

AN EXPLORATORY STUDY OF EXIT BEHAVIOR AND THE APPEARANCE OF RETAIL STORES

Carol C. Caughey, Oregon State University
Sally K Francis, Oregon State University
Virajada Buasri, Oregon State University

ABSTRACT

Although retailers remodel their facilities frequently, little is known about which aspects of retail interiors are observed by customers and which of those aspects affect their purchase or exit behavior. Using a triangulated approach, this study examined aspects of the appearance of retail stores and exit behavior. Subjects who reported having left a store without buying anything because of the appearance of the store were asked to describe the store. Findings indicated that subjects who come from suburban areas are significantly more likely to leave a store without buying anything because of the appearance of the store than are those from rural areas. Differences were found for academic major of the subjects but not for sex or ethnicity. Those who reported the lowest satisfaction with their shopping experience were the least likely to have returned to the store. Results of this study could be used by retail store owners to make decisions about whether to remodel their facilities, and to plan how best to utilize limited remodeling funds.

INTRODUCTION

In the report of a recent study ("An inside look," 1996), consumers in focus groups said that they found retail stores to be poorly designed and in need of more attention to shoppers' needs. Retail store and chain store owners remodel their facilities with little access to information about the aspects of retail environments which appeal to consumers. The report of the focus group study indicated that "consumer attitudes were actually a 'proxy' for financial performance -- a testament to the importance of consumer attitudes." ("An inside look," 1996, p. 158). Although little research has been reported on which aspects of retail interiors affect satisfaction, exit behavior, and purchase behavior among consumers, it is often assumed by those investing in the remodeling projects that customers are more satisfied with the remodeled stores than with older stores, that they will spend

more time in these stores, and therefore that they will buy more. Markin, Lillis & Narayana (1976, p. 44) pointed out that "too frequently, store design and space utilization are not well integrated into the overall merchandising plan, nor does the merchandiser-marketer always appreciate the significance of space utilization, overall store design, color, and lighting as dynamic parts of his selling strategy."

Environmental psychologists, marketing researchers and others have studied various aspects of the relationship of retail store interiors and the purchase behavior of customers. An early study (Marks, 1976) explored combining several multivariate techniques to determine which factors of store image are salient to consumers in women's clothing specialty stores. Marks concluded that utilizing factor analysis in conjunction with multiple regression has advantages in a setting such as the one utilized.

Donovan and Rossiter (1982) explored store atmosphere using the Mehrabian-Russell affect model. Their findings suggested that the pleasure and arousal induced by store atmosphere had an effect on shopping behavior. In a later study, Donovan, Rossiter, Marcoolyn and Nesdale (1994) found that emotional suspense induced by store environment can positively affect the amount of time and money customers spend in a store. Baker, Levy and Grewal (1992) also used the Mehrabian-Russell affect model to explore the making of retail store environmental decisions. Results of their study indicated that ambient cues such as lighting and music interact with social cues such as the number and friendliness of employees to influence customers' pleasure, and that the store environment has an impact on customers' willingness to purchase.

The effects of color on store design were explored by Belizzi, Crowley & Hasty (1983). They found that colors, and particularly warm colors, can physically attract shoppers to store displays, and that color also has the potential of creating a retail image.

The effects of store characteristics on

customers' mood, satisfaction, and purchasing behavior were explored by Spies, Hesse, and Loesch (1997). Their findings indicated that pleasant store atmosphere positively affected the satisfaction of customers and induced in them a positive mood but had no direct effect on purchase behavior. A positive mood in customers was, however, found to foster spontaneous purchases.

A critical framework by which to evaluate the design of retail stores was developed by Fayek and Heuberger (1998). Among the categories identified in this criticism framework were space plan, department identity, visual merchandising and fixturing.

In a study of visitors' reactions to office interiors, Morrow and McElroy (1981) found that tidiness had the strongest impact on the subjects' reactions; and that, among the aspects of interiors studied, status symbols had the least impact. Their study also supported previous studies of office interiors which indicated that office design can elicit predictable inferences among visitors about the office occupants.

Ward, Bitner and Barnes (1992) explored the relative influence of the external and internal physical environment on the prototypicality of retail stores. A finding of this study was that the subjects' attitudes toward the restaurant studied were strongly influenced by environmental cues, and that the external environment was found to be more influential than the internal environment.

METHOD

To examine reported exit behavior and aspects of the appearance of stores, a questionnaire was developed using both quantitative and qualitative techniques. Subjects were students in an introductory microeconomics course at a northwestern university. Questionnaires were distributed during a class period along with an informed consent form. Participation in the study was voluntary. Ninety-eight questionnaires were completed; two were eliminated because of missing data. The final sample size was 96.

Subjects' ages ranged from 17 to 42 years with a mean age of 20.4 years. Fifty-three percent of the subjects were male and 47 percent were female. Ninety-one percent of the subjects were white/Caucasian and 3 percent were Asian. The

permanent residence of subjects was about 43 percent suburban, 37 percent rural, and 20 percent urban. Subjects' majors represented all of the colleges on campus. The largest proportion of students were majoring in business (28%); 16 percent in engineering, forestry and home economics; 9 percent in agriculture; and the remainder were distributed among the other colleges.

Subjects who indicated that they had left a retail store without buying anything because of the physical appearance of the store were asked to provide an open-ended written description of the appearance of the store and to provide descriptive data about the type of store, the type of merchandise offered by the store, the store name, and the store location. These subjects were also asked to indicate their overall evaluation of this shopping experience (1=not at all satisfactory; 5=completely satisfactory) and whether or not they had ever returned to shop at the store. Demographic data were gathered from all of the subjects.

To analyze the qualitative descriptions of the physical appearance of stores, a coding scheme was devised. The unit of analysis was concept/idea as described in words/phrases. Each mention of a concept/idea was coded separately. The following eight variables descriptive of the physical appearance of the store were coded:

- 1) Organization--disorder, randomness, bad layout, bad floor plan;
- 2) Visual Merchandising--crowdedness, too much merchandise, unappealing or lack of displays, poor fixturing;
- 3) Signage;
- 4) Structural--disrepair, rundown appearance, building size;
- 5) Light;
- 6) Cleanliness--dirty, bad odors, trashy;
- 7) Interior Design--color, lack of decoration, floor coverings, walls, art, datedness;

- 8) Disarray--messy, merchandise on floor, merchandise not folded/stacked.

Another five variables were coded to record concepts/ideas that were also mentioned but were not descriptive of the physical appearance of the store:

- 1) Employees--rude, distracted, unkempt;
- 2) Target Market--trendy, felt out of place;
- 3) Merchandise/Product--shopworn, outdated, dirty, cheap, trendy;
- 4) Slow Service;
- 5) Other.

Initially, the two researchers coded the data independently; intercoder agreement was 63%. The researchers refined the variables and then jointly recoded the data to reach agreement on the appropriate coding of each concept/idea.

Data were analyzed using descriptive statistics and chi-square analyses.

FINDINGS

Over half (50) of the subjects indicated that they had ever left a retail store without buying anything because of the physical appearance of the store. Most of their aborted shopping experiences occurred throughout the preceding year. Eighteen percent occurred in the preceding month, about one-third within the preceding 1-6 months and about one-third within 6-12 months previous to the study; only 14 percent of the reported experiences occurred more than a year previously.

Characteristics of the stores in which the aborted shopping experiences occurred are reported in Table 1. More than half the stores were discount stores, over one-fourth were department stores, and 14 percent were specialty stores. The vast majority of stores were located in Oregon. Subjects were asked to indicate whether or not the store carried apparel, books, sporting goods, housewares, hardware, appliances, electronics, drugs or other merchandise. Subjects checked all applicable categories. The

predominant category of merchandise offered was apparel with 40 subjects who indicated it (82%). The next most often indicated merchandise category was housewares with 15 subjects (31%) who mentioned it. The remaining merchandise categories were mentioned by no more than 13 subjects each.

Table 1
Store Characteristics

<u>Store Type</u>	<u>n</u>	<u>%</u>		
Department	14	28		
Discount	26	52		
Specialty	7	14		
Other	3	6		
State	n	%		
Oregon	24	80		
California	3	10		
Washington	1	3		
Other	2	7		
			<u>Yes</u>	<u>No</u>
Merchandise	n	%	n	%
Apparel	40	82	9	18
Books	10	20	39	80
Sporting Goods	13	26	36	74
Housewares	15	31	34	69
Hardware	10	20	39	80
Appliances	9	18	40	82
Electronics	9	18	40	82
Drugs	6	12	43	88
Other	9	18	40	82

To investigate potential differences between subjects who reported that they had left a store without buying anything because of the physical appearance of the store and those who had not, chi-square analyses were calculated. No significant differences were found for subjects' sex or ethnic identity. A significant difference was found between leaving without buying and subjects' permanent residence (chi-square=6.33, df=2, p=.04). As shown in Table 2, half (n=24) of the subjects who left a store without buying resided in suburban areas compared to only 16 (35%) subjects who had not left without buying. Also, only one-fourth (n=12) of the subjects who had left without buying resided in rural areas compared to half (n=23) of the subjects who had

not left without buying.

Table 2
Crosstabs of Left Without Buying by Residence

Residence	No		Yes	
	n	%	n	%
Urban	7	15	12	25
Suburban	16	35	24	50
Rural	23	50	12	25
Total	46		48	

A significant difference was also found between leaving a store without buying and academic major ($\chi^2=20.54$, $df=6$, $p .01$). Table 3 reveals that about one-fourth ($n=11$) of the subjects who had left a store without buying were in the College of Home Economics and Education compared to only 3 subjects who had not left without buying. Also, about one-third ($n=16$) of the subjects who had left a store without buying were business majors compared to about one-fifth ($n=9$) of the subjects who had not left without buying. Conversely, almost half of the subjects who had not left a store without buying were engineering or forestry majors compared to only about 15 percent of those who had left without buying.

Table 3
Crosstabs of Left Without Buying by Major

Major	No		Yes	
	n	%	n	%
Home Economics	3	7	11	23
Business	9	21	16	34
Engineering	10	23	4	9
Forestry	11	26	3	6
Liberal Arts	0	0	6	13
Agriculture	4	9	4	9
Other	6	14	3	6
Total	43		47	

Subjects' descriptions of the appearance of the store that they had left without buying anything are summarized in Table 4. Organization was mentioned 25 times (20%) by 20 subjects (23%).

Cleanliness was mentioned 26 times (21%) by 14 subjects (16%). The coding for this category

included such phrases as garbage, bad odors, dumpy, and trashy. To illustrate, one subject wrote, "a trashy look." Another wrote that it "was a dump. The entire store was dirty as were all of the things inside." Another wrote, "The store had a very musty decaying smell. Everything was random, dusty, and had the appearance of not being cared for. The worst part was that other shoppers had left trash around like Kleenex, used coffee cups--the to go kind--and also pop bottles." Another vivid comment coded in this category was, "I will not shop in stores that appear unclean to me. Stained carpet, dust, and cobwebs were throughout the store. I will not enter a store that is visibly unclean."

Interior Design was mentioned 22 times (18%) by only 12 subjects (14%). The coding for this category included comments about the floorcoverings, use of color, decorations or lack of them, outdatedness, and art on the walls. Some subjects' written observations were, "It looks old fashioned," and "Kind of outdated." Describing a store in California, one subject wrote, "It was an alternative style clothing store. It was dark inside and very dark colors on the walls. There were strange posters on the walls, a lot to do with death or evil things." Subjects described other stores as "just one big room with hardly any decoration except for a few pictures of models wearing their clothing;" "atmosphere was bland, plain, outdated colors, design, etc.;" "looked like a trendy teen-age store;" and "the bright pink carpet and mirrors everywhere made one dizzy and self conscious."

Concepts/ideas coded as Visual merchandising and Disarray were each mentioned by 13 subjects for 19 and 15 mentions respectively. Concepts/ideas coded as Visual merchandising were crowdedness, too much merchandise, unappealing displays, lack of displays, and poor fixturing. Comments coded as Disarray were messiness, merchandise on floor, and merchandise not folded or stacked. Examples of subjects' descriptions were "messy clothes everywhere, not put back on shelves, just put wherever;" and "The store was a disaster, especially the junior dept. Too much stuff packed on top of its self, making it seem cluttered and hard to find anything." Several more descriptions included comments about the difficulty of finding merchandise: "It was

difficult to look or find anything appealing because there was so much stuff." Again, "It made it difficult to locate things and it made things look cheap. I didn't hardly stay in the store."

Table 4
Frequency Distribution of Characteristics of Store Appearance

Characteristic	Respondents		Mentions	
	n	%	n	%
Organization	20	23	25	20
Cleanliness	14	16	26	21
Visual				
Merchandising	13	15	19	15
Disarray	13	15	15	12
Interior Design	12	14	22	18
Structure	9	10	9	7
Light	5	6	6	5
Signage	2	2	3	2
Total	88		125	

Of the subjects who had left a store without buying, 38 (80.9%) indicated that they had never returned to shop at this store. The mean satisfaction score for the aborted shopping experience was 1.56 (1=not at all satisfactory; 5=completely satisfactory). Over half (54.2%) of the subjects reported that their aborted shopping experience was not at all satisfactory; none reported complete satisfaction. To compare the overall satisfaction of subjects who indicated they had returned to shop at the store and those who had not returned, a t test was conducted. A significant difference was found ($t=-3.815$, $df=45$, $p .001$). The mean overall satisfaction score for subjects who had not returned to the store to shop was 1.37 compared to a mean satisfaction score of 2.22 for those who had returned to shop. That is, return shoppers were significantly more satisfied with their initial aborted shopping experience than were shoppers who did not return.

Finally, chi-square analyses were used to investigate differences in satisfaction by the eight store appearance variables. Satisfaction was recoded into 3 categories by combining responses of 3, 4, and 5 into a single category for analysis. Among the eight variables, only Interior Design was significant ($\chi^2=5.87$, $df=2$, $p .05$).

Table 5 reveals that among subjects who were not at all satisfied with their aborted shopping experience, 81 percent mentioned Interior Design in their written descriptions of the physical appearance of the store compared to only 19 percent of those who did not mention Interior Design. Of those who were most satisfied with their shopping experience (satisfaction = 3, 4, or 5), 75 percent did not mention Interior Design in their written descriptions of the store compared to only 25 percent who did mention Interior Design.

Table 5
Chi-square Analysis of Satisfaction by Interior Design Satisfaction

Mentioned Interior Design	<u>1</u>	<u>2</u>	<u>3</u>	<u>Total</u>
	Yes	21	14	1
Row %	58	39	3	
Column %	81	78	25	
No	5	4	3	12
Row %	42	33	25	
Column %	19	22	75	
Total	26	18	4	48

DISCUSSION

This study explored the aspects of the interiors of retail stores which caused shoppers to leave the stores without buying anything. Those subjects from suburban environments were found to be more likely to leave without buying anything because of the appearance of the store than those from urban or rural areas. The majors of the subjects appeared to have a significant effect on the exit behavior as well. Home economics and business majors were more likely to leave stores without buying anything than not to leave the store without buying anything. Engineering and forestry majors, on the other hand, were more likely not to leave the store without buying. As could be expected, those subjects who were least satisfied with the shopping experience reported were significantly less likely to have returned to that store than those who were more satisfied. Those who mentioned the concepts/ideas coded in the category of Interior Design, which were color, decoration, floorcoverings, walls and art, and

outdatedness, were more likely to be dissatisfied with the shopping experience than those who did not.

As an exploratory study, the present study lends insight into exit behavior among consumers whose reason for leaving stores was the appearance of the store. The number of mentions of certain elements of retail interiors, such as Organization, Cleanliness, Disarray, Interior Design, and Visual Merchandising, can provide insight for retailers and retail interior designers about which elements of stores are noticed by consumers. It should be noted that some of the elements, such as Disarray, may not be the result of design so much as of personnel policies such as hiring too few employees to allow time for them to straighten up messes left by customers.

A limitation of this study is that it included only those who had had a negative shopping experience. Further research should explore the elements of retail interiors which appear to draw customers into a store and which contribute to satisfaction with the shopping experience. It should be noted that it may not always be desirable to design stores in which customers notice the design. It could be argued that the most successful retail store designs are those which allow customers to appreciate the merchandise and not the facility itself.

Types of retail stores could be targeted for research. For example, certain types of retail establishments may elicit more affective reactions from customers than others. A convenience store, if it provides the consumer with the required gallon of milk, may not be evaluated as critically as would be an expensive apparel store.

Researchers might study special markets, such as the elderly, consumers with children, or the youth market to explore differences in responses to store interiors among various populations. Expectations about a shopping experience could also be studied in relation to the confirmation or disconfirmation of those expectations.

The various aspects of retail interiors identified by the researchers from the responses to the open-ended question in this study could be utilized in further studies in order to extend and refine the categories. Further research should be conducted in order to clarify which aspects of the interiors of retail stores are noticed by consumers,

perhaps by means of exit surveys. Another useful study could utilize two outlets of the same retail chain in the same city or region, one which has been remodeled recently and the other which has not been remodeled. Comparing consumer satisfaction, time spent, and purchase behavior in stores which stock similar merchandise and have similar personnel policies could provide insights into the effects of the interior environment on shopping behavior.

Those who make decisions about the remodeling of retail facilities currently have little empirical data on which to base their decisions and therefore must operate intuitively. Further studies, both empirical and qualitative, which explore the relationship between consumer behavior and the appearance of retail stores will inform those decisions.

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Send correspondence regarding this article to:

Carol C. Caughey
AIHM, Milam 224
Oregon State University
Corvallis, OR 97331-5101 U.S.A.
