

UNDERSTANDING HOW SOCIAL FACTORS AT A FASHION STORE AFFECTING CUSTOMERS' HEDONIC EXPERIENCE

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Abstract

A physical store remains needed in the Internet era. It associated to when customers are actively engaging with the products or services at every touch points in the retail setting so that retailers are able to make the most of happy customers to feel emotionally attached and bonded with the retail store. Hence, the presented study is undertaken to measure the impact as well as investigate the relationship and significance between social factors and customers' hedonic experience at The Goods Dept store in Pacific Place Mall, South Jakarta. A quantitative approach was conducted. through a non-probability sampling with purposive technique, A sample of 217 respondents was selected. The findings unveil that there is evidently a positive and significant relationship between the variables of social factors simultaneously in the incorporation of atmospherics towards customers' hedonic experience in The Goods Dept Pacific Place.

Keywords: Fashion Retail, Social Factors, Customer Experience, Retail, The Goods Dept

Introduction

Back in the days, consumers mainly focused on product functions or attributes to opt for a shopping place (Hussain & Ali, 2015). Nowadays, along with the trends toward brand internationalization, retail industrialization, and diversification of consumption behaviors, ultimately come changes in how customers shop. One of the ways in which the shopping experience is shifting can be seen from more consumers turning their attention towards the question of whether shopping itself is a pleasant experience or just a regular chore. Baker et al. (1992) pointed out that when retailers start to discover how extremely difficult it is to gain advantages in the terms of only the marketing mix; product, price, promotion, and place (channel), the store itself eventually becomes an opportunity for market differentiation.

It is crucial for retailers to be able to differentiate their offerings from the competitors, accentuate their distinctiveness, and precisely communicate their messages to the targeted consumers. In the terms of in-store activities, creating a convenient store atmosphere is a critical factor driving consumer response and considered as one of the efficient forms of communication strategy (Berman & Evans, 2001) especially in fashion stores where consumers spend a significant amount of time as part of the purchasing process (Gagliano & Hathcote, 1994).

True customer experience design means deconstructing the entire customer journey into its smallest component parts and then reengineering each component to look, feel, and operate differently than before and distinctly from competitors. When the experience is associated with how the retail environment is perceived, it means digging below the surface within each moment to understand the underlying customer need and designing the exact combination of people, place, product, and process to deliver delight in that short-lived moment (Stephens, 2017).

With that being said, the authors are fascinated to extract the impact of the aspects of social factors incorporated by The Goods Dept. in Pacific Place Mall as one form of marketing communication towards customers' hedonic experience.

Problem Statement

For some customers, this may amount to simply not being offended by discourteous salespeople. Consequently, by providing a pleasant experience, a retailer can also encourage a customer to build a more lasting relationship with the store and seek to return in the future.

This leaves the opportunity to do a research on how hedonic experience of the customers are affected by the social factors. Therefore, the authors believe that it is a great necessity to investigate and analyse the matters. The authors have mapped out the following as the research question pertaining to the study:

1. How significant are social factors in local retail store affecting customers' hedonic experience?

Objectives

- To investigate the influence of social factors towards customers' hedonic experience

Literature Review

a. Social Factors

Social factors are the people component who are present in the environment. They include the number, appearance and behavior of salespeople and other customers. Hines & Bruce (2012) further resolved that this factor can be broken down into two components:

1. **Audience**, which refers to other customers in the service environment. It describes a number of people being served simultaneously by the service provider. Audience become an important factor in the retail environment when customers are required to share the same service facility. The size of the audience within the environment can have an impact on the service experience, be it positive or negative. Audience

characteristics such as age, income, or social class will also affect the customers' perception of the retail space.

2. **Service Personnel**, which refers to employees who are tasked to interact with, and assist customers. They can also affect the way customers perceive the service environment. A salesperson that appears dirty or unkempt in an otherwise attractive environment may cause consumers to avoid that particular retail space. The performance of the salespeople can also greatly affect consumer satisfaction or dissatisfaction. According to Hines & Bruce (2012) inadequate salespeople can also make customers feel annoyed when they are required to wait. Consumers will evaluate salesperson on the basis of their personal expectation that they bring to service encounters. Good salesperson service is about providing the consumer with an efficient, positive and enjoyable purchasing experience (Baker, 1994). Front line employees are presumed to be not only salespeople, but also consultants by customers because they tend to ask for suggestions on merchandise selection.

b. Customer Experience

Schmitt (1999) also had claimed that experiences provide sensory, emotional, cognitive, behavioral and relational values which occur as a result of encountering, undergoing, or living through things. He presented an implementation tool for marketing managers, suggesting experiences can be provided through communications, displays of visual and verbal identity, co-branding, product presence, special environments, electronic media, and people. These experience providers must be managed coherently, consistently, and by paying attention to detail in order to generate positive values. There is an increase in experience-orientation among retailers, which can be seen in the variety of activities that they engage in to satisfy their customers.

c. Hedonic and Utilitarian Values

Utilitarian value as described by Bäckström & Johansson (2006) refers to fulfilling a task and relates to the functions of a product as well as its performance. The selection of a product is efficient and instrumental, and based on logical reasoning regarding the available product information. Solomon et al., (2010) describes the satisfaction of utilitarian needs as emphasizing the objective and tangibles. Utilitarian function is

related to the basics of reward or punishment, meaning that the attitude towards it will either be pleasurable or painful. Study results showed that utilitarian shopping value is positively linked to the physical aspects and product assortment that is driven by a sense of accomplishment and a goal to obtain sought-after goods of the shopping trip (Andersson et al., 2012).

Hypothesis

In the presented study, the aspects of the social factors and customers' hedonic experience are meant to be the variables which allowed the author to formulate the following as the hypothesis of the research:

H1: Customer's experience is affected by social factors at The Goods Dept Pacific Place

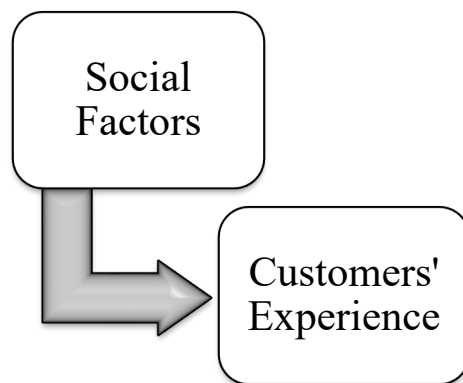


Fig.1 Conceptual Framework;
Social Factors (X) and Customers' Experience (Y)

Methodology

a. Quantitative Approach

The objective that the author wishes to achieve through quantitative research approach is to be able to find the answer to the research questions as explained in the previous chapters. The advantage of using quantitative research is that it produces reliable data that are usually qualified to some large population. A survey research is also one of the ways to gather data in the social sciences.

b. Data collection method

Primary data refer to data obtained originally by the researchers on the variables of interest for the specific purpose of the study (Sekaran & Bougie, 2010). A questionnaire was designed and pre-tested in order to obtain the necessary information pertaining to the study. Secondary data refer to information collected from sources that already exist (Sekaran & Bougie, 2010). The authors obtained secondary data from academic journals, books as well as relevant online articles.

c. Sampling Technique

A sample is a subset of the population which comprises some members selected from it. By studying the sample, the researcher should be able to draw conclusions that are generalizable to the population of interest. The sampling method used in this research is a non-probability sampling with purposive techniques.

d. Data Processing Technique

The results of the questionnaire were analyzed with statistical program called SPSS (Statistical Package for the Social Science) v21.0.0 for Windows.

Data Analysis & Results

1. The Goods Dept.

It was all started from The Brightspot Market, a bazaar-style market conceptualised by Anton Wirjono, Chris Kerrigan, Cynthia Wirjono, Eldalia Wirjono, and Leonard Theosabrata. The idea was to make the pop-up bazaar into a permanent store. The Goods Dept. established in 2010. Similar to The Brightspot Market, The Goods Dept. aims to be the home of creative startup local brands of fashion and lifestyle products (thegoodsdept.com)

In their seven years of establishment, the department store offers over 300 fashion and lifestyle brand. They offer products ranging from clothes, books even furnitures.

For the purpose of this research, the authors chose only one out of The Goods Dept establishments to be used as the object of study; one that is located in Pacific Place Mall in South Jakarta. Pacific Place Mall. In terms of conversion rate, The Goods Dept Pacific Place also has the highest among other stores.

2. Validity and Reliability Test Results

Questionnaire Validity Test of Social Factors (X) Variable

Below is the calculation result of the Social Factors variable validity test with the total of 6 statement items in the questionnaire starting from number 1 all the way up to number 6:

Table 1

Questionnaire Variable Validity Test for Social Factors (X)

Items	r_{count}	r_{table}	Criteria
1	0.545	0.133	Valid
2	0.478	0.133	Valid
3	0.548	0.133	Valid
4	0.539	0.133	Valid
5	0.550	0.133	Valid
6	0.577	0.133	Valid

Source: Developed for the research

All of the statement items of Ambient Factors variable in the questionnaire as indicated in Table 1 have valid status due to the values of r_{count} (Corrected Item-Total Correlation) of each item are all greater than ($>$) the r_{table} value of 0.133.

Table 2

Results of the Reliability Test

No	Variable	r_{alpha}	r_{table}	Criteria
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1	Social (X)	0.787	0.600	Reliable
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Source: Developed for the research

3. Respondents' profile

Out of the total of 217 respondents, 72.4% of them were females. The majority age group is 18-27 (67,3%). The frequency of the respondents visiting The Goods Dept store in Pacific Place is once every month (60,4%).

4. Respondents' opinions for social factors

Below is the respondents' opinion regarding the statement items of variable store social factors.

Table 3

Frequency Variable of Social Factors

Items	Social Factors				Total (score x Freq)	Average
	Score					
	SD	D	A	SA		
	1	2	3	4		
X3 - 1	1	37	124	55	667	3.07
X3 - 2	0	5	120	92	738	3.40
X3 - 3	2	10	130	75	712	3.28
X3 - 4	0	19	121	77	709	3.27
X3 - 5	0	8	144	65	708	3.26
X3 - 6	0	13	116	88	726	3.35
Total					4260	19.63
Average						3.27

Source: Developed for the research

The average score of the respondents' opinion on social factors as indicated in Table 4.8 is 2.45. It appears that item number 2 has the most "Strongly Agree" opinions from the respondents (92). The statement in item number 2 indicate that the appearances of the fellow shoppers in the store are fashionable and stylish. The Goods Dept is

considered as one of the most influential brand that has affected the culture of local street fashion of the Jakarta urban society. A lot of fashion influencers and celebrity also have become a part of The Goods Dept community which ultimately affects the consumers into thinking that they are a part of something phenomenal. Hines & Bruce (2012) claimed that the existence of fellow shoppers become an important factor in the retail environment as it insinuatingly contributes to affect the perception of the store in the consumer's mind.

5. Multiple Regression Analysis

Table 4

Summary of Estimated Regression Output

Variable	Unstandardized Coefficient	Beta	t	Sig.	Remarks
Hedonic Experience (Y)	0.321				Significantly Affect
Social (X)	0.301	0.297	4.853	0.000	Significant Effect

Source: Developed for the research

6. Hypothesis Testing Results

Table 5

Summary of Regression Coefficients

Variable	t_{count}	t_{table}	Prob.	Sig	Remarks
Social (X)	4.853	1.971164	0.000	0.05	Significant Effect

Source: Developed for the research

7. Social Factors (X) Variable

H1: Social factors gives impact towards customers' hedonic experience in The Goods Dept Pacific Place.

H1₀ : $\beta_1 = 0$, meaning that there is no significant impact of social factors on customers' hedonic experience in The Goods Dept Pacific Place.

H1_a : $\beta_1 \neq 0$, meaning that there is a significant impact of social factors on customers' hedonic experience in The Goods Dept Pacific Place.

Testing criteria:

1) Conventionally

It was founded that the significance level $\alpha = 0.025$ (two-tailed test) with $df = 213$. The t_{table} value that will be used based on the df is 1.971164, and the t_{count} for X_3 based on Table 4.12 is amounted as 4.853. Consequently, the result denoted that the value of t_{count} is higher than the t_{table} value ($t_{count} > t_{table}$), making the Social Factors significantly affects the customers' hedonic experience. Therefore, H_0 is rejected and H_a accepted.

2) Using SPSS

It can be seen on table 4.12 that the value of probability of significance (P-value) = 0,000 or 0% is lower than the significance level of 5%. Meaning that, H_0 is rejected and H_a is accepted. In other words, the Social Factors as a variable has significantly affect the hedonic experience of the customers.

Conclusion

The main objective of conducting this research was to identify the impact of social factors on customers' hedonic experience in the local fashion retail chain outlets such as The Goods Dept.

The presented study also affords important insights to retail store management that Social Factors (X_1) as a variable in the atmospheric aspects is critical drivers to customers' in-store hedonic experience as it has the significant impact.

Nevertheless, these findings might be applicable for The Goods Dept stores only and/or similar local fashion retail concept stores and, therefore, cannot be generalized

to other type of retail stores. Overall, this study was carried out with great care and perseverance so that the objectives are met and the results obtained were reliable and represents the store atmosphere that has positive effect on customers' hedonic experience.

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