The Impact of Shopping Environment on Customer Satisfaction

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Shopping through Click & Brick both provide a different environment of shopping to consumers. The aim is to determine how availability, price, and procurement of required product creates an environment that puts an impact on buyers to shift from click to brick or use both as a purchasing tool. The two modes can potentially coexist and aid in ensuring higher customer satisfaction. The findings are coincident with satisfied customers' shopping pattern, which suggest that many consumers gather online information regarding products, yet purchasing from brick and mortar stores or vice-versa. Further, Empirical research can be done to take in-depth knowledge of the subject.

Keywords: Shopping Environment, click, brick, Customer Satisfaction

1. Introduction

Customers actively look for the ease of accessibility of required product through e-commerce as well as the storytelling that is provided by traditional brick and mortar. The use of the internet and mobile phones have increased rapidly and have created different environments. Every brand is trying hard to utilize these environments as a new market opportunity. The focus of any brand has always been on the consumers and understanding their needs become its primary task. Customers now search the market for the product needed and brands are supposed to reach the expectations so that customers are satisfied.

Traditional shopping included shops/ brick structure of the nearby area which had a limitation of product availability, sometimes not meeting the exact demand of the customer. The emergence of websites and apps for shopping have created a new market platform. It is acting as a universal screen and is enabling a healthy shift towards click shopping.

The combination of bricks with clicks can create a whole new form of shopping. This strategy erases the lines of various channels and provides a consistent customer experience. Customers switch between retailers and devices in a very natural way in search of the best prices and offers. The purchase of the product now is made as per the ease of an individual. [1]

2. Background of the study

2.1 Customer Satisfaction

According to the Cambridge dictionary, the meaning of satisfaction is "The good feeling you get when you accept something, or when you do or want to do something."[2]

Customer satisfaction defined by Philip Kotler- "The feeling that arises from comparing a product's perceived performance against expectations, maybe pleasure or disappointment is known as customer satisfaction." Though there are only two terms (pleasure and disappointment) used herein, the definition is by no means ambiguous.

Customer satisfaction = f(perceived performance, buyer's expectations)[3]

It means meeting customer requirements to provide the required products. The calculation of the value of consumers is the basic need of a brand's available product to surpass its clients' needs. It's one of the most important indicators of business performance. In a competitive market where companies compete for consumers, customer satisfaction is a significant differentiator and is increasingly becoming an essential aspect of business strategy.[4]

Research into customer satisfaction with click and brick shopping environment is emerging. Like most areas that are new, empirical studies have used different approaches and focused on a variety of aspects in examining satisfaction. Satisfaction is conceptualized in a variety of ways. For example, some researchers focused mainly on the impact of customer perceptions or customers' experience of website and store characteristics.[5] However, there is still no consensus on the construction of satisfaction. The particular importance of the analysis arises from the fact that a final set of impact factors-availability, price, and procurement, with click and brick shopping environment, is missing. Therefore, the key objective of this research effort is to review customer satisfaction with click, brick or both shopping environment as a purchasing tool. The research provides insight into this regard.[6]

2.2 Shopping Environment

Shopping environment refers to the efforts involved in designing environments to produce specific emotional effects in the buyer that enhance his purchase probability. It acts as a stimulating tool to create consumers' desire to purchase.

The environment of the shop or brick involves a retail store's physical characteristics used to create an image to attract customers. This is also known as 'atmospherics' by Kotler. Earlier, this phenomenon was known as 'spatial aesthetics', 'the built environment' and 'servicescapes'.[7]The overall objective of creating a shopping environment is to get consumers to visit

the shop and to experience a broad range of real scenarios–from searching to exploring and, finally, to purchase. The retail environment is of great significance to affect customers ' perceptions of the retail experience.[8]

Online shopping is an e-commerce type which enables consumers to buy goods or services directly from a web browser vendor over the Web. Consumers shop by either by accessing the retailer's website directly or by browsing alternate vendors using an automated search engine that displaying the quality, price and other aspects of the commodity at different e-retailers. A recent phenomenon is a 'centre' which can be an aid for click model trying to leverage the benefit of brick and mortar without actually getting into physical transactional activities. An experience centre (as brands call it) provides more visual display space while for online players, the customers can experience, see, touch and feel the products, sometimes with the help of technology, rather than perhaps actually buy them and take them home.

Online furniture retailer Pepperfry is not getting into the business of directly selling to customers. Its furniture studios are zones for visitors to interact with staffers who are architects and interior designers. We have deployed large screens and augmented reality for product displays. Visitors can also scan the QR codes on the furniture and place them in online carts. However, there is no fulfilment since they cannot take the products home from the studio.

The knowledge environment of online shopping has improved compared to conventional shopping by providing additional product information such as comparing products, and various alternatives and characteristics of each alternative.[9] Online shopping consumers will be drawn not only by a high level of convenience but also by broader choice, competitive pricing and improved access to information.[10]

The environment of clicks provides information fast, which directly contributes to customer satisfaction, the most significant feature these days.[11]
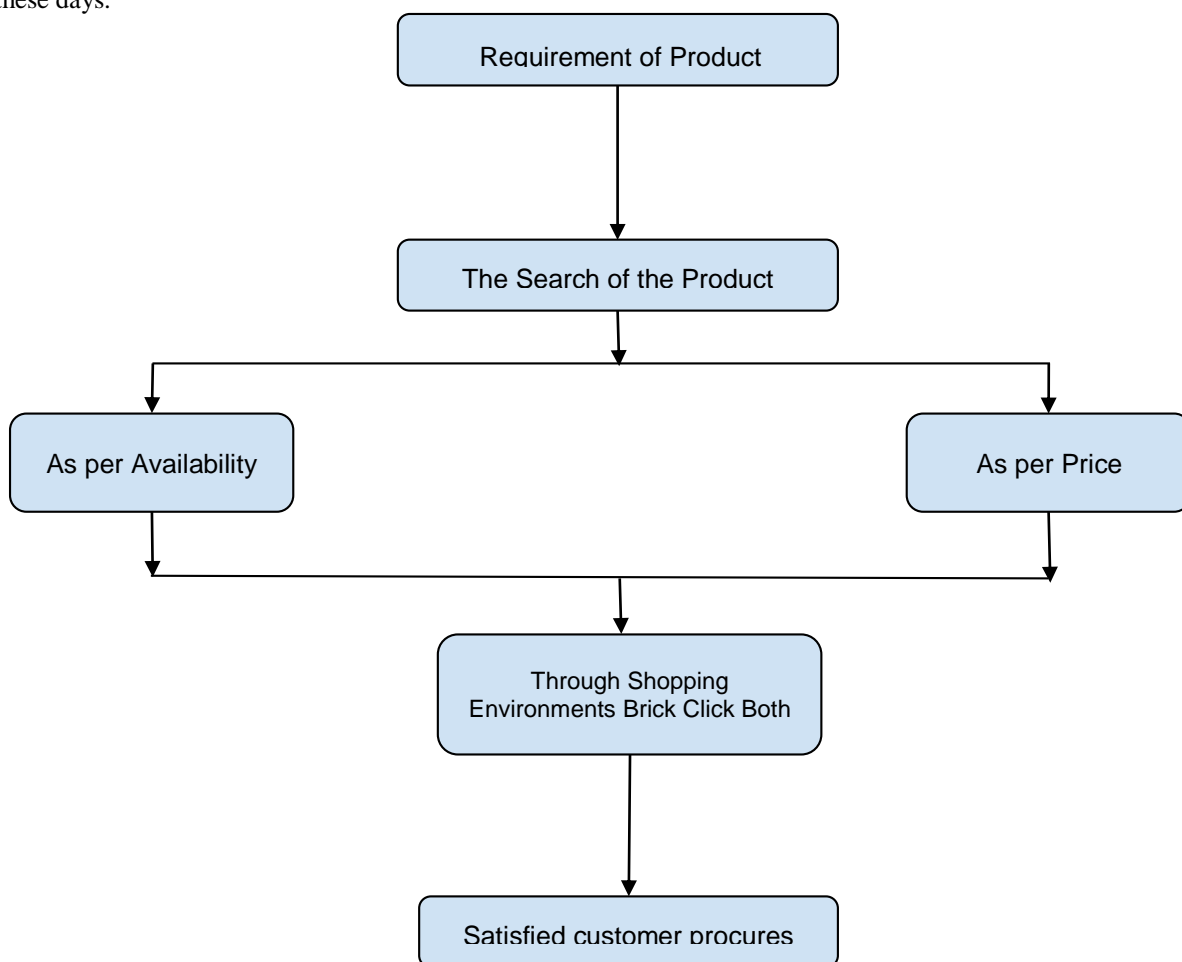

Figure 1

2.3 Availability

The way to satisfy consumers is to offer unique goods and instant availability. Availability of a required product plays a vital role in product assortment and order fulfilment by creating a positive shopping environment that directly affects value creation and satisfaction to consumers.[12]

Before coming for purchases, the customer has an image of the product in his mind, and if he sees that same product, he gets satisfied and makes the purchase. They prefer to buy at a brick store so that they can take the products with them immediately. In a brick shopping environment if the first choice of the customer is present, it makes him more satisfied, he shows less interest in choosing the other available product.[13]

Another aspect of availability is what a brand offers to its customers (new products), where customers do not have preconceived expectations; however, they get attracted to new features and experience altogether different satisfaction.

2.4 Price
Customers are now more price reactive due to increasing digital accessibility of comparative pricing information. Price tends to be one of the critical criteria for the appraisal of a purchase. The combined effects of cost and discounted rates offered tends to make customers more satisfied and motivate them to make a purchase. Customers who compare prices switch across the networks to optimize their opportunities to find the best deal. In showrooms, mainly, shoppers check in the stores for data and search for more details and deals on their mobile device at the same time. [14]

2.5 Procurement
Procurement is the act of obtaining the required goods or services by a person. A consumer is the ultimate user of the product, so the purchased goods must reach the customer as per the requirements. There are various options provided to procure the purchased product such as, click-and-collect, delivery in 24 hours, in-store ordering, home delivery, order online, return to store, click in-store, and other combinations of online and traditional activities that facilitate and improve the shopping process and the customer experience.[16] Any of these can be chosen according to the customer's comfort.[15]

3. Understanding the Impact of Shopping Environment on Customer Satisfaction
It appeared some time ago with the e-commerce boom in India that traditional shopping through brick and mortar would come to an end. It became important for vendors to make their products available everywhere and that the customer is aware of the products that are at the best price and are prevailing in the market. Buyers make different product choices. So it becomes necessary to create a proper shopping environment so that the availability, price, and procurement of products are according to the expectations of the consumers, which will make them happy. A satisfying performance makes the customer make an intention for future purchases. Satisfaction also increases the frequency of shopping in the customer. The model below shows the flow of customer satisfaction and its impacts from shopping environments. - (figure:2)
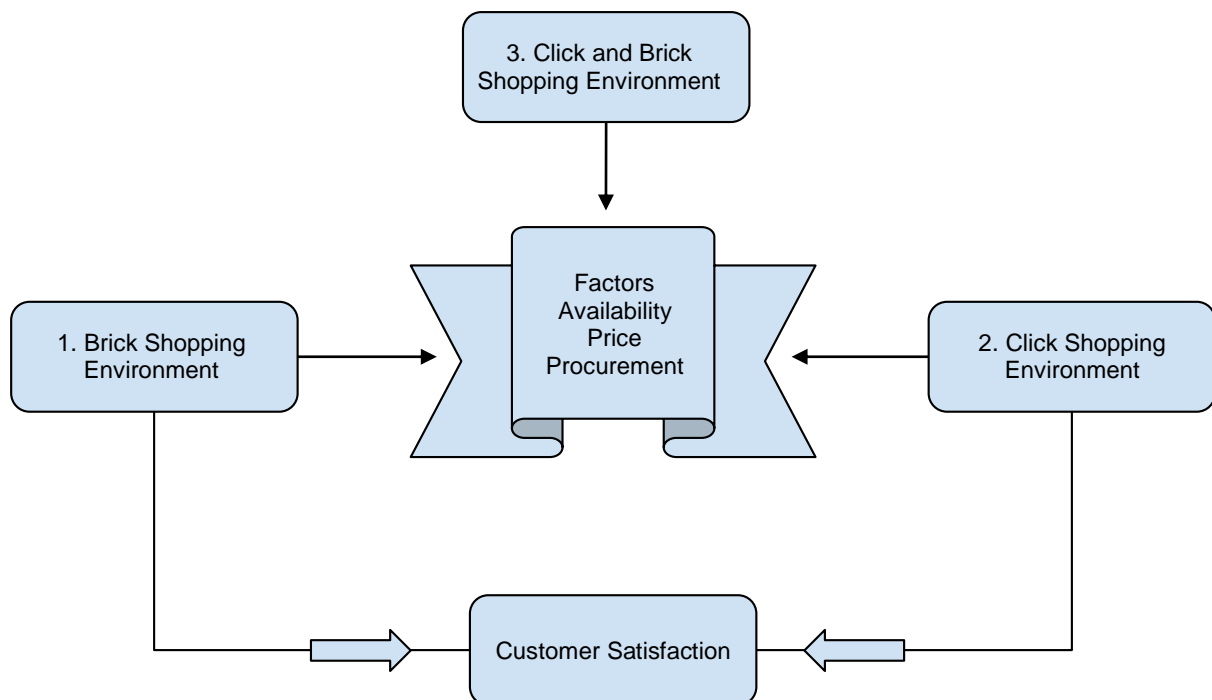

Figure 2

3.1 Brick shopping environment
Most renowned and luxury brands have opted to be active in traditional shopping concept so that they can provide a rare and unusual shopping environment for the customers. They are recognized internationally for style, sophistication and unparalleled designs. Below are some examples of such brands:
- 1837, Tiffany & Co. grew into a global design house at the forefront of innovative jewelry design and expert craftsmanship.[17]
- 1968, Clinique Laboratories, LLC is an American manufacturer of skincare, cosmetics, toiletries and fragrances, usually sold in high-end department stores. It is a subsidiary of the Estée Lauder Companies.[18]

- 1978, Versace is international fashion design house, a symbol of Italian luxury all over the world. It deals in fashion and lifestyle products including haute couture, readymade garments, accessories, jewelry, watches, eyewear, fragrances, and home furnishings all bearing the distinctive Medusa logo. The Versace Group distributes its products through a world-wide D.O.S network which includes over 200 boutiques in the principal cities and over 1500 wholesalers worldwide.[19]

The customers who approach these stores find it better to choose a product by experiencing it through touch. The product can also be demonstrated; this makes customers confident in buying the product and attain satisfaction after using the product. When the customer is satisfied, he purchases irrespective of its price. In fact, the price may play a role differently in luxury product shopping.[20] Higher the rate, higher the reputational perceived benefit accrued by the product. The quality of the product determines how much a customer is willing to spend. As people get into the luxury segment, there may be a percentage of people who go to brick and mortar purely because it is not an urgent need, touch and feel are what matters. Also, the element of authenticity plays an important role when it is a prized possession. Availability of options and services offered at the store too becomes essential.

3.2 Click shopping environment

India plaza took its first step in the Indian market by launching its online shopping store in June 1999. It was selling books, CD-ROMs, cameras, mobile phones, apparel, jewellery, flowers, chocolates, watches, and food items.21Since then, drastic changes have taken place; many websites have emerged with different innovations to satisfy their customers. Some of the examples of current online platforms with high customer satisfaction are as under:

- 2008, CaratLane, most prominent online jewellery company in India.[22]
- 2010, Lenskart India's first of its kind online shopping portal for eyewear.[23]
- 2011, Zivame is the first online lingerie platform in India. Established with the vision of helping women in shopping their intimate wear.[24]
- 2012, (April) Nykaa has quickly emerged as India's largest online beauty destination with millions of happy customers across the country.[25]
- 2012, (July) Urban Ladder, first online home decor brand in India.[26]

Shopping through click provided customers with no shopping pressure environment and also with the benefits of the availability of required product 365x24x7, which made customers shop with comfort. A variety of product range is available online, which saves time and the product can be purchased from their home or workplace and do not have to spend time searching for the required product. Also, prices are compared on different websites, and the purchase are made at the best-offered price. The purchased product is delivered as per convenience (time and place) of the customer. Making product procurement hassle-free for the customer.[27]

The above-discussed example worked as a catalyst and has generated an era of revolution.

3.3 Click and brick shopping environment

When we look at the current trends, changes in the shopping environment are seen. The above-discussed brands are expanding themselves by blurring the borders among different channels and offering customers seamless experiences. Primarily, there are two types of shifts or movement's one from click to brick another in reverse.

Click to Brick:
3.3.1   CaratLane

The turnover of the e-tailer is eyeing ₹ 500 crores by the end of this fiscal-over 56-per cent jump from the ₹ 320 crores it reported in the year-ago period. According to Amba, aims to continue with a 40-50 per cent growth rate and then focus on expanding off-line presence. Nearly 60 per cent of the company's revenue comes from offline channels (stores) at present.

CaratLane is set to break-even at a company level by FY'20 with its online channels (website and app) and 90% of its stores are turning profitable. The brand will focus on expanding its offline appearance as it plans to set up 50-odd stores in the coming year (FY20).[28]

Nearly 80% - 90% of our customers prefer to visit website to browse for design, when the design is selected they visit the store for touch-and-feel experience, before buying the jewellery. However, website continues to be important for the selection of our jewellery.[29]

3.3.2   Lenskart

In FY'18 the company reported a 70% increase in total to ₹ 310.98 crores as compared to ₹ 182.02 crores in FY'17.

Its vision is to expand its presence from 120 cities to 500 through 2,500 stores in the next ten years. The CEO has admitted that it is vital to have a strong presence in which have young millennials in population. Around 60% of online shoppers on Lenskart are from metros and the rest from tier 2 and tier 3 cities, where Lenskart plans to set up smaller stores.[30]

Lenskart's 70% sales are from offline transactions. Lenskart's 60% walk-ins in a brick-and-mortar space already know about the brand and have studied the brand in the online area. Around 20,000-25000 people try lenses and frames from Lenskart every day.[31]

3.3.3 Zivame

Founded in 2011, Zivame now has 37 retail stores and a presence in over 800 partner stores across India. It reported ₹ 137 crore turnover in FY'19. Approximately 82% of this comes from the online business, of which 60% from Tier I cities. Yet, the company focuses on offline expansion, especially in Tier II and Tier III cities. This fiscal, Zivame has raised ₹ 60 crores in its Series C extension. It plans to double store to 60 and be profitable with this funding.

Currently, Zivame's web-site contributes 85% of the total business of the Brand. Amisha Jain, CEO of Zivame, says "Zivame has played the pivotal role of a catalyst in growing the category and shifting perceptions. Our revenues have risen 63% in FY'18 to ₹ 86.6 crores in the past two years. FY'19 experienced 50% more revenue growth. At the end of March 2019, the Zivame brand's gross sales reached a 220 plus crore run rate."[32]

3.3.4 Nykaa

It has two kinds of stores: Nykaa Luxe and Nykaa on Trend.[33] Nykaa has 51 studios across India.[34]

In FY'18, Nykaa had revenue of ₹ 570 crores, but in the year ended March 2019, they are likely to close at ₹ 1,200 crores. This five-year-old firm valued at ₹ 5,027 crores ($724 million) as at 31st March, 2019.[35]

The brand has a definitive edge over it's a biggest competitor, Sephora, when one talks about the range of products. It has over 400 brands and 35, 000 products available on its website.[36]

3.3.5 Urban Ladder

It currently has 13 stores in 7 cities and distribution across 75+ cities in India through its website.[37,38]The company aims to increase its net revenue by 28.5% to ₹ 450 crores in FY 20, when compared with its net income of ₹ 350 crores in FY'19. Further, it aims to turn profitable at an EBITDA level and either bring down losses to zero or turn slightly positive.[39]

Brick to click:

Brands that we have taken as examples while talking about brick environment above maximizes their lustre by using every part of their stores as selling space. Additionally, they provide an online medium to showcase their catalogue. Tiffany & Co. store has a tablet that they can use to help customers personalize the shopping experience. From any counter product inventory of another store can be checked and ordered to complete the checkout of the product not available with them. The company names it as 'no fuss luxury experience.'[40]

3.4 Customer Satisfaction

The revenue numbers above indicate that now is the time for every brand to use combined avenues of shopping environment as its opportunity. Brands that are already using these have grown multi-folds. They are trying to outdo each other in all the ways to win the customers. Steps are being taken to use both the environments, to increase their market reach and provide better customer satisfaction. Online brands are moving offline, and offline brands are having an online presence now.

The table shows the features of click and brick environment individually and combined:

Table 1

	Click	Brick	Click and Brick
Availability	● Large catalogue. ● No touch and Feel.	● Limited Catalogue. ● Product experience.	● Large Catalogue ● Product experience
Price	1. Competitive Pricing. 2. Price comparison.	3. Occasional discounts. 4. No price comparison.	5. Competitive pricing 6. Price comparison
Procurement	● Delivery at a convenient place and time.	● Immediate take away of the same product.	● All feasible delivery options are available.

4. Conclusion and Recommendations

The study aimed to reduce the research gap in the concept of customer satisfaction. The study focuses on the feeling of pleasure derived from the product bought (online or offline), the price at which it was obtained, and not just the experience of buying.

The advancement in technology has made different shopping environments for customers. The study revealed that there is an impact of the shopping environment on buyers to shift from click to brick or purchase using click and brick to attain customer satisfaction. The study also revealed that product availability, price, and procurement are the essential factors influencing customers to collect information about the product online and purchase from click to brick or use both as a purchasing tool. All the factors involved in shopping have a significant impact on customer satisfaction.

The customer continues to be the king irrespective of the shopping environment, be it click or be it brick. They are more mindful than ever before, especially the millennials. Brands, on the other hand, are feeling the pressure of evolving customer

expectations and increased competition. The winner will be the brand which put mobile, connected inventory and real-time data at the heart of their approaches, making online and offline feel like one. Thus, prima facie customer satisfaction has to be the decision-maker while deciding the business model and evolving business strategies. Further, the topic can be empirically explored to get in-depth knowledge.

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