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The Influence of In-Store Experiential Events on Shopping Value Perceptions and Shopping Behavior

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ABSTRACT
This paper investigates the potential for experience enhancing in-store retail events to impact consumer value perceptions and behavior. We report findings from a survey where the presence and type of in-store experiential event was varied by shopping scenario descriptions with regard to DIY category shopping. ANOVA and mediation tests are conducted and indicate that the presence of an in-store event significantly increases consumer value perceptions and reported shopping behavior intentions. We find no significant differences among the types of in-store event presented for either perceived shopping value or shopping behavior intention. We do, however, find event specific effects for consumers perceived shopping enjoyment.

INTRODUCTION
Since Kotler (1973-1974) coined the term atmospherics a plethora of research has investigated the impact of visual, aural, olfactory, and tactile dimensions of the retail environment on a variety of behavioral factors (Turley and Milliman 2000). Studies have investigated the impact of these variables in isolation (i.e., the effect of music only), or in some combination (i.e. the effects of music and lighting). However, in all these studies the effects of the holistically experienced retail environment have remained somewhat unexplored. Indeed, although the individual atmospheric variables are important in the development of a retail experience (Machleit and Eroglu 2000; Morrison and Beverland 2003; Pine and Gilmore 1999), their final effects may be dependent upon the consumer’s affective evaluation of the environment (Snodgrass, Russell, and Ward 1988). We therefore suggest that the literature on atmospherics and retail experience would be enhanced by empirical research examining the impact of in-store experiential events on consumers.

A holistic perspective on retail experience is provided by Pine and Gilmore (1999) and Schmitt (1999), who both propose that there are unique dimensions that encompass the multiple aspects of atmospheric variables forming retail experiences. We adopt the typology of Pine and Gilmore (1999) as the basis for formulating experiential in-store event dimensions. These dimensions are the: (i) aesthetic, which includes the visual, aural, olfactory, and tactile dimensions, (ii) educational, (iii) entertaining, and (iv) escapist, which at its extreme may allow consumers to experience an alternate reality. In this paper, we study the effects of these four types of retail experience on consumer value perceptions and behavioral intentions. We in particular investigate if value perceptions mediate the effects of the types of retail experience on behavioral responses. Overall, we hypothesize that as atmospheric variables have been shown to positively impact consumer value perceptions and behavioral responses, so too may the presence of in-store experiential events. Essentially we propose that these events positively impact consumer perceived shopping value perceptions and, consequently, also consumers’ intended shopping behavior.

We test this notion in a survey among a sample of shoppers in a DIY category using an experimental approach. The survey presented respondents with different descriptions of in-store events based on the typology by Pine and Gilmore (1999). Results indicate that the presence of an in-store event significantly increases value perceptions, in particular expected shopping enjoyment, and reported shopping behavior intentions. We find limited effects for the type of event presented. The type of in-store event presented influences the level of perceived shopping enjoyment but not the other value components, convenience and risk. Before discussing the further details of our hypotheses and findings we provide a summary of the pertinent literature in the section below, followed by a description of the method of our study. Finally, we discuss the implications of the main findings and provide recommendations for future research.

RELEVANT LITERATURE
Most literature on retail environments draws its theoretical foundations from either environmental psychology and the S-O-R paradigm or the perceived value framework. As comprehensively summarised by Turley and Milliman (2000), this S-O-R paradigm assumes that environments contain stimuli (S) that cause changes to a consumer’s organismic (or internal) state (O), which in turn cause approach or avoidance responses (R) (Mehrabian and Russell 1974). The S-O-R paradigm explains and presents evidence pertaining to numerous environmental cues, such as visual, aural, olfactory and tactile cues, and their related effects on consumer responses. For example, Mehrabian and Russell (1974) assert that shoppers react to retail environments with approach (e.g. desire to stay in the environment, or actively explore) or avoidance (e.g. desire to leave) behaviors. These studies have typically investigated the effects of either singular (i.e., music) or some combination (i.e., music and lighting) of atmospheric independent variables on a number of dependent variables.

Although atmospheric variables in isolation can have positive effects, as highlighted in Turley and Milliman’s (2000) review, in practice these variables produce their effects in combination with other in-store variables. Little seems to be known about how combinations of atmospheric variables, in terms of retail experience, impact consumer behavior (Baker et al. 2002; Beverland et al. 2006; Wakefield and Baker 1998) and current perspectives provide mixed results. In general, pleasant environments have resulted in positive effects, however arousing environments have resulted in mixed findings (Kaltcheva and Weitz 2006). Baker et al. (2002) suggest that stores which engage high shopping experience costs may encourage consumers to avoid the store.

The perceived value paradigm has also been influential in the study of retail environments (Day and Crask 2000; Sweeney and Soutar 2001; Woodruff 1997). Zeithaml (1988, 14) defined perceived value as “...the consumer’s overall assessment of the utility of a product based on perceptions”. To date, studies have attempted to correlate perceived shopping value to retail variables such as satisfaction (Babin, Darden, and Griffin 1994; Babin et al. 2005), customer share (Babin and Attaway 2000), and repatronage intentions (Stoel, Wickliffe, and Lee 2004). Some have included a focus on retail variables, such as satisfaction, word-of-mouth, loyalty, repatronage intentions and repatronage anticipation (Jones, Reynolds, and Arnold 2006). In addition, previous research has shown that shopping environments can impact consumer percep-
tions, potentially impacting a variety of behavioral variables from enjoyment to behavioral intention (Turley and Milliman, 2000). There has been however little research investigating the impact of experience enhancing retail events on value perceptions.

Within the shopping value literature two types of value are often identified, being utilitarian and hedonic value (Babin et al. 1994; Childers et al. 2001). Utilitarian shopping value can be related to the consumer’s need to obtain some utilitarian consequences from visiting a store (i.e., obtaining product information, acquiring a product) and incorporates aspects such as shopping convenience and perceived risk. Hedonic shopping value can be related to the consumer’s need to obtain fun and pleasure and relates to the perceived level of shopping enjoyment. These dimensions of perceived shopping value refer to consumers’ perceived utility on utilitarian and hedonic dimensions. However, there have been mixed results from studies investigating the effects of retail environments on shopping behavior (Kaltcheva and Weitz, 2006).

Two things seem to have remained unexplored in this literature. Firstly, the two paradigms have not been brought together to investigate how retail experiences can potentially increase value perceptions (Jones et al. 2006), referred to as perceived shopping value in this paper. Secondly, there has been limited empirical investigation if, and when, retail experiences impact behavioral variables, for example shopping behavior intentions. Both Pine and Gilmore (1999) and Schmitt (1999) develop operational typologies of retail experience, both proposing that there are unique dimensions encompassing the multiple aspects comprising retail experience. Thompson and Arsel (2004) note that both of these typologies offer consumers distinctively themed servicescapes, designed to facilitate the experience.

Schmitt (1999) develops a typology of experience based on five key dimensions, sense, feel, think, act, and relate. These dimensions provide a framework by which companies and brands can engage consumers in an experiential manner. Alternatively, Pine and Gilmore (1999) developed a fairly operationally defined view of retail experience. In their view, retail experience can comprise of four experience realms: the aesthetic, educational, entertaining and escapist realm. Whilst both typologies provide potentially fruitful avenues for empirical investigation, we adopt the Pine and Gilmore (1999) typology in this paper. One reason for this adoption is that the Schmitt (1999) typology seems particularly well suited to the creation of brand experiences. For instance, Schmitt (1999) proposes that consumers be engaged to sense, feel, think, act, and relate. The Pine and Gilmore (1999) typology provides four distinct experience designs particularly well suited to retail settings, aesthetic, educational, entertainment, and escapism. Furthermore, these four realms are well suited to form the basis of distinct offerings in an experimental setting.

Based on this typology, we define an in-store experiential event as an event that encompasses the multiple aspects of retail atmospherics (i.e., the aesthetic environmental attributes) and engages the individual in either, an aesthetic experience, an educational experience, an entertainment experience, or some form of escapist experience. A key component in defining an in-store experiential event is that these events can vary along the dimensions of participation and immersion. Educational and escapist events allow the consumer to actively participate where entertaining and aesthetic events are passive. In addition, escapist and aesthetic events allow the consumer to be immersed in the environment, whereas an entertaining or educational event allow for the consumer to absorb some form of knowledge or information. Hence, an in-store experiential event differs from an atmospheric variable in terms of the way in which a consumer is immersed and participates within the store setting.

**HYPOTHESES**

Based on the theoretical ascertain in the previous section we develop several testable hypotheses. First, given that previous research has shown store environments can positively impact consumer behavior we predict that in-store experiential events will impact consumers in a similar manner. Consequently, we predict that the presence of experience enhancing in-store events will positively influence our dependent variables, increasing (H1) consumer shopping value perceptions and (H2) consumer shopping behavior intentions. Furthermore, and drawing from both the S-O-R and the value framework we propose that in-store experiential events (S) cause changes to consumers’ perceived shopping value (O), which in turn impact consumer shopping behavior intentions (R). Hence we predict that (H3) the relationship between the presence of such in-store events and shopping behavior intention is mediated by perceived shopping value, with higher levels of perceived shopping value resulting in higher levels of shopping behavior intention. Finally, given that we adopt the Pine and Gilmore (1999) typology, experimentally manipulating the type of in-store event we predict that (H4) events generating different types of experience will have different effects on the value generated. Specifically, given that the educational and escapist events allow consumers to learn and engage with the products (active participation) we expect these events to differ from the aesthetic and entertaining events as these events are purely passive in participation. On the dimensions of perceived shopping value, we predict that active events (education, escapist) will reduce consumer levels of perceived risk, increase their perceived convenience, and not differ across expected enjoyment levels. In a similar vein, we predict that the active events will significantly increase shopping behavior intentions.

**METHOD**

**Sample**

Telephone recruitment was used to approach a random sample of households in a large Metropolitan area for participation in a mail-back survey about shopping for DIY products. Of 488 questionnaires distributed, a total of 312 (64%) was returned. The sample consisted of 58.8% females. In terms of age, a wide range of age groups was represented.

**Experimental procedure and design**

The questionnaire first asked respondents about their most recent visit to a DIY store. They were then presented with a hypothetical scenario in which they were supposed to revisit this store but the store would be hosting a special event. Asking to imagine a store that they were familiar with allowed for a point of reference for consumers (Starmer 2000). The event descriptions that followed manipulated the in-store event along the four Pine and Gilmore (1999) event dimensions. For example, with the educational scenario the description was as follows:

When you reach the store you find out that the store has an in-store event running, this event is based on the concept of education. Within this store you are presented with the ability to seek professional advice by way of in-store presentations and/or one-on-one interaction with specialists.

The remaining scenarios were described in a similar manner. The manipulation of store environments in order to measure consumer responses has proven successful in previous research (Koellemeyer and Oppewal 1999). In addition to the experimental conditions a separate control version was created in which no event
was described to respondents. The control scenario provided no information about an in-store event to the respondents. This resulted in a between-subjects design with five questionnaire versions for the four event types and one control. Each respondent was randomly allocated into one of the five scenario conditions. Of the 312 questionnaires received, 64 were from the aesthetic event scenario, 74 from the educational event scenario, 70 from the entertaining event scenario, 69 from the escapist scenario, and 35 from the control condition.

**Dependent variables**

There were two key behavioral dependent variables measured in the study, perceived shopping value and shopping behavior intentions. The dependent variable of perceived shopping value relates to the “consumer’s overall assessment…based on perceptions of what is received and what is given” (Zeithaml, 1988, 14). Whilst the most common trade-off is between quality and price (Monroe 1990), Sweeney and Soutar (2001) suggest that this is often an overly simplistic definition. To measure perceived shopping value in relation to retail experience we adapt measures for three sub-dimensions, perceived shopping risk (Jacoby and Kaplan 1972, Sweeney, Soutar, and Johnson 1999), perceived shopping convenience (Seiders et al. 2005), and perceived shopping enjoyment (Childers et al. 2001). The second dependent variable was shopping behavior intention. This was a six-item scale based on Donovan and Rossiter’s (1982) scale and its later refinement by Kalcheva and Weitz (2006). All items were scored on a seven-point Likert scale, anchored by ‘strongly disagree’ and ‘strongly agree’.

**Manipulation check**

Following the description of the in-store experiential events, respondents were asked to write one thing that they liked (and one that they disliked) about the event described to them. Analysis of the open-response comments formed the basis for the manipulation checks. The open-responses were coded in terms of five categories, aesthetic-based, entertainment-based, escapism-based, and other for responses outside this classification. The percentage responses coded in correspondence with the manipulations were .39 for aesthetic, .63 for educational, .33 for entertaining, and .52 for escapist. All these percentages are significantly higher than the chance rate of .20. Hence, the open-ended responses indicate that the manipulation of the events was comprehended in the intended manner.

**RESULTS**

**Perceived shopping value**

The first dependent variable of interest was perceived shopping value. The measure of perceived shopping value comprised a summation of the three separate measures on the dimensions of hedonic and utilitarian value: perceived shopping convenience, perceived shopping risk, and perceived shopping enjoyment. These three constructs had Coefficient Alpha reliabilities of: .82, .83, and .89, respectively. For analysis purposes, respondents were divided into two groups (Group 1: The experiential condition; Group 2: The control condition) in order to test for difference in behavior depending on the presence or absence of an in-store event. A one-way between groups analysis of variance was conducted to explore the impact of experiential events on levels of overall perceived shopping value and the three individual components of the perceived shopping value.

There was a statistically significant difference in overall perceived shopping value scores between the experiential event condition and the control condition [$F(1, 290)=18.16, p \leq .001$]. The actual difference in mean scores between groups was medium according to Cohen’s (1988) criteria. The size of the effect can be assessed by calculating partial eta squared, which provides an estimate of the strength of association available for ANOVA. When there are two levels of the independent variable eta squared is the point biserial correlation between the continuous (dependent) variable and the dichotomous variable (Tabachnick and Fidell 2001). In this instance, the effect size was .06.

Further analysis of the individual components of overall perceived shopping value was conducted. There was a statistically significant difference in perceived shopping enjoyment scores between the experiential conditions and the control condition [$F(1, 299)=23.61, p \leq .001$]. The actual difference in mean scores between groups was medium according to Cohen’s (1988) criteria. This effect size, calculated using eta squared, was .07. The remaining components, perceived shopping convenience and perceived shopping risk, did not differ significantly between any of the groups. In summary, hypothesis 1 is supported as the in-store experiential event did influence overall perceived shopping value. The event specifically affected the perceived shopping enjoyment component and not the convenience or risk dimensions of perceived shopping value.

**Shopping behavior intention**

For testing the influence of in-store events on shopping behavior intention, a similar ANOVA was conducted with shopping intention as the dependent variable. H2 predicts that the in-store experiential events will result in overall higher levels of shopping behavior intention. Again, for analysis purposes, respondents were divided into the same two groups as previously. A one-way between groups analysis of variance was conducted to explore the impact of experiential events on levels of shopping behavior intention.

There was a statistically significant difference in overall shopping behavior intention scores between the experiential condition and the control condition [$F(1, 293)=10.49, p \leq .01$]. The actual difference in mean scores between groups was small according to Cohen’s (1988) criteria. This effect size, calculated using eta squared, was .03. These results suggest that when respondents were presented with a condition in which an experiential event was present their overall shopping behavior intention increased. In summary, hypothesis 2 is supported as the in-store experiential event did influence consumers reported shopping intentions.

**Mediation tests**

H3 predicts that the relationship between in-store experiential events and shopping behavior intention is mediated by perceived shopping value. It is anticipated that the mediation will work such that the announcement of the event will result in increased levels of perceived shopping value which in turn will enhance shopping behavior intention. We followed Baron and Kenny’s (1986) criteria for mediation. These authors recommend a 3-stage, sequential procedure whereby: i) each mediating variable is estimated as a function of the independent variable, ii) the dependent variable is estimated as a function of the independent variable, and iii) the dependent variable is estimated as a function of the mediating variable as well as the independent variable. For mediation to exist, the beta coefficient for the independent variable must be non-significant in the presence of the mediating variable. If this beta coefficient is reduced but is still significant, then it can be concluded that the effect of the independent variable on the dependent variable is only partially mediated.

The results reveal that the direct path from in-store event to shopping behavior intention was significant (beta=4.03, t=3.2, p \leq .001).
Respondents who had been exposed to an experiential event indicated higher levels of shopping behavior intention than those who had not been exposed to an experiential event. The effect of the independent variable on the proposed mediator was also statistically different from zero (beta=6.06, t=1.64, p < .001), hence respondents who were exposed to an experiential event indicated higher levels of perceived value. Finally, for mediation to exist, the beta coefficient for the independent variable must be non-significant in the presence of the mediating variable. The direct effect of the independent variable on the dependent variable, controlling for the mediator was not statistically different from zero (beta=1.97, t=1.64 p > .05), indicating no relationship between the event and shopping behavior intention when controlling for perceived shopping value. Thus, all of Baron and Kenny’s (1986) criteria for mediation are established, which confirms mediation and provides support for hypothesis 3. This result indicates that the level of perceived shopping value does mediate the relationship between experiential events and shopping behavior intention.

**Differences between events**

There was a statistically significant difference \(F(4, 287)=5.06, p \leq 0.001\) in overall perceived shopping value scores between each of the four experimental groups [aesthetic (M=55.02, SD=7.84)], education (M=53.39, SD=8.32), entertaining (M=53.70, SD=7.51), and escapist (M=53.16, SD=7.48)] and the control group (M=47.83, SD=7.54). In this instance, the effect size was .07. Planned comparisons revealed no significant difference amongst the event types. Further analysis of the individual components of overall perceived shopping value revealed a statistically significant difference in perceived shopping enjoyment scores between each of the four in-store event conditions and the control condition \(F(4, 296)=7.22, p \leq .001\). The actual difference in mean scores between groups was medium according to Cohen’s (1988) criteria. This effect size, calculated using eta squared, was .09. Planned comparisons revealed a significant difference \(F(1, 296)=3.91, p \leq .05\) in the mean score between the aesthetic event (M=18.73, SD=5.01) and each of the remaining event types. There were no further differences between the event types.

There was a statistically significant difference \(F(4, 290)=3.33, p \leq 0.05\) in overall shopping behavior intention scores between the event conditions and the control condition. The actual difference in mean scores between groups was small according to Cohen’s (1988) criteria. This effect size, calculated using eta squared, was .04. Planned comparisons revealed no significant difference among the four in-store event types. In summary, hypothesis 4 can not be supported as there were no significant differences amongst the four event types in either perceived shopping value of shopping behavior intentions. There was, however, a significant difference in perceived shopping enjoyment for the aesthetic event.

**DISCUSSION**

The experiment presented here investigated the impact of in-store experiential events on consumers’ perceived shopping value and shopping behavior intentions. In addition, we investigated if there were any differences on these dependent variables among the four event types used in the hypothetical scenarios. The experiment was conducted among a sample of potential real shoppers in a large metropolitan area and involved the manipulation of store descriptions presented in a survey. The S-O-R and value frameworks provided useful foundation to investigate the impact of in-store experiential events (S) on perceived shopping value (O) and shopping behavior intentions (R). In the present study, it was found that in-store experiential events are significantly associated with both perceived shopping value and shopping behavior intentions. Furthermore, perceived shopping value acted as a mediator variable between the in-store event and the consumers shopping behavior intentions.

With regard to perceived shopping value, our results found evidence for differentiated influences of the experimental condition, the in-store event, especially for perceived shopping enjoyment. Our findings suggest that when a retailer has an in-store experiential event, overall consumer expectations of the shopping experience increased. This increase is driven in particular by the hedonic value dimension, measured as perceived shopping enjoyment, and not by the utilitarian value dimensions, which were operationalised as convenience and risk. Regarding the latter, apparently, in the category studied (DIY) the presence of an in-store experiential event is not seen as a component of the retail environment that will make shopping more risky or difficult.

With regard to consumers’ shopping behavior intentions, we found support for differences in overall shopping behavior intention scores between respondents in the experiential conditions and the control condition. In general, respondents reported behavioral intentions (i.e., approach, purchase intention) increased when a store had an experiential event present. We also found a direct mediating effect of perceived shopping value between in-store retail events and shopping behavior intention. The results fulfilled the mediation criteria set by Baron and Kenny (1986).

In this study we found no significant differences between the in-store experiential event types based on the active and passive scenarios. On both of the dependent variables, perceived shopping value and shopping behavior intentions, all four event types were significantly different to the control. We found a difference between the aesthetic event and all other event types on the value dimension of expected shopping enjoyment. Overall, our respondents reported significantly higher anticipated enjoyment for the aesthetic event. There were no other differences amongst the event types. In some respects this conforms to previous findings which have found conflicting results in highly arousing environments (i.e., active) and more consistent, and positive, effects in pleasant (i.e., passive) environments (Kaltcheva and Weitz, 2006). There are two potential explanations for this lack of differentiation between the event types. First, whilst the Pine and Gilmore (1999) typology provides an attractive framework, perhaps the dimensions are undifferentiated and consumers do not clearly see the difference between an entertaining and an educational event. Furthermore, there may be heterogeneity within the sample, such that certain consumer segments may prefer certain event types, however this was not the focus of this study.

There are some limitations to this study. The most important is that it has relied on written descriptions of the retail environment and events. This is however a limitation that is shared with the majority of research into retail atmospheres (Eroglu and Machleit 1990; Gardner and Siomkos 1986). Further research should be conducted in real retail store settings, preferably using experimental manipulations of in-store experiential events, to further investigate aspects of consumer expectations, shopping goals, and behavioral outcomes.

Keeping these limitations in mind, we are able to make a number of recommendations. Our findings suggest that consumers exhibit different behavioral intentions towards retailers depending on the retail environment and the consumer’s level of perceived shopping value, in particular their level of perceived shopping enjoyment. The results empirically confirm that in-store experiential events can positively influence consumer behavior in terms of both their subjective value perceptions prior to the consumption...
experience and their anticipated behavioral responses. From the findings presented in this paper, we conclude that experiential events can be a determinant of how consumers evaluate a retail encounter. Our findings build on previous research that has shown the impact of atmospheric variables to show that retail experiences can positively impact consumer behavior. Designing experiments within retail environments to study the actual impact on consumers and retailer outcomes would be a logical next step in this area.

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