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Perceptions of others, mindfulness, and brand experience in retail service setting

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ABSTRACT

This study examines how the presence of other customers in a retail service environment influences an individual's service brand experience (SBE). Previous research indicates individuals perceive other customers based on their similarity, overall physical appearance and behavior. Findings from this study show this perception of other customers (OCP) will influence an individual's service brand experience. At the same time, a person's state of mindfulness mediates the relationship between OCP and SBE and the resulting SBE has a positive influence on word-of-mouth. The results extend existing theory, present a number of managerial implications and provide a basis for further research.

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1. Introduction

Retail and service environments are complex settings, where customer experiences are dependent on a range of intangibles. Because of this, managers are instructed to manipulate promotion, price, merchandise, supply chain and location as a way to positively influence the customer's elusive 'shopping experience' (Grewal et al., 2009). The issue with such an approach is that it treats customers as sole agents, operating independently in service silos, without consideration for the range of stakeholders and actors that contribute to the service experience. By contrast, an alternate course of action is to embrace the diverse human element that shapes and guides service provision. As Kim and Kim (2012; p.18) state, "retailers need to effectively manage, control and manipulate human-related environmental factors" as these will have a significant, positive influence on consumer attitudes, perception and behavior. One only has to walk through a major shopping mall to understand the extent of human influence on the consumer's service experience. Sales staff, service providers, administrators

and ancillary workers are everywhere. Yet, the overwhelming majority of humanity one is likely to experience is the army of other customers, all vying for their 'moment of truth' in the retail service environment. Importantly, how these consumers perceive each other and interact can have major implications for their consumer attitudes and resultant behaviors.

Because of this, Brocato et al. (2012, p. 385) argue that "other customer perceptions (OCP) are the building blocks upon which managers can encourage customer-to-customer interactions". The core premise is that positive customer-to-customer interactions or observations will have flow-on effects that result in more positive evaluations of the service experience. This is because the social element afforded by other customers is seen as a key component in the development of a customer's overall service brand experience (e.g. Gilboa et al., 2016; Brakus et al., 2009; Verhoef et al., 2009). The service brand experience focuses on customer attitudes that come about from a combination of "subjective, internal consumer responses (sensations, feelings, and cognition) and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications and environments" (Brakus et al., 2009, p. 53).

When it comes to a customers' brand experience in a retail context, the environment is key. The advent of online shopping has only added to the challenges faced by brick and mortar retailers. In the modern offline world, it is imperative that a positive

in-store experience is created to differentiate from online alternatives, in order to entice customers to their physical location and delight them once they are there (Rigby, 2011). Because of this, retail environments can no longer be looked upon as simple transactional settings, where retailers act as B2C warehouses. Instead, retail environments are comprised of purpose-built facilities that include a number of physical dimensions including ambient conditions and spatial layout adorned with a range of signs, symbols and artifacts to provide functionality to the context (Bitner, 1990). However, the most important element in any service setting is the human element. In this respect, Baker (1986) states that a service environment should include social factors, ambiance and design. Social factors include the attributes that determine OCP, specifically the perceived similarity, appearance and behavior of other customers. In the current study, it is proposed that such OCP social factors will influence an individual's perception of their'service brand experience' (SBE). While the influence of OCP on SBE may appear straightforward, for OCP to have an affect requires some level of perception, attention and awareness on behalf of the individual. As such, the potential influence of a mechanism that activates an individual's attentiveness to extrinsic cues is a distinct possibility. Such a mechanism is that of mindfulness.

The theory of mindfulness was introduced by Langer (1989), who suggested that mindfulness is characterized by an existential orientation, where presence and context is an active, liberated existence. While a customer's service brand experience will differ in intensity, duration and evaluation (Brakus et al., 2009), the current study proposes that a customers' level of mindfulness will be pivotal to how they evaluate their brand experience within a retail context. The existing body of research on mindfulness in retail or service settings is still in its infancy, yet it provides the potential for a large range of theoretical and managerial implications. For example, Langer and Moldoveanu (2000) have shown mindfulness allows people to become more engaged with the different tasks set out before them. Because of this, it could be expected that mindfulness in a retail or service setting will increase consumer engagement with the service brand. Likewise, increased mindfulness is likely to have a positive influence on consumer experience, satisfaction and purchase behaviors.

For example, mindfulness has been shown to assist consumers in food service situations, as it improves their reliance on physiological cues to prevent overeating (Van De Veer et al., 2015). Mindfulness can also reduce anxiety and caution, and thereby increase participation, in online markets (Nikitkov and Stone, 2015). Similar effects are seen in tourism marketing, where tourism sites present many of the same complex, dynamic experiences found in retail or consumer service settings. For example, visitors to tourist parks who are more mindful exhibit different responses in terms of benefits sought, preference for services and overall participation in activities compared to less mindful visitors (Frauman and Norman, 2004). In addition, more mindful visitors have been shown to experience increased concern for site management and conservation along with greater satisfaction (Moscardo, 1996; Moscardo and Pearce, 1986). Such increased levels of consumer satisfaction have also been found in exhibition attendees, where mindfulness is linked with overall satisfaction of the event service delivery (Choe et al., 2014). This relationship between mindfulness and consumer service experience was also demonstrated by Ndubisi (2012), in research showing mindfulness-based marketing strategies result in increased perceptions of consumer satisfaction and relationship quality in the provision of healthcare services.

As a result, the relationship between OCP, a customers' level of mindfulness and SBE presents an interesting research opportunity. Generally, heterogeneity is expected in customers' levels of awareness and attentiveness in a service setting. Because of this,

the different levels of mindfulness will not only shape the brand experience, but behaviors relating to the sharing of experience-relevant information and word-of-mouth (WOM).

WOM is proven to be a powerful, influential tool that can have both negative and positive consequences for a brand (Lam and Mizerski, 2005). Klaus and Maklan (2012) found the experience of a service significantly affects a customer's WOM intentions. This is because customers are motivated to engage in WOM in order to process emotions, improve their image, persuade others, be considered as a better friend, reduce interpersonal distance and ultimately improve social bonds (Barasch and Berger, 2014). In addition, WOM is often perceived as more trustworthy than communication originating from the firm (Herr et al., 1991). Since the brand experience will vary from consumer to consumer, WOM can be positive or negative depending on how the customer perceived their experience of a brand. Consequently, WOM is closely tied to brand experience and is a widely accepted outcome from a person's SBE.

The primary objective of this research is to examine the influence of OCP on evaluations of service brand experience. In addition, an aim of the research is to investigate the effect of OCP on a consumer's state of mindfulness, and how this might indirectly influence brand experience and subsequent word of mouth intentions. The paper begins with a review of literature covering OCP and links it to the hypothesized effects on brand experience and word of mouth. The results of a survey undertaken in a Vietnam shopping mall are then presented and the theoretical and managerial implications are discussed. This research contributes to existing theory by validating the role of OCP as a determinant of brand experience and demonstrating the mediating effect of mindfulness on the relationship between OCP and brand experience.

2. Conceptual development and hypotheses

In a retail or service environment, what customers see will influence their service experience. This is understandable, given that vision is the primary sense used for product perception and object identification (Schifferstein, 2006). Part of vision's influence on perception in general is also due to what Spence and Gallace (2011) term 'affective ventriloquism', whereby information received in one sensory modality will shape or bias perception in other modalities. However, affective ventriloquism is not a phenomenon exclusive to sensory modalities or sensory level perception. In fact, affect may be transferred between concepts by an individual and may also be context dependent. For example, customers in a retail environment will inevitably be exposed to other customers and this exposure to other people is likely to drive affective response (Bornstein, 1989).

The idea that other customers will influence an individual's service experience has been forwarded by a number of researchers. For example, Baker (1986) identified social cues as a component of the service environment, and such social cues are often a result of customer-customer interactions (Lehtinen and Lehtinen, 1991). These customer-customer interactions manifest themselves in different ways. For example, simple observation of other customers may be sufficient. In this respect, individuals will observe other customers and evaluate the quality of the service delivery. When this happens, output quality of the service is judged by the target customer as well as other peripheral customers in the environment (Lehtinen and Lehtinen, 1991). Alternately, customer-customer interactions may include direct, physical contact. In a retail setting, such incidental touch between customers has been shown to have a negative influence on willingness to spend and brand experience, compared to when