ROLE OF ENVIRONMENTAL FACTORS ON RETAIL BRAND PERCEPTION

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ABSTRACT

This ethnography is a pilot study of what factors contribute to brand perception as a construct in the retail environment, specifically Starbucks'. Field observations and interviews identify two dimensions, sociability and ambiance. Sociability is explained by social exchange, trusted sources, and social desirability. Ambiance is defined by comfort, visual pleasure, and atmosphere. This research concludes that social and ambient cues, not coffee, determine consumers' brand perceptions of Starbucks.

INTRODUCTION

Starbucks Coffee, a well-branded coffee shop, is known for delivering an impeccable customer experience. Consider the typical visit when a person steps through the door with the aroma of coffee wafting up to greet the patron. It is this inviting feeling that a person first gets when entering, but it never quite registers why. The subtlety of its allure tends to escape most people until they actually begin to pay attention. A pattern begins to emerge after many conversations with Starbucks' customers. They are not there just for the coffee but for something else. That *something else*, not their coffee, is the mediating factor why people choose to patronize Starbucks brand coffee shops.

OBSERVATIONS AND INTERVIEWS

After hours of observations and interviews, the first reason became apparent. People went to Starbucks to be with people. Whether alone or in a group, they were always amongst others. Those who were in groups of two or more were often there at the behest of other members. Interviews revealed infrequent or non-drinkers patronized Starbucks because of a friend's suggestion and to please that friend.

The second reason why people were patronizing Starbucks was for the ambiance, indicated by their feelings of comfort and visual pleasure, and by the observed atmosphere. No matter what people were doing in the store, they all appeared comfortable with a sense of familiarity of simply being among others in a relaxing environment. One interviewee felt that Starbucks was a place where he could find inspiration, while other people noted that they liked the cafe for the lighting to read or because it was a great environment. Still, other patrons simply felt the cleanliness of the facility was a compelling enough reason to frequent Starbucks. Atmospherics were experienced first-hand through many hours of observing the sound, temperature and smell in each retail store. Certain consistent aspects were found in almost every location such as the upbeat ambient noise from music and customers chatting, the moderate room temperature, and the aroma of coffee.

METHODOLOGY

Predetermined protocol was used in the sampling and data collection to preserve the integrity of the data as much as possible. Starbucks' store listings on their company Website was used as the sample frame and only their retail stores were selected for observation. Since this was a pilot study, only one-third of the population of stores was sampled based on their zip codes, yielding nine sites out of 27 total in

Austin, Texas. Data was collected over three consecutive days (Friday through Sunday) and over three daytime categories (morning, afternoon, evening).

The investigator performed two major functions as both an observer and an interviewer. As an outside observer, the investigator had no contact with anyone during the one hour observation period. At the end of every observation, the observer would become an interviewer and conduct one session. Dine-in customers were interviewed and chosen randomly to obtain varied perspectives.

DISCUSSION AND LITERATURE REVIEW

The purpose of this research is to understand what factors contribute to brand perception as a construct in a retail environment. A brand itself can simply be stated as a consumer's aggregate perceptions of a product or company [3]; it is what results from marketing consistency [4]. Thus, branding is used to create a high level of familiarity and positive image of the brand, which contributes to building the brand's equity [2]. The more attributes associated with a brand, the more loyal the customer [7].

Some major attributes for a retail brand can be found in the retail environment. Summarizing existing literature in marketing and consumer behavior [1], both brands and retail establishments have images that are linked to physical and social environmental cues. These images influence consumers' appraisal of the establishments and brands, their purchase decisions, and their patronage behavior. Similarly, this research applies meaning to *brand perception*, treating it as a construct with two primary dimensions, *sociability* and *ambiance*. If scant brand information is available to consumers in a store, then the physical and social environment should provide critical cues to stimulate further brand evaluation [1].

Sociability is defined by theories of social-exchange, trusted sources, and social desirability. *Social exchange theory* "views interpersonal interactions from a cost–benefit perspective… [using] the exchange of intangible social costs and benefits. [5, p. 50]" Some people go to Starbucks for the benefit of sharing time with friends even if they do not drink coffee. *Trusted sources* are credible sources such as experts, friends and family by which a person may base his or her judgment. Although a person may be driven to go to Starbucks with a friend in the interest of social exchange, he may also trust his companion's judgment that it is considered a good coffee shop. *Social desirability* is an individual's desire to meet the expectations of significant others [10, p. 13], and within the context of branding, it can be consumers being influenced by public opinion. Even the customer who is not wealthy can still obtain a high status symbol by drinking a relatively expensive cup of coffee.

Ambiance is defined by comfort, visual pleasure, and atmosphere. Supporting the identification of these attributes are two studies which identify comfort, cleanliness of facility, noise level, atmosphere/mood, and relaxation [6]; and store design, social factors and ambiance [8] as all having a positive effect on customers' pleasure. "Unless a store has a distinct product offering or pricing strategy, retailers must distinguish their store by building on the relationship between store atmosphere and consumers' emotional states. [8, p. 373]" *Comfort* is evidenced in field interviews in which Starbucks patrons emphasize how comfortable it is to be in the store and in the observational text in which people have a relaxed demeanor. Interviewees also indicate *visual pleasure* about such aspects as the cleanliness of Starbucks' facilities and the attractiveness of the interior design. The retail store can affect consumers' perceptions and attitudes by offering sensory cues through lighting, odor, ambient noise, and visual design to form an image of the store [5]. *Atmosphere* defines how consumers perceive the intangible environment around them. Though it is difficult to assess patrons' perceptions of atmospheric effects, observational data identifies three in-store consistencies contributing to atmosphere: temperature, noise

level, and odor. The temperature is always comfortably moderate; there is often pleasant ambient noise from music and chatter; and every store is filled with the powerful, though pleasant, aroma of coffee.

LIMITATIONS AND FURTHER RESEARCH

This pilot study serves as a springboard from which further research can build upon. Later research should include data collection from the balance of the target population of Starbucks Coffee shops in Austin, Texas. Additionally, scales can be developed to test the brand perception construct.

CONCLUSION

Through ethnographic analysis of Starbucks, this pilot study has shown that coffee merely mediates other processes within the retail establishment. Those processes, manifested as social and ambient environmental cues, have a powerful effect on consumers' brand perception of the store. Starbucks' product only mediates these dimensions which are truly the effectors of consumers' brand perception.

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