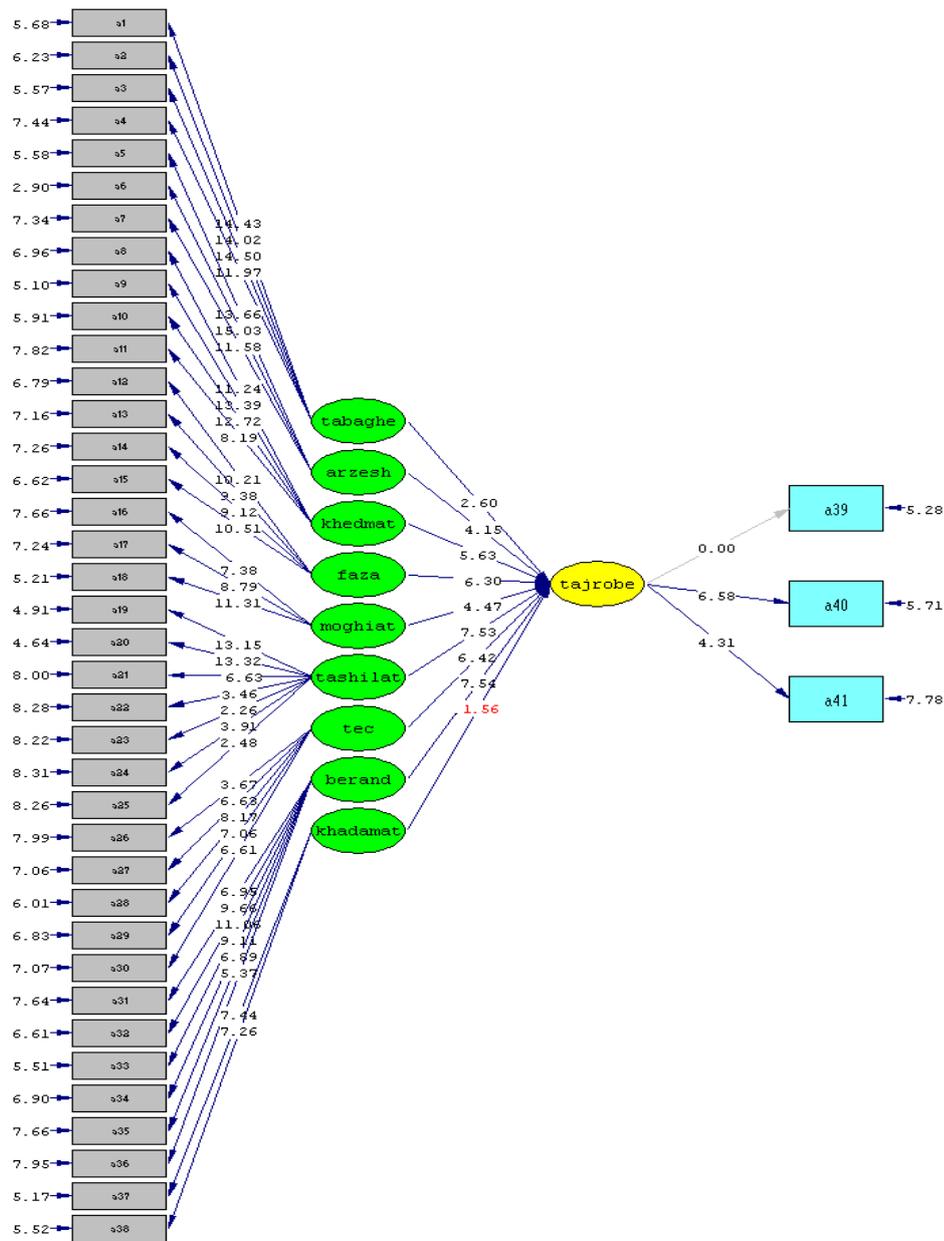
Figure 2 shows customer experience model in significant parameters state. Factor load result indicate that all questions has effect on customer experience because factor load values are between (-1.96,+1.96) and estimation values shows amount of this effects. Question 39 more than other questions indicated the distribution of customer experience variance. Amount of RMSEA is equal to 0.097 and significance amount of T statistics is equal to 0.0000 which is smaller than 0.05 and from this fact would be concluded that this model has a good fitting.

Questions	Factor-load	Estimation
Question 39	6.29	0.72
Question 40	6.25	0.71
Question 41	4.61	0.45



Chi-Square= 10.95, df=4, P-value=0.00000, RMSEA=0.097

Fig. 2: And Figure 3 shows final modelin significant parameters state.



Chi-Square=1473.48, df=734, P-value=0.00000, RMSEA=0.085

Fig. 3: First order confirmatory factor analysis modelin significant parameters state.

Fitness tests in structural equation modeling:

After identifying the model, there are various ways to estimate the overall fitness of model with the observed data. Several criteria usually is used to measure the model. And using three to five index is adequate. In this research we apply 3index and the results are shown in the table below:

test	Proper state	Test result
NFI	Must be bigger than 0.9	0.98
CFI	Must be bigger than 0.9	0.96
RMSEA	Must be smaller than 0.1	0.085

Factor	Factor-load	Estimation
Assortment	2.60	0.56
Value	4.15	0.68
Staff	5.63	0.71
Atmosphere	6.30	0.82
Location	4.47	0.63
Facility	7.53	0.91
Technology	6.42	0.85
Brand	7.54	0.73
After sale service	1.56	0.16

Estimation of parameters obtained in analyzing the relationship between dependent variable and independent variable indexes are shown in above table. The results show that all coefficients are significant. Amount of RMSEA is equal to 0.085 and significance amount of T statistics is equal to 0.0000 which is smaller than 0.05 and we conclude that this model has a good fitting.

Factor load result indicate that all above factor except after sale services has effect on customer experience because of factor load values are between (-1.96,+1.96) and estimation values show amount of this effect.

The amount of correlation coefficient between assortment and CE is 0.370 and the obtained factor load from the relationship between assortment and CE is equal to 2.60 and its T test is significant that show the significance of the relationship between assortment and CE .Therefore we conclude that this hypothesis is accepted. The amount of correlation coefficient between value and CE is 0.432.The amount of obtained factor load from the relationship between value and CE is equal to 4.15 and its T test is significant, that shows the significance of the relationship between value and CE .Therefore we conclude that this hypothesis is accepted.

The amount of obtained factor load from after sale services and CE has a relationship equal to 1.56 and its T test is not significant. Therefore we conclude that the hypothesis of existence of a significant relationship between after sale services and CE will be failed

The amount of correlation coefficient between staff and CE is 0.537and obtained factor load from the relationship between staff and CE is equal to 5.63 and its T test is significant that show the significance of the relationship between staff and CE .Therefore we conclude that this hypothesis is accepted. The amount of correlation coefficient between atmosphere and CE is 0.189 the amount of obtained factor load from the relationship between atmosphere and CE is equal to 6.30 and its T test is significant that show the significance of the relationship between atmosphere and CE .Therefore we conclude that this hypothesis is accepted. The amount of correlation coefficient between location and CE is 0.301the amount of obtained factor load from the relationship between Location and CE is equal to 4.47 and its T test is significant that shows the significance of the relationship between Location and CE .Therefore we conclude that this hypothesis is accepted. Therefore we conclude that this hypothesis is accepted. The amount of correlation coefficient between facility and CE is 0.155 the amount of obtained factor load from the relationship between Facility and CE is equal to 7.53 and its T test is significant that shows the significance of the relationship between Facility and CE .Therefore we conclude that this hypothesis is accepted. The amount of correlation coefficient between technology and CE is 0.288andthe amount of obtained factor load from the relationship between technology and CE is equal to 6.42 and its T test is significant that shows the significance of the relationship between technology and CE .Therefore we conclude that this hypothesis is accepted. The amount of correlation coefficient between brand and CE is 0.376obtained factor load from the relationship between brand and CE is equal to 7.54 and its T test is significant that shows the significance of the relationship between brand and CE .Therefore we conclude that this hypothesis is accepted.

Conclusion and discussion:

In the competitive world every company looking for more profits and attract more customers. For this reason obtaining competitive advantage became a necessary matter. But there is a problem, after a while this competitive advantage will be Imitated by other companies. And this advantage will be lost. Therefore, companies should looking to find new competitive advantage and this lead them to commoditization in competition. So the company should pursue a sustainable and inimitable competitive advantage. One of the best

solutions is using customer experience as a competitive advantage. Therefore, in this study we found out which factors effect on consumer experience in a shop. The results indicated that the assortment, brand, technology, location, staff, value, atmosphere have effect on consumer experience, but after sale services has not meaningful effect on CE. On the other hand we concluded that the obtained results properly admits researches of Puccinelli *et al* [14], Verhoef *et al* [18], Aliawadi *et al* [1], Druv Jrewal *et al* [6], Leisching *et al.* (2010), Rageh Ismail [15-16], Ismail *et al.*(2011), Goussinsky (2011)

Suggestions from findings of this research:

The major suggestion that we can interpret from result of this research is that in managing and planning a store it is important that this work should be done by customers not for them. According to result of this research the most effective factor in store were facilities because of this matter Special attention to facilities and their elements can be a major step in offering great customer experience. For example installing store's maps in various point of shop, Putting sofa or chairs to rest, creating facilities for children entertainment for parents convenience. The results show that there is a significant relationship between assortment and CE. Therefore it is suggested to managers and companies to consider the element of assortment such as pay attention to offering up to date goods in store and allocating enough space to each product. Based on results, there is a significant relationship between value and CE. Therefore it is suggested to managers and retailing companies that by applying discount and incentive policies attempt to reach real prices and with offering products in different price rang assist customers making proper decisions. According to result there is relationship between staff and CE in the store. According to this fact, manager of the store should pay more attention to needs of staffs by proper education increases their information about products.

Suggestions for future research:

In this research our focus was on "in store factors" future research can focus on another aspects of CE like as individual aspects .As mentioned before the consumer experienced has several steps, including the need for the product, gaining the product information, the shopping, the use of after-sale service, finishing the product and reminder to use it and see the same goods. In each of these stages can be identified factors that can influence the consumer experience and strengthened this factor. Subsequent research can have this regards. Cultural and religious differences also have role in CE .this differences can be subject of future researches.

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