

THE INFLUENCE OF THE MALL ENVIRONMENT ON SHOPPERS' VALUES AND CONSUMER BEHAVIOR IN CHINA

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Abstract

The primary objective of this study was to identify whether Chinese shoppers place greater value on utilitarian or hedonic experience when shopping at malls. A secondary objective was to explore how the shopping mall's environment impacts on hedonic and utilitarian shopping experiences and approach behavior of Chinese shoppers. The results indicate that Chinese consumers are more likely to place greater value on hedonic than on utilitarian experience. Results also indicate that shopping mall atmosphere shapes consumers' perception on merchandise value, which in turn, influence consumers' emotional responses (pleasure and arousal), shopping values (utilitarian and hedonic) and approach behavior.

INTRODUCTION

Shopping malls originated in the U.S. and have been growing rapidly in China with an increasing number of Chinese citizens likely to spend their leisure time there (Chan et al., 2001). In order to be successful in the Chinese market, mall managers need to understand their targeted consumers. Consumers may seek different levels of excitement (arousal) environment depending on their consumption goals (seeking either utilitarian or hedonic shopping value).

For example, some shoppers go to malls only when they need to buy something. They buy and then leave. These shoppers are likely to perceive greater utilitarian value from accomplishing their shopping task (Babin et al., 1994). Velitchka and Barton (2006) found that such task-oriented shoppers derive shopping value from the outcome of the shopping activity such as obtain desired products or services. They prefer to minimize the energy required to complete shopping activity. So, they would find that high-arousal environments (bright lights, fast tempo music, or complex design) to be unpleasant because such environments require more effort to find products and complete the shopping trip.

By contrast, some shoppers enter malls with mainly hedonic-oriented motives. For them, shopping malls are viewed as a place not only for shopping but also for recreation and entertainment (Bloch et al., 1994). Velitchka and Barton (2006) found that such recreational-oriented shoppers derive shopping value from the shopping activity itself not necessarily buying a product. These shoppers love the fun and fantasy of the shopping experience. Therefore, they would find that high-arousal environments (e.g., bright lights, loud music) to be pleasant; conversely, they view less energy-demanding environments as unpleasant.

To give consumers either more utilitarian or more hedonic shopping value, the store environment designs are different (Machleit and Eroglu, 2000). This research looked for the answer to the question of which orientation is more valuable: whether it is better to invest on hedonism or on utilitarianism toward shopping malls in China.

LITERATURE REVIEW

Obermiller and Bitner (1984) found that individuals who view retail products in a pleasant environment evaluate products more positively than subjects who viewed the same products in an emotionally unpleasant environment. Further, Chebat and Michon (2003) argued that consumers' perceptions of the store environment influence their perceptions of product quality and consumer behavior. For example, if the consumers' perceptions of a shopping mall environment become more favorable, consumers will perceive product quality to be higher which can influence consumers to exhibit greater approach behavior in that environment.

Environments influence consumer behavior in a large part because they alter one's feelings (Babin et al., 1994). Mehrabian and Russell (1974) proposed that two basic emotional states mediate in consumer behavior in environmental situations. These emotional responses are pleasure and arousal.

Arousal-nonarousal refers to the degree to which a person feels excited, stimulated, alert or active in the situation. Evidence suggests that warm colors, fast tempo and high volume music, and complex environments increase the arousal levels, whereas cool colors, low tempo low volume music and simple environments tend to have the opposite effect on arousal (Holbrook and Anand, 1990; Valdez and Mehrabian, 1994; Wirtz et al., 2000; Berlyne, 1960).

Pleasure-displeasure refers to the degree to which the person feels good, joyful, happy, or satisfied in the situation. According to Russell's circumplex model, all words of affect can be defined as a combination

of degree of pleasure and degree of arousal. For example, excitement is defined as a combination of high pleasure and high arousal, and relaxing as a combination of high pleasure and low arousal.

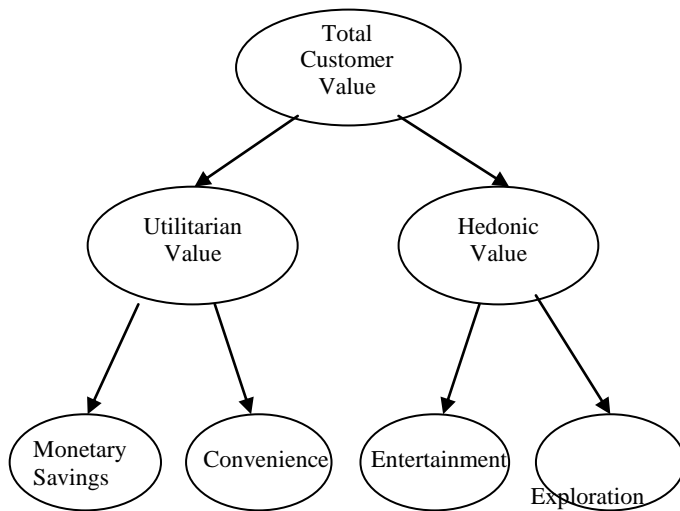
Wirtz and Mattila (2001) argued that even if the service environment is perceived as attractive, a mismatch between the desired and actual arousal levels is expected to lead to low levels of pleasure. For example, when a consumer desires to be in a relaxing or low arousal environment, then increasing arousal levels reduce the effects of pleasure on satisfaction. This is because consumers may seek different levels of arousal depending on their consumption goals.

Consumers visit shopping malls for a variety of reasons. For example, In Chile, consumers go to malls only when they need to buy something (Nicholls et al., 2000). In Malaysia, people may regard shopping malls as community centers for economic and social activities (Zafar et al., 2007). In the USA, many consumers view shopping malls as an entertainment source (Iksuk et al., 2005). This is does not only happen for purchasing products or services to satisfy wants and needs but also to seek shopping values (Babin et al., 1994).

Babin et al., (1994) identified two types of shopping value: utilitarian and hedonic value. Utilitarian shopping value is defined as the task-related and rational performance. Shoppers who focused on purchasing the products in order to achieve the goal or complete the work were called utilitarian shopping value. In contrast, hedonic shopping value is the consumer enjoyable of shopping experience in term of fun, fantasy, and playfulness.

Rintamaki et al., (2006) conceptualized the hedonic and utilitarian shopping values in a department store (Figure 1). Briefly, utilitarian value stems from monetary savings and convenience; hedonic value stems from exploration and entertainment.

Figure 1: Utilitarian and Hedonic Shopping Value Contribute to Total Customer Value

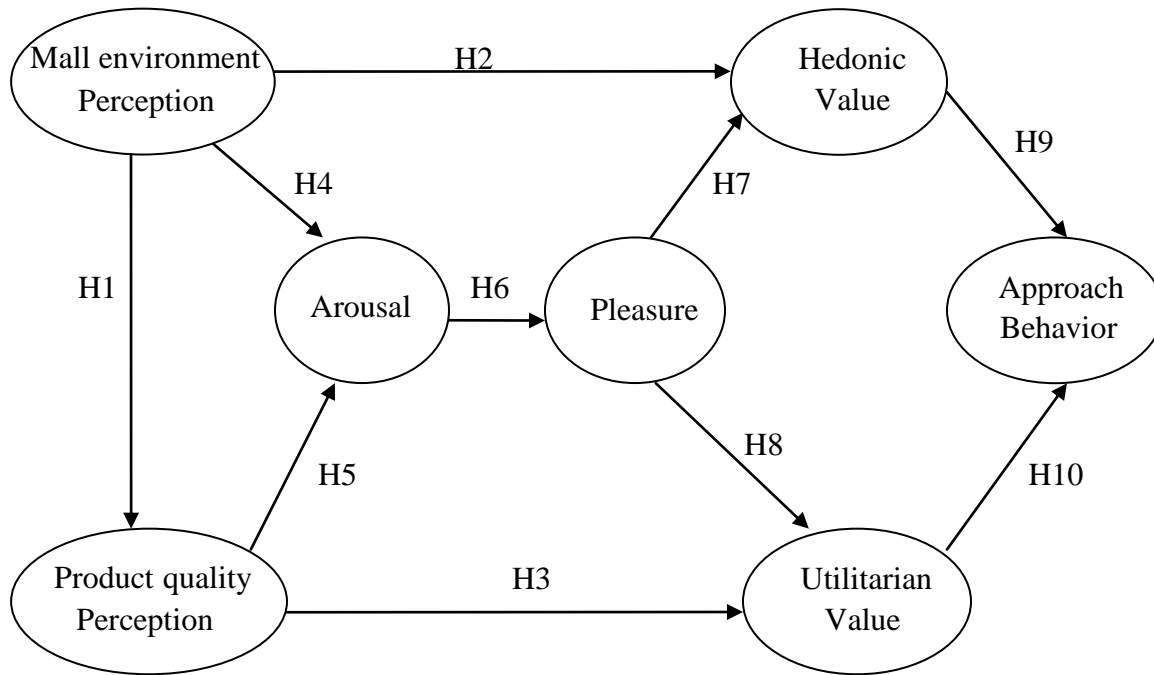


Source: Rintamaki, T., Kanto, A., Kuusela, H. and Spence, M.T. (2006), “Decomposing the Value of Department Store Shopping into Utilitarian, Hedonic and Social Dimensions”, *International Journal of Retail and Distribution Management*, Vol. 34, No. 1, pp 6–24.

CONCEPTUAL FRAMEWORK

The modified conceptual framework for this study is shown in Figure 2.

Figure 2: Modified Conceptual Framework



Research Hypotheses

According to research objectives of this study, 10 hypotheses were generated and stated as follows:

- Ho1: There is no relationship between mall environment perception and product quality perception.
- Ho2: There is no relationship between mall environment perception and hedonic value.
- Ho3: There is no relationship between product quality perception and utilitarian value.
- Ho4: There is no relationship between mall environment perception and arousal.
- Ho5: There is no relationship between product quality perception and arousal.
- Ho6: There is no relationship between arousal and pleasure.
- Ho7: There is no relationship between pleasure and hedonic value.
- Ho8: There is no relationship between pleasure and utilitarian value.
- Ho9: There is no relationship between hedonic value and approach behavior.
- Ho10: There is no relationship between utilitarian value and approach behavior.

Research Methodology

Data were collected through a mall intercept survey of 420 shoppers at three large shopping malls in Xi’an, China. To obtain the data, the researcher went through three steps.

The first step, simple random sampling was applied in the selection of the large-scale shopping malls in Xi'an, China. The researcher accessed the Xi'an Commission of Commerce website which listed shopping malls across the city. Three malls which were in excess of 100,000 square feet of gross leasable area were randomly selected to be the larger-scale mall. According to Berman and Evans (2001), malls of this size are typically classified as regional or super-regional malls and are the ones most likely to have the ability and resources to make consumer more entertaining. It is important to validate these hypotheses, since hedonic value realized through entertainment (Babin et al., 1994, Chandon et al., 2000).

Secondly, the researchers collected the data by distributing the questionnaires at the three selected shopping malls during February 27-March 25, 2010. The questionnaires were distributed by using convenience sampling to the respondents who are more convenient to answer the questions.

Finally, 'Quota sampling' along with 'Shopping Mall Intercept sampling' schemes were used, so as to make the sample representative of the population of customers visiting shopping malls. The quotas construct on the basis of various demographic characteristics like age, gender, marital status, occupation, income etc. 140 patrons from each of the three shopping malls were surveyed, resulting in a total sample size of 420.

RESULTS AND CONCLUSION

As expected, the majority (59.1%) of the shoppers surveyed were female. Shopping traditionally has not been a significant role for males in China. Over two-thirds of the shoppers surveyed were married and 34.8% held a bachelor degree. Furthermore, most shoppers were younger adults between 25 and 34 years old, accounting for 38.6% of the surveyed customers. This group is more receptive of new products and more interested in exploring new retail concepts compared to older age groups (Babin et al., 1994).

Through hypotheses testing (see Table 1), it was found that shopping mall atmosphere shaped consumers' merchandise value perceptions, which in turn, influenced consumers' emotional responses, shopping values, and approach behavior. Specifically, the first hypothesis result shows that there is a positive relationship between mall environment perception and product quality. This result confirms the assumption that when consumers chose among competing products, they feel uncertain about the quality and product performance. So, they are likely to rely on store environment to predict product quality.

A statistically significant positive relationship was found between mall environment perception and hedonic shopping value in hypothesis 2. In line with previous research (Bloch et al., 1991) the results show that hedonic shopping value realized through entertainment is a reaction to mall environment features. For instance, themed environments, shows or other events, contests, in-store restaurants, benches and overall store atmospherics make the shopping experience more entertaining and thus provide hedonic shopping value. These results indicate that shopping mall environment is an import part of the consumer's overall evaluation of the hedonic shopping experience.

Based on the result of hypothesis 4, the reason for the weak relationship between mall environment perception and arousal may be that not all elements of store environment can increase consumers' arousal feelings. A weak positive relationship between product quality perception and arousal was discovered in Hypothesis 5. For example, when consumers are going to see a movie, its value hinges on the ability of the movie to evoke strong emotions. However, not all products have demonstrated an ability to arouse the feeling or to provoke emotional reactions.

The weak relationship between product quality perception and utilitarian shopping value found in hypothesis 5 suggests that a favorable perception of product quality has little influence on shoppers achieving their shopping objectives. In other words, utilitarian value increased when consumers found: products were available, not difficult to find and within easy reach; easy access to product information; and purchase was completed promptly and efficiently. In this context, the researchers suggest that managers need to focus on providing a quality product available in the shopping mall, thus enhancing consumers' utilitarian shopping value.

The result of hypothesis 6 shows a moderate positive relationship between arousal and pleasure. This finding is consistent with Mattila and Wirtz (2005) who found that high arousal congruency would greatly enhance consumers' perceptions of pleasure and satisfaction. The result suggests that many Chinese consumers enjoy the mall's environment if it is highly stimulating. While in stimulus shopping environment their stress levels decrease, their energy increases, and their positive feelings increase. This also supports Tripathi and Siddiqui (2008) who stated that consumption of leisure services such as shopping malls, theaters, resorts, and recreation centers, consumers are likely to seek arousing environments. In order to appeal to the customers, regional mall owners and developers should focus on arousing a pleasurable shopping experience.

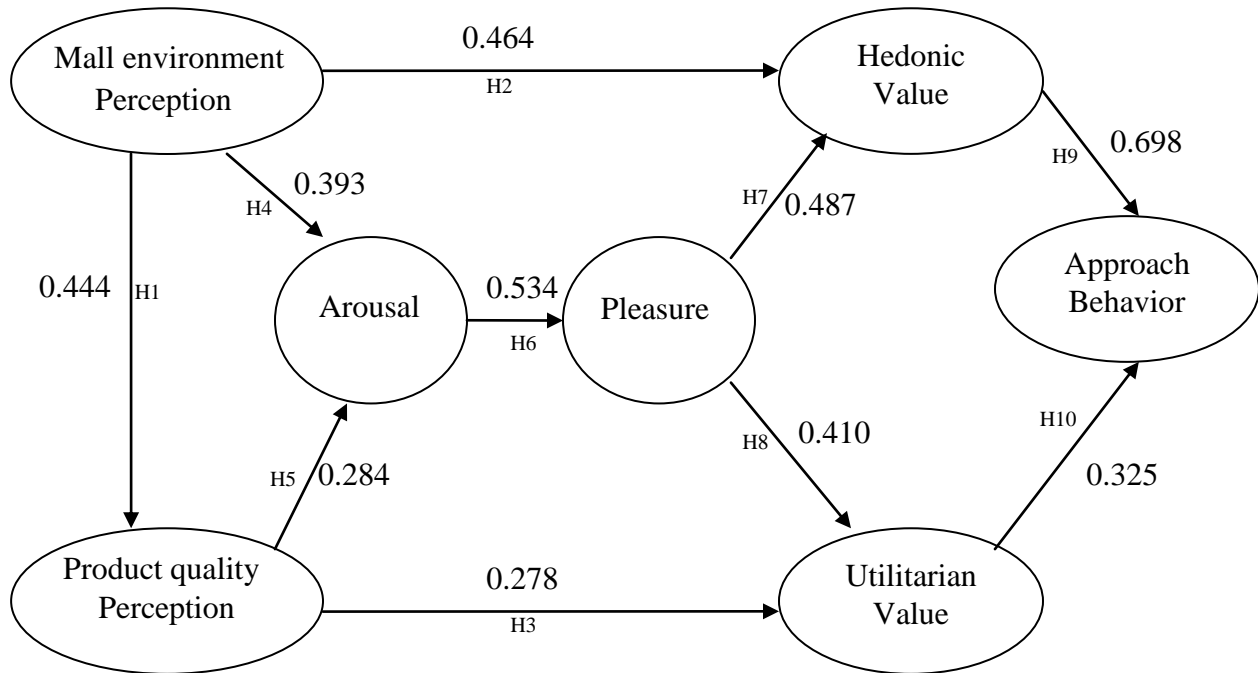
The positive association between pleasure and hedonic and utilitarian shopping value was demonstrated in hypotheses 7 and 8. This finding complements previous research (Babin et al., 1994; Yuksel, 2007). Consumers with pleasant feelings were more likely to experience higher utilitarian and hedonic shopping value. This is because consumers with positive emotions can facilitate task completion and enjoyment from the shopping activity. For example, consumers in more positive emotional states tend to have reduced decision complexity and shorter decision times, thus potentially enhancing utilitarian shopping value (Isen, 1984). Similarly, Newman (2002) pointed out that people who are in a good mood when they set out shopping may have a better image of a mall and gaining more pleasure from the experience. Thus, managers should pay attention to consumer's positive emotions in the shopping mall. Furthermore, the study reveals that pleasant feelings more closely with hedonic than with utilitarian shopping value. This finding was confirmed by McGoldrick and Pieros's (1998) study, who found that mall patrons with stronger hedonic motives reported higher pleasure and arousal as compared to those with weaker hedonic motives. Based on this study's finding, the researcher argues that pleasant feelings are strong determinant of hedonic shopping value.

The result of hypothesis 9 shows that there is a positive relationship between hedonic shopping value and approach behavior. As Treblanche (1999) indicated, recreation (hedonic shopping value) was the major driver for visiting a regional shopping mall. Thus, when consumers higher perceived hedonic shopping value they tend to show a high willingness to talk to salespeople, spend more time browsing and exploring the products, enjoyment of shopping, and spend more money than originally planned. Compared to hedonic shopping value and approach behavior, the relationship between utilitarian shopping value and approach behavior is weaker. This finding is supported by Stoel et al.'s (2004) study, who found that shopping trips providing utilitarian shopping value do not necessarily lead to intention to visit the shopping mall in the future. Also, Tabak et al., (2007) stated that only creating utilitarian shopping value may not be enough to attract customers into the malls. This is because consumers perceived higher levels of acquisition value and efficiency value at mass merchandisers than at shopping malls (Yu, 2006). Taken together, the results of this study indicate that there is a strong relationship between hedonic shopping value and approach behavior and a weak relationship between utilitarian shopping value and approach behavior.

Table 1: Summary of Hypothesis Testing

Null Hypothesis Statements	Sig. level	Result
Ho1: There is no relationship between mall environment perception and product quality.	0.000	Reject Ho1
Ho2: There is no relationship between mall environment perception and hedonic shopping value.	0.000	Reject Ho2
Ho3: There is no relationship between product quality perception and utilitarian shopping value.	0.000	Reject Ho3
Ho4: There is no relationship between mall environment perception and arousal.	0.000	Reject Ho4
Ho5: There is no relationship between product quality perception and arousal.	0.000	Reject Ho5
Ho6: There is no relationship between arousal and pleasure.	0.000	Reject Ho6
Ho7: There is no relationship between pleasure and hedonic shopping value.	0.000	Reject Ho7
Ho8: There is no relationship between pleasure and utilitarian shopping value.	0.000	Reject Ho8
Ho9: There is no relationship between hedonic shopping value and approach behavior.	0.000	Reject Ho9
Ho10: There is no relationship between utilitarian shopping value and approach behavior.	0.000	Reject Ho10

Figure 3: Summary of the hypothesis tests



The results from Pearson’s correlation analysis suggest that shopping mall atmosphere shaped consumers’ merchandise value perceptions, which in turn, influence consumers’ emotional responses (pleasure and arousal), shopping values (hedonic and utilitarian), and approach behavior towards shopping malls in China. Pleasure more significantly correlated with hedonic shopping value than with utilitarian shopping value, suggesting that enjoyment-related benefits provide more hedonic shopping value.

Similarly, approach behavior more highly correlates with hedonic shopping value than with utilitarian shopping value, suggesting that Chinese mall shoppers’ quest for pleasurable shopping experience may be more significant than acquisition of products. Thus, shoppers who have obtained high levels of hedonic shopping value from shopping activities are more inclined to approach behavior. This result is supported by Wakefield and Blodgett (1994) who suggested that consumers of leisure services (such as amusement parks, game centers, and recreation clubs) would place more emphasis on pursuing pleasure or emotional fulfillment than functional usefulness from their service experience. Similarly, Sinha and Banerjee (2004) found that shoppers in the category of leisure stores (lifestyle, books, music and accessory products) may place greater importance on the entertainment value.

RECOMMENDATIONS

This research finds that both hedonic and utilitarian shopping values are positively related to approach behavior in China. However, the hedonic shopping value plays an important role in consumer behavior. This result provides evidence to the fact that, overall Chinese consumers are most likely to prefer malls for the entertainment purposes, thus seem to be hedonic type of shoppers. Mall managers should therefore specifically target this valuable customer group, trying to meet their needs and desires. For example, managers could offer more entertainment-based promotions (non-price promotions) like stage shows, fashion shows, musicians, exhibitions, and market days to appeal to these consumers (Parsons, 2003).

The results also reveal that both consumers' emotions (pleasure and arousal) and their perception of the mall environment have an effect on hedonic shopping value. Therefore, shopping mall managers are offered two opportunities for enhancing hedonic shopping value. First, they should focus on creating an exciting shopping experience by using the variables of arousal and pleasure. For example, managers can use fast tempo, high volume music (Holbrook and Anand, 1990), warm colors such as orange, yellow and red (Valdez and Mehrabian, 1994), and complexity store layout (Berlyne, 1960) to increase consumers' emotions to increase hedonic shopping value.

Second, management could increase hedonic shopping value by enhancing perceptions of the shopping mall environment. According to past research studies, enhancing perceptions of shopping mall environment could involve the addition of entertainment because Sit and Merrilees (2005) suggested it as part of the shopping mall environment. More importantly, hedonic shopping experiences derived from entertainment consumption (Rintamaki et al., 2006). Thus, Chinese mall managers should provide more entertainment sources to consumers such as amusement parks, ice-skating rinks, rides, museums, and virtual reality centers.

Management should also focus on product quality since it was found that product quality has a direct effect on utilitarian shopping value and indirectly on hedonic one. To increase both kinds of shopping values, managers should provide a large variety of high quality merchandise to consumers. In this way, shoppers will have an opportunity to compare and select products from available product choices. They will have a more pleasant shopping experience and will be able to save time on purchasing a product. The remaining time, therefore, can be spent for leisure browsing, thus potentially enhancing utilitarian and hedonic shopping values.

Moreover, special sales play an important role in influencing both hedonic and utilitarian shopping values. While utilitarian-oriented consumers will likely be satisfied when they simply find discounted products, hedonic-oriented consumers are more likely to be satisfied by the enjoyment of seeing, touching, and browsing products.

As Chinese consumers are likely to rely on store environment to judge product quality, shopping mall owners and developers need to invest more in store design (e.g. flooring, carpeting, architecture, interior landscaping, and store layout), as well as physical facilities (elevators, air conditioning, and washrooms) to offer a better shopping environment and atmosphere.

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