



Research Note

An Upbeat Crowd: Fast In-store Music Alleviates Negative Effects of High Social Density on Customers' Spending

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Abstract

Research suggests that in-store crowding can lower customers' spending, thus limiting overall benefits of high store frequentation. Here, we propose that this negative effect can be mitigated by adjusting store ambiance, specifically by using certain types of in-store music. To test this idea, we conducted a longitudinal field experiment in which we manipulated in-store music tempo and measured social density in six European retail stores. Analyzing over 40,000 individual shopping baskets, we found that social density had an inverted u-shape effect on customer spending. This effect was moderated by in-store music tempo, such that fast music strongly increased spending under high-density conditions. The increase in shopping basket value was driven by customers buying more items rather than buying items that were more expensive. Fast music thus alleviated negative effects of social density. We discuss the theoretical implications of these findings and describe how practitioners can use in-store music to counter negative effects of high customer density.

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Introduction

The ambiance of retail stores has become an important success factor in recent years. A study conducted by retail store design agency Dalziel & Pow (2014) found that shoppers consider store ambiance to be more important than several other in-store factors, such as staff friendliness, and customer service. Practitioners' surging interest in the topic is reflected in an increasing number of academic studies that examine how various ambiance factors influence retail outcomes (e.g., Herrmann et al. 2013; Kaltcheva and Weitz 2006; Morin, Dubé, and Chebat 2007; Roschk, Loureiro, and Breitsohl, 2017; Spence et al. 2014).

One ambient factor that has received considerable research interest is social density—the number of shoppers per store area size (Andrews et al. 2015; Levav and Zhu 2009; Xu, Shen, and Wyer 2012). Social density often results in feelings of crowding—shoppers' subjective experience of limited personal

space and control (Harrell, Hutt, and Anderson 1980; Hui and Bateson 1991; Machleit, Eroglu, and Mantel 2000; Schmidt and Keating 1979). The retail crowding phenomenon presents retailers with an interesting dilemma: On one hand, a busy store with many customers is desirable from a shop owner's perspective, as more customers typically lead to higher overall sales. On the other hand, high social density and resultant feelings of crowding are known to have negative psychological effects on customers in utilitarian settings like a supermarket (for a review, see Mehta 2013). Consequently, retailers will be interested in ways to mitigate high social density's negative effects.

Besides being of practical relevance, this question is relevant from a theoretical perspective. While literature on social density and retail crowding has traditionally assumed negative effects of high social density on retail outcomes in utilitarian settings, literature on social contagion and herding (e.g., Freedman and Perlick 1979) implies the opposite by emphasizing shoppers' influence on each other. However, neither literature stream provides a comprehensive answer on (a) up to which point the effect of additional customers on sales is positive, and (b) how this turn-

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ing point can be shifted upwards to allow for more customers in a store without producing negative crowding effects.

Consequently, and following repeated calls for research (Bitner 1992; Machleit, Kellaris, and Eroglu 1994; Mehta 2013; Worchel and Brown 1984), we investigate here whether negative effects of retail crowding on retail outcomes can be compensated by supplementary store ambiance factors. Specifically, we propose that the tempo of in-store music (i.e., the speed of a detectable pulse in music; Bruner 1990) will moderate the impact of retail crowding on retail outcomes. Music tempo seems particularly relevant as a potential moderator because of its strong effects on consumers' emotions (Balch and Lewis 1996; Chebat, Chebat, and Vaillant 2001; Husain, Thompson, and Schellenberg 2002; Kellaris and Kent 1993) and behavior (Knöferle et al. 2012; Milliman 1982), and because it can easily be varied in most types of music. Below, we develop our hypotheses regarding how in-store music tempo might moderate high social density's negative effects, and then test these hypotheses in a large-scale field experiment.

Conceptual Background

Effects of Social Density and Retail Crowding on Retail Outcomes

As mentioned, social density at the point of sale creates a dilemma for retailers. On one hand, maximizing the number of customers per store area size (i.e., increasing social density) is usually desirable for retailers because (1) having more customers typically leads to more sales, and (2) because economic reasoning demands using the minimum store area. On the other hand, the crowding literature has primarily reported negative psychological consequences of high social density in utilitarian (as opposed to hedonic) settings (for a recent review, see Mehta 2013). A higher number of customers reduces the space and freedom of movement available for others in the store, making it more difficult for them to achieve their shopping goals. When customers' need for space exceeds the available space either because of the presence of other shoppers (social density), spatial limitations (spatial density), or personal factors, they may experience feelings of crowding (Stokols 1972).

Perceived crowding has primarily been associated with negative outcomes such as stress (Stokols 1978), negative feelings (Harrell, Hutt, and Anderson 1980), reduced feelings of control (Van Rompay et al. 2008), and reduced spending (Eroglu and Machleit 1990; Machleit, Eroglu, and Mantel 2000). In crowded stores, consumers adjust their behavior by buying less so they can use express checkout lanes, and they postpone purchases, stick to shopping lists, and reduce exploration behavior (Eroglu and Harrell 1986; Harrell, Hutt, and Anderson 1980). In addition, crowded environments have been shown to induce an avoidance motivation in consumers and make them more risk averse (Eroglu and Machleit 1990; Machleit, Kellaris, and Eroglu 1994; Maeng, Tanner, and Soman 2013). Finally, recent research has shown that consumers use social density cues to make inferences about the price level of stores' merchandise. Because crowded stores signal lower social class of their cus-

tomers, in-store crowding decreases consumers' valuations of stores' products and, consequently, their willingness to pay (O'Guinn, Tanner, and Maeng 2015). Given these negative psychological effects, high social density should reduce customers' spending.

While the crowding literature thus converges on the view that the link between social density and retail outcomes in utilitarian settings is linear and negative, some authors have proposed that it may be more complex and non-linear (e.g., Uhrich and Luck 2012). For instance, low social density may have negative effects if shoppers interpret it as a symbolic cue (Pan and Siemens 2011). Specifically, low social density may be perceived as a cue for poor product quality, high prices, or a negative image, which in turn should reduce consumers' patronage and purchase motivations. Alternatively, increased social density may trigger purchase behavior through a social contagion mechanism (Freedman and Perlick 1979). Such a mechanism would imply that observing how other shoppers select and buy products stimulates the observer's buying behavior. In denser environments, purchasing behavior is witnessed more often, making contagion and imitation more likely. Because of such positive effects, high social density should increase customers' spending.

To reconcile these negative and potentially positive effects of high density, researchers have proposed and demonstrated that intermediate (rather than low or high) levels of crowding have the most positive effect on consumers' self-reported store attitudes and shopping intentions (Mehta, Sharma, and Swami 2013; Pan and Siemens 2011). For instance, Pan and Siemens (2011) showed that in a goods setting, the effect of crowding on store attitudes, patronage, and purchase intentions follows an inverted u-shape pattern. Specifically, they found consumers' store attitudes and shopping intentions were enhanced at intermediate levels of crowding, but diminished at lower and higher levels of crowding. While a non-linear effect of crowding was thus confirmed for self-reported measures, it is unclear whether a similar effect would obtain for objectively measured sales outcomes.

In sum, to the extent that positive and negative effects of social density are multiplicative (Haans, Pieters, and He 2015), and that findings of Pan and Siemens (2011) and Mehta, Sharma, and Swami (2013) translate from self-report measures to objective sales measures, we predict that social density's effect on spending follows a non-linear, inverted u-shape pattern.

Alleviating Negative Effects of High Social Density Through In-store Music

How can retailers counter negative effects of high social density on spending? We propose that in-store music may be particularly suitable to alleviate aversive effects of high social density. Music is a well-researched point of sale ambiance factor. It has been shown to influence consumers' store evaluations, store satisfaction, time perception, time spent in the store, product choice, and spending (Garlin and Owen 2006; Hagtvedt and Brasel 2016; Kellaris 2008; Knöferle et al. 2012; Milliman 1982; North, Hargreaves, and McKendrick 1997; North, Sheridan, and

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