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Research paper



Analysing Socio-Demographic Differences in Shopper's Experiential Values: Illustration of Servicescape in Malaysia Department Store

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Abstract

How servicescape influence on demographic differences in consumers' experiential values are not extensively examined by researchers in context of department stores. The purpose of this study is to examine is there any significance on demographic differences in shoppers' experiential values towards servicescape of department stores. 558 usable questionnaires were obtained across 5 regions in Malaysia and the analysis proceeded with both descriptive analysis and inferential analysis to test the model that was developed. The results indicate that shoppers' age and income are really having a significant difference on how they experience the store environment. Meanwhile higher incomes group greater than RM9000 has a significant difference in their experience with group income of RM3001-RM5000. Group income greater than RM9000 has a different experience and perception on servicescape compared to other income groups. It indicates that the higher the incomes, the more reactive and concern to environmental contrast than those who have lower incomes. This finding will assist retailers to apprehend the effects of customers' experiential values harmonised with the demographic characteristics affecting the servicescape offering. This could directly improve servicescape development strategies to produce unique in-store environment to boost shopping experiences and consequently leads to more satisfied shoppers especially in Malaysia.

Keywords: *Demographic Characteristics, Experiential Values, Servicescape.*

1. Introduction

The objective of this study is to examine if there is any significant on demographic differences in shoppers' experiential values towards servicescape of department stores. The main reason why experiential value is interesting to be studied is that patrons who enjoy the shopping experience at shopping malls will present desirable and profitable behaviours for retailers. Customer satisfaction and loyalty can be improved by experiential value. This has been approved by researchers in previous studies. For example, Brakus et al. (1) who have studied on brand experience, reveal that there is a direct effect of customers' experience on loyalty. Lang and Hooker (2) also added that store choice, loyalty behaviors, and willingness to pay are considered as important marketing outcomes which determine customer satisfaction.

In the same way, Fiore and Kim (3) have diagnosed that customers will experience a certain level of satisfaction with product or service that will contribute to customer loyalty. Frow and Payne (4) similarly make the point that in order for organizations to achieve the main goal of improving customer loyalty and increase profitability, priority must be given to creating a positive experiential value.

Currently, consumers are constantly seeking values, choices, and a great customer experience in their consumption patter (5). Avello et al. (6) asserts that the importance of delivering a great experience to visitors of shopping malls is that they tend to extend their stay in a shopping mall longer than planned, has more possibilities of undertaking a higher number of purchases and therefore, spend more during their visit. On top of that, a pleasing servicescape which offers comfort and gratification contribute to consumers' sense of wellbeing in the stores which therefore would enhance the quality of their visit and will increase consumer preference for the store. In line with this, Naderi (7) finds the appropriateness of product-image-store image is significant in predicting purchase intention.

There is also evidence indicating that consumers make his/her decisions according to emotional aspects, pleasant sensations and will be looking for memorable experiences (6). It can be seen therefore, that the outcome of marketing activity is important in order to be perceived. Experiential value is a great means of reflecting customer satisfaction with a retailer (8). At the same time, experiential value mediates the impact of quality personal service encounters on customers' behavioural intentions.

2. Literature Review

Kotler (9) defined atmospherics as an effort to create conducive shopping environment to produce an arousing effect in the shopper that increases his/her buying intention. According to Bitner (10), service environment or servicescape is associated with the appearance and style of the physical surroundings and other experiential elements experienced by customers at service delivery sites. Both definitions appear to be consistent with each other

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where the focus of attention is on the environmental cues that may ultimately influence the retail customers.

According to Putit et al.(11), in offering richer shopping experiences to the customers, retailers need to concentrate on the design of the retail store. In order to provide an overall attractive consumer experience, the malls should offer a variety of retail products, services and entertainment under one roof (12). It is important as it will attract customers to the store, thus maintain loyalty. By creating a unique physical environment, service providers are able to differentiate themselves from their competitors and create brand or in this case, store equity in the minds of the consumers (13). In this research, the indoor dimension of servicescape including ambient conditions, design factors, staff behaviour and staff image are the ones that will be tested. All of the dimensions are cited form (10), and they are combined and presented as environmental stimuli. The ambient condition includes music, temperature, colour, shape, air quality and cleanliness and these are the observable stimuli. It is also supported by Putit et al.(11), that elements such as colour, shape, lighting, music and scent can be used in the storefront, interior and exterior designs. It is considered as effective when it engages the customers. The design factors are those associated with store layout, equipment and furnishing as they play a part to develop the shopping experience (14). According to Arnould et al.(15), there are two important components of servicescape, namely communicative staging and substantive staging. Cohen (16) has explained communicative staging as a method in which the atmosphere is to be experienced and understood. Communicative staging shifts servicescape meaning from service provider to customers, among customers and from customers to providers and finally as interpreted by customers. Substantive staging ascribes to the physical perception of contrived atmosphere. A contrived atmosphere stresses on accuracy and are created to allow the experiencers to interact with the environment. Servicescape usually applies some substantive staging, and may unite with either high or low levels of communicative staging as described by Cohen (16). The physical creation of environment and the way it is presented will translate into stories and other types of communication (15). This situation explains the entire servicescape structure where the staging of fitting buyer experiences becomes main interest (17). Therefore, a person is willing to buy an experience for spending time and enjoying a set of events that the company is staging (18). The staging is always experiential, where the main interest is to obtain the core of the product whilst linking to the intangible, physical and interactive experiences (19).

In order to create appropriate consumer experience, Chronis (17) suggests that the marketer has to be creative and cooperative to develop the physical, social and symbolic elements of the servicescape. As a result, the environment stimuli that consumers react to either supports, or opposes the environmental cues, leading to approach or avoidance decision making. This method is suitable with a stimulus-organism-response orientation as proposed by Bitner (10).

3. Methodology Materials

The study investigates Malaysian customers at the selected department stores. Malaysia comprises Peninsular Malaysia and the states of Sabah and Sarawak. For the purpose of this study, stratified sampling methods had been chosen where the states in Malaysia were divided into five zones or regions namely, the Northern Region, Central Region, Eastern Region, Southern Region and Borneo Region (comprising Sabah, Sarawak and Labuan). The sample of respondents for this research has been selected based on the regions or the zones representing Malaysia as a whole (20). The target population was adult consumers (over 18 years of age) who have been shopping at the selected department stores in Malaysia. This field of study had been chosen because the researcher wanted to get the information directly from the customers about their opinion, observation, and experience with the retail stores that were the centre of the study and in the real shopping mall. The mall intercept administration was used because of its suitability in terms of its ability to approach potential respondents in a short time, its compatibility with the selected survey approach, thus permitting the researcher to motivate attention in the research, select prospective respondents, and enable respondents to get further clarification if needed on the questions presented in the instrument (8, 21, 22). 558 usable questionnaires were obtained across 5 regions in Malaysia and the analysis proceeded with both descriptive analysis and inferential analysis to test the model that was developed.

Table 1: Selected Regions and Department Stores

District	State	Mall	Department Store (anchor store)
Northern	Penang, Perak, Perlis, Kedah	Prangin Mall Plaza Gurney	Parkson
Central	Kuala Lumpur, Selangor, Negeri Sembilan	ÆON Bukit Tinggi Shopping Centre	Jaya Jusco
Eastern	Terengganu, Kelantan, Pahang	Berjaya Mega Mall East Coast Mall	Parkson
Southern	Johor, Melaka	Jusco Permas Jaya Shopping Centre	Jaya Jusco
Borneo	Sabah , Sarawak , Labuan	Borneo Shopping Mall	Parkson

4. Results and Findings

4.1 Hypotheses development

Chao-Chien & I-Han (23) have studied differences in experiential marketing of the Taipei International Sports Cycle Show across different demographic variables. The study has shown that there is a significant difference in experiential marketing across different demographic variables, including age, educational level and average monthly income. T test and a one-way ANOVA were applied to an independent sample and they found that there was a significant difference in the variables of age and educational levels, although, there was no significant difference in any other variables. The researchers also revealed that shoppers of age between 30 to 39 years had a greater impression of "emotional experience" than those who were 40 years old or above. Through a post hoc evaluation in connection with the variable of educational level, it has been shown that shoppers whose educational level was at the level of vocational/high school, had a higher evaluation of experiential marketing activities than those with college or graduate degrees. Shoppers who have an average monthly income of $30,001 to 50,000 NTD (New Taiwan dollar) and those who have an average monthly income of 5,000 NTD or lower, had a significantly higher perception of the "sensory experience" element. Finally, there was no significant difference in all elements of experiential marketing in the Taipei International Sports Cycle Show across customers of different marital status, gender, or residence. Again, studies such as this, establish the need to also address demographic variables when assessing dimensions relating to experiential values as these may well affect the findings within the context of department store shoppers.

Based on the above discussion on the significant differences in servicescape and experiential values across demographic factors, this study proposes that:

H1: There is a significant difference in experience value between male and female shoppers.

H2: There is a significant difference in experience value across regions in Malaysia.
H3: There is a significant difference in experience value across income groups.
H4: There is a significant difference in experience value across occupations.
H5: There is a significant difference in experience value across age groups.
H6: There is a significant difference in experience value cross educational level.

4.2 Findings and Analysis

The demographic characteristics measured in this study were gender, age, race, occupation, level of education and level of income of the respondents. The final number of respondents who participated in this study was 558 and their profiles are indicated in Table 2.

Table 2: Demographic Profiles (N=558)

Variables		Frequency n=558	Percent (%)
Age	18-24 years	88	15.8
	25-34 years	167	29.9
	35-44 years	173	31
	45-54 years	85	15.2
	55-64 years	40	7.2
	>65 years	5	0.9
Gender	Females	368	65.9
	Males	190	34.1
Race	Malay	212	38
	Chinese	298	53.4
	Indian	22	3.9
	Kadazan	5	0.9
	Dusun	3	0.5
	Murut	1	0.2
	Others	17	3
Occupation	Professionals	151	27.1
	Non-professionals	138	24.7
	Housewives	54	9.7
	Unemployed/retired	19	3.5
	Students	42	7.5
	Others	154	27.6
Educational Level			
	A Level/Diploma	166	29.7
	Bachelor Degree	162	29
	Master Degree	54	9.7
	Doctoral Degree	16	2.9
	Others	161	28.8
Individual Income			
	Less than RM3000	269	48.2
	RM3000-RM5000	169	30.3
	RM5001-RM7000	65	11.6
	RM7001-RM9000	25	4.5
	Above RM9000	30	5.4
	Total	558	100

A descriptive analysis and ANOVA were performed for the purpose of hypotheses testing. From the result of the analysis, only two hypotheses are supported which are age and income groups in terms of their influence on servicescape. This is indicated in Table 3.

Table 3: Comparative Analysis using ANOVA

Hypotheses	Significant Difference at 5% sig. level
H1: There is a significant difference in experience value between male and female shoppers	t value = 1.41 p value = 0.25 Not Supported
H2: There is a significant difference in experience value across regions in Malaysia	p value = 0.88 Not Supported
H3: There is a significant difference in experience value across income groups	p value =0.03 Supported
H4: There is a significant difference in experience value across occupations	p value= 0.34 Not Supported
H5: There is a significant difference in experience value across age groups	p value= 0.02 Supported
H6: There is a significant difference in experience value cross education level	p value =0.463 Not Supported

Post hoc test shows that the income group greater than RM9000 has a significant different between the groups except for group income RM7001- RM9000. However, if using 10% significant level, these two groups' differences become significant where the significance level is 0.081. This result is similar with (24, 25) where they discover that consumers with higher incomes are more reactive and concern to environmental contrast than those who have lower incomes. For Hypothesis 5, age group range of 18-24 years have significant difference in their experience with the group aged between 25- 34 years, 35- 44 years and 55-64 years. Why this situation happened is explained by Diamantopoulos et al.(26) where young consumers look forward to enjoy higher environmental knowledge in contrast to older consumers. Furthermore, at the same time, young consumers are also extra responsive to environmental characteristic (25)

5. Conclusion

The result of the study shows that there are demographic differences in experiential values of servicescape among department store's patrons in Malaysia, especially among the high income and younger age groups. Those in the higher income group and the younger customers of department stores are likely to value the store environment more as seen through the servicescape offerings. From a practical viewpoint, this study provides important guidance to the retailers. In general, the findings can help retailers understand further the implications that servicescape has in influencing customer's income group and age when shopping at their store. Thus, it is significant that retailers understand the influence of servicescape as they focus on their target segment's demographic characteristics when planning their in-store retail strategies.

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