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Realising the Brand Across Two, Three, and Four Dimensions Within
The Retail Landscape

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Abstract

The purpose of this dissertation is to glean an understanding of how retail branding differs from the accepted norms of product branding, and how the branding of retailers across two, three and four dimensions, has impacted and influenced the development of the brand construct. By examining the approaches that are fostered by the varying disciplines concerned with building the retail brand, this dissertation aims to reveal the overriding necessity for synergy in cross-disciplinary processes, in order to achieve holistic and successful brand communications which ultimately leads to positive retail brand recognition.
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Introduction
Introduction

The aim of this dissertation is to glean an understanding of how the brand concept has evolved to a point where it is now evident across two, three and four dimensions within the retail vernacular. ‘In a time when retailers are finding it increasingly difficult to create a differential advantage on the basis of merchandise, price, promotion, and location, the store itself becomes a fertile opportunity for market differentiation.’ (Baker, Levy & Grewal 1992, p.446).

‘Retailing’ as defined by Kotler and Keller (2006) is the inclusion of ‘… all the activities involved in selling goods or services directly to final consumers…’ (Kotler P. & Keller K. L. 2006, p.504). They define ‘branding’ as ‘…endowing products or services with the power of a brand’ (Kotler P. & Keller K. L. 2006, p.G1). Their original definition of a brand concludes that a brand can be made up of a series of devices, such as ‘… a name, term, sign, symbol, or design, or a combination of them…’ (Kotler P. & Keller K. L. 2006, p.274). From these definitions it can be argued that ‘retail branding’ is endowing the physical retail store with the characteristics that represent the retailer’s brand identity. The attributes that form this brand identity can be concentrated into the marketing, advertising, signage, visual merchandising, store exterior, physical store design
and atmosphere of a space to successfully project that brand across a multitude of dimensions.

In order to fully comprehend this notion it is necessary to define the multi-dimensional aspects of branding that are evident within the retail landscape. For the purpose of this dissertation; two dimensional branding is defined as the graphic two-dimensional elements that embody the brand, such as the logo, fascia and packaging; three dimensional branding is defined as the attributes that form the physical design of the retail environment such as visual merchandising, materials and finishes, and fixtures and fittings that have been selected with the intention of upholding the intended brand image in the store environment; and four dimensional branding is defined as the experiential attributes which are intangible, emotional and sensorial variables such as the temperature, lighting, odours, human and social variables which can impact on the consumers’ experience of the brand within the retail environment.

The objective of chapter one is to define the brand concept today. In order to achieve this objective it is necessary to examine the history of the brand evolution from its inception in ancient times; as simply an identifying name or mark; to more modern history where it has become a symbol that represents a promise of quality and provides an image that consumers can identify themselves with (Aaker 1991;
De Chernatony 2003; Kent 2003; Kotler P. & Keller K. L. 2006; Lindstrom 2001; Schmitt 1999b). Factors that have interrupted the traditional notion of the brand construct will be considered in detail, specifically the impact that technological advances such as the Internet and e-tailing have had on the evolving retail market. This increase in available distribution channels has prompted a fierce competition between store-based retailers and non-store-based retailers. The implications of this will be considered.

Chapter two will examine how consumer behavioural characteristics have influenced the invention of experiential retail environments. The notion of a brand co-existing in two, three and four dimensions within the retail construct will be examined, considering the possible specialised skills that are needed to successfully create a retail environment where a brand is wholly evident. What becomes apparent when assessing cross-disciplinary collaborations is that there is often a gap, which ultimately affects the intended message that is received by the target audience, concerning the brand. To underpin the importance of synergy in the branding process, certain marketing and design methods will be examined in detail.

The anticipated outcome of this literature review is to gain a more thorough understanding of the evolving retail landscape and to highlight the value of undertaking a holistic branding and design
approach when realising the retail brand in a physical store environment.
Chapter One:

Defining the Brand Concept Today
Chapter Introduction

This chapter seeks to examine how retail branding differs from the accepted norms of product branding, and how the branding of retailers across two, three and four dimensions, has impacted and influenced the development of the brand construct.

The historicity of brands and their development from a name or mark that identifies a product to an all-inclusive concept encompassing place and experience (Clifford 2006) will be reviewed. Technological, social and economic factors that have impacted the development of branding (Clifford 2006) will be discussed.

Defining the Brand

A brand is defined by Kotler and Keller (2006) as ‘… a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors. A brand is thus a product or service that adds dimensions that differentiate it in some way from other products or services designed to satisfy the same need.’ (Kotler P. & Keller K. L. 2006, p.274). Chernatony and McDonald (2003) support this notion and suggest that a brand is
also ‘… more than just the sum of its component parts. It embodies, for the purchaser or user, additional attributes which, while they might be considered by some to be ‘intangible’, are still very real’ (De Chernatony 2003).

However, Riewoldt, in his book ‘Brandscaping’, chooses to focus on branding as a more intangible emotional asset, linked to the branding of a space and/or experience. He claims that brands ‘In consumer’s consciousness.... stand for values, send out powerful signals, communicate images and promise to provide the key to new experiences... Brands build emotions, promise happiness and provide kicks’ (Riewoldt 2002, p.8). He also suggests that in the modern world, ‘...traditional forms of addressing the customer will no longer suffice...' (Riewoldt, 2002 p.8) and that due to this there is a need to transform the brand into more than just a product. The physical location can be used to embody the brand, promoting the unification of place and experience, in order to provide a brand experience to the consumer.

Similarly, Kent (2003) conveys that a brand can be a ‘… rich source of sensory, affective and cognitive associations that result in memorable and rewarding experiences.’ More definitively in reference to retail branding, Kent argues that ‘... the distinction between goods and services disappears as the ‘format becomes the brand.’ (Kent 2003, p.131) suggesting that a brand is not
necessarily made up from the tangible product but is defined by how the consumer experiences the brand all-inclusively. He argues that the notion of the brand has moved beyond its traditional understanding as being a ‘product’, and the basic two-dimensional representation of product identity. He believes that successful branding now exists in the exploration of the store, as a three-dimensional environment. Moreover, it can be argued that the physical environment can be used as a device to express the brand in an experiential way, which is ultimately more appealing to the consumer and allows for an entirely more memorable experience in the consumers consciousness (Kent 2003).

When considering Riewoldt (2002) and Kent’s (2003) notions of a brand it could be argued that Kotler and Keller (2006) and De Chernatonys’ (2003) definition of a brand fails to emphasise the experiential aspects, which Riewoldt and Kent argue, are the key to successful branding. The branding of place, space and experience is an evolving concept that has been recognised in more recent academic literature and Kent (2003) argues that compared to manufacturers, retailers have been extremely slow in accepting that they can be considered a brand.

In order to more clearly comprehend retail branding, it is now necessary to review the evolution of the brand from ancient times through until the brand power shift which has occurred over the past
fifty years, as this lays the foundation for the evolving retail brand as it is evident today.

The Brand Evolution

Branding has existed for hundreds of years as a way of distinguishing goods of one producer from another. Kotler and Keller (2006) claim that branding was first evident in the middle ages in Europe, as craftsmen were required by the medieval guilds, to trademark their work in order to protect themselves and consumers from obtaining inferior goods. Aaker (1991) confirms this claim and also asserts that early forms of branding were evident in ancient times with names being set into bricks to identify the makers of the bricks. He also states that in the early sixteenth century whisky barrels had the name of the distillers burnt onto the wood to display to the consumer who made the whisky. This also prevented their whiskey being substituted by another's produce (Aaker 1991).

De Chernatony (2003) similarly supports these facts, but also affirms that there were examples of branding as early as Greek and Roman times. He states that pictorial symbols were used on the signs above stalls indicating the nature of the business; the use of symbols was necessary due to high levels of illiteracy at the time. These symbols and marks that identified a merchant later began to
symbolically represent a guarantee of the source of the product and would provide legal protection to the merchant against bootlegging (De Chernatony 2003).

Later examples of branding were evident in the ‘New World of North America’ where cattle owners identified their stock by using a red-hot iron to burn a unique symbol onto the animals skin to imply the ownership of the cattle. This was done to prevent theft and to simply identify their cattle from neighbouring farmers stock (De Chernatony 2003).

De Chernatony (2003) quotes the Oxford Dictionary, defining branding as ‘to mark indelibly as proof of ownership, as a sign of quality, or for any other purpose’ (De Chernatony 2003, p.33), suggesting that this definition was derived from these early examples of branding. This limited definition of a ‘brand’ only held significant relevance up until the end of the nineteenth century as local manufacturers supplied unbranded commodities to retailers. The goods and produce would vary in quality according to the retailers’ choice of supplier. The retailer would often hold a mixture of products from several suppliers, most of which were unbranded (De Chernatony 2003).

However, the onset of the industrial revolution disrupted the relationship between the manufacturers and the retailers as, with
the rapid growth of manufacturing capacity, improved transportation methods, increasing numbers of retail outlets, wider product selections and increasing demands on stock, manufacturers came to rely on wholesalers to distribute the produce to the retailers, which led to the manufacturers being distanced from the retailers and consumers (De Chernatony 2003, p.34). Manufacturers started to actively brand their products by the late nineteenth century, in response to this separation, which enabled them to develop more direct relationships with their consumer, ultimately differentiating themselves from the retailers (De Chernatony 2003).

During the late nineteenth century manufacturers introduced the retail price maintenance system (RPM) in a bid to protect the image of their brands by ensuring that retailers did not alter the price of their products. Manufacturers felt RPM was necessary to avoid the dilution of the perceived brands value in the eyes of the consumer (De Chernatony 2003). Kent (2003) suggests that branding, at this time, was characterised primarily by a name, packaging, and advertising, and the mass marketing of the brand would offer a promise of reliability and consistency to the consumer (Kent 2003).

In the early twentieth century larger retailers who owned 10 or more stores began to develop their own brands. They believed that they could gain an advantage over the manufacturers and could then further differentiate themselves from other retailers by creating
exclusivity of their product selection. Due to the RPM systems retailers found it difficult to gain a differential advantage over other retailers as they all carried similar product lines. The retailers commissioned manufacturers to produce their ‘private label’ brands and would have them packaged according to the image that was evident in that particular store (De Chernatony 2003).

However, ‘own label’ or ‘private label’ brands were withdrawn during World War II due to shortages and were not reintroduced again until the middle of the twentieth century (De Chernatony 2003). Up until the 1960s, Lindstrom (2001) suggests that consumers had a generic shopping list; were only purchasing commodities, and were not necessarily seeking brand name products from their local grocer. The relationship was between the retailer and the consumer and not between the manufacturer and the consumer whereby the grocer would stand behind the counter and pick items from the customers shopping list. The choice was limited and therefore determined by the storekeeper. As time went on, the customers list would move away from largely generic products to the preferred branded products. Due to the establishment of this direct relationship, the retailer was a recognised barrier between the consumer and the manufacturers. (Lindstrom 2001)

During the early 1960s the introduction of the supermarket brought about the ‘brand power shift’ (Lindstrom 2001). Where the retailer
held the power over consumer choice in the past, the consumers could now pick their own items off the aisle shelves. Lindstrom (2001) refers to the period as ‘the birth of choice’. The growing popularity of the supermarket brought with it more space and inherently more choice of brands. RPM systems were again reintroduced in order to keep the customer’s perception of a brand consistent (Lindstrom 2001) and it became evident that the manufacturers now totally dominated the market with the control now lying in the brand. The price and selection in the retail stores were very similar which ultimately affected consumer loyalties. It was now the responsibility of the manufacturer to make and keep promises and to build trust with consumers through their brand (Lindstrom 2001).

However, the late eighties brought with it another shift in power. The retailers learnt from the marketing strategies manufacturers applied to their brands and started to actively market their store brand (Lindstrom 2001). By the nineties, retailers made up a substantial proportion of manufacturers’ business, which the manufacturers considered a threat, as the direct relationship previously with consumers was no longer apparent. Consequently, manufacturers started to succumb to retailer demand for the provision of customised products which were exclusive to the specific retailer and which caused another shift in the power over consumer choice.
Retailers now attempted to differentiate themselves from competitors by not only carrying popular branded products, but also by carrying exclusive customised branded product lines meaning the consumers were again placing their loyalties with the retailer as opposed to the manufacturer (Lindstrom 2001). The result of this shift in power signified a significant turning point for the retail brand. With consumer loyalties now lying with retailers and not in product brands, retailers were now more conveniently located, they offered more competitive prices, provided guarantees of quality, and offered alternative generic and private label brands that differed from that of their competitors (Lindstrom 2001). Kotler and Keller (2006) suggest that house brands and private labels potentially threaten manufacturers as due to reduced costs in the areas of research and development, sales promotions, advertising and physical distribution of the products, retail store brand products now have the ability to be charged at lower prices,

With considerable influence over the consumer and over the manufacturer, large chain stores now started to introduce point of sale (POS) guidelines (Lindstrom 2001). Lindstrom (2001) explains that retailers began to consider the relative value of floor and shelf space within the store. The manufacturers then competed for the best spaces available and would pay a premium for their brands to be displayed in these spaces. However, with time, the value of different spaces within the retail stores disappeared; this meant that
retailers no longer held such dominance over the manufacturers. Retailers therefore went in search of new strategies which would differentiate them from their competitors and would allow them to remain influential to the consumer (Lindstrom 2001).

The introduction of loyalty programs was conceived in the late 1980’s and in a 10 year period over 100,000 such programs were established worldwide (Lindstrom 2001). It has been suggested that loyalty cards provided the retailer with a rich source of data about consumer shopping behaviours (Lindstrom 2001), however, many retailers did not take advantage of the data due to the cost involved and consequently sold their data to research companies. Lindstrom suggests that by understanding consumer behavioural characteristics within the stores, they could start to predict the consumers’ behaviour, giving them a dominant edge over manufacturers.

It can be argued that during this time the retailers and manufacturers still assumed that the factors differentiating them from one another was the price, product and selection available. Very little literature suggests when referring to the brand power shift, that the environment played a role in gaining consumer loyalties, however Kotler in 1974 introduced the concept of ‘atmospherics’ and proclaimed that the physical store environment impacted on
consumer behaviours and consumer store preference. This concept will be examined in detail in Chapter Two.

The Internet and its Impact on Store-Based Retailing

More recently the introduction of ‘e-tailing’ – Internet shopping – which came about at the end of the 1990s has influenced both the general perception of retailing as well as its redefinition. Up until this point, one could argue that retailing was primarily considered to be an activity that took place within a store-based environment. Kotler and Keller (2006) state that ‘retailing is all the activities involved in selling goods or services directly to final consumers…’ (Kotler P. & Keller K. L. 2006, p.504). They are not specific in identifying the place in which a transaction takes place and they support the notion that the retailing landscape has been influenced by e-commerce. They state that ‘the businesses with the most to fear from the internet technology are the world’s middlemen’ (Kotler P. & Keller K. L. 2006, p.343). Moreover, Lindstrom (2001) argues that with the introduction of e-tailing, the influential power over consumer loyalties are transferring back to the savvy manufacturers who have now seen the opportunity to bypass retailers – the middlemen – by linking directly with the consumers via the Internet (Lindstrom 2001).
Kotler and Keller (2006) refer to the Internet as a ‘…powerful new information and sales channel…’ (Kotler and Keller 2006 pg. 17) and one could logically suggest that a two-way channel has emerged from the Internet with the manufacturer and consumer having direct two-way contact via email and websites. Understandably the Internet, being such a powerful communication tool, is being used as a sales and marketing device leaving competitors in the dark as they are unable to obtain the full picture of what the consumer is exposed to from other brand communications (Lindstrom 2001). Customers are persuaded by promises that they will not wait in lines or deal with crowds, that there is an abundance of stock, that there are larger selections to choose from and that they will benefit from lower prices if they purchase products or services online (Kotler P. & Keller K. L. 2006; Lindstrom 2001).

With online manufacturers now making direct promises to the consumer, their success began to rely on developing and maintaining the trust of the consumer by living up to the promises they made. During the Christmas of 1999 there was a massive surge in e-tailing popularity, however the e-tailers, who were primarily made up of manufacturers, made promises to the consumers that they did not uphold. The negative first impressions that came about from this resulted in many consumers losing trust in
this form of buying and ultimately Internet trading did not reach the predicted levels (Lindstrom 2001).

De Chernatony (2003) argues that with the emergence of Internet shopping the consumer has become more ‘…empowered to decide what degree of information they wish to undertake and are co-creating brands with suppliers’ (De Chernatony 2003). This would suggest that consumers are able to conduct more thorough research into brands and products before they make the choice to buy, allowing them to specify what they want and how much they want to pay, before even speaking to a supplier or retailer.

Jeanne Jackson the former CEO of Wal-mart.com and Banana Republic states at a Stanford Executive Briefing on the topic of ‘Building Retail Brands to Drive Value’, that there are two types of shopping; hunting and gathering. She outlines that ‘hunting’ is the action of shopping for a specific product. She believes that this kind of shopping can be successfully undertaken using Internet-only retailers so long as the price is lower and the goods can be promptly delivered. On the contrary, she refers to ‘gathering’ as the kind of shopping that is non-specific, i.e. looking for a new outfit to wear on the weekend. She indicates that the store-based retailers have a far more competitive advantage over internet-based retailers for this kind of shopping (Jackson 2002).
From this argument it can be reasonably assumed that consumers seek two kinds of shopping experiences; hedonic – ‘relating to or considered in terms of pleasant (or unpleasant) sensations.’ (Oxford American dictionary / compiled by Eugene Ehrlich ... et al.] 1980); and utilitarian – ‘designed to be useful or practical ...’(Oxford American dictionary / compiled by Eugene Ehrlich ... et al.] 1980).

Furthermore Babin and Attaway affirm that ‘Utilitarian value reflects task-related worth, and hedonic value reflects worth found in the shopping experience itself aside from any task-related motives’ (Babin & Attaway 2000, p.92)

One could argue that although the introduction of the Internet has disrupted the traditional notions of retailing and has led to a more competitive retail market that is dominated by brands, e-tailing has, in fact, reminded or even enlightened consumers to the fact that they are primarily in search of hedonic shopping experiences that are leisurely and experiential rather than simply being utilitarian in nature. The shortfalls of shopping online are obvious, with consumers being unable to touch, taste, smell and ultimately experience the products or services that they are intending on purchasing, and are limited to only being able to see and hear over the internet.

The urgency in which retailers must respond to this new distribution channel is obvious with Kozinets et al (2002) claiming that retailers
need ‘...to solve the mysteries of e-commerce brand building before they are competitively outflanked.’ (Kozinets et al. 2002, p.26) Affirming this Turley and Chebat (2002) argue that the retail environment should be enhanced and used as ‘... a strategic weapon against e-tailors.’ (Turley & Chebat 2002, p.129). However, one could argue that the traditional ‘brick and mortar’ retailers still hold considerable advantages over e-tailers, as consumers like to indulge their senses and prefer to be able to physically touch, feel; smell and experience; as well as see and hear what they are considering to purchase (Lindstrom 2001). Supporting this notion, Calkins, Farello and Shi (2000) suggest that physical store-based retailers have several advantages over their Internet-only counterparts. They also agree that the ability to see, touch, try and walk out with the merchandise is what gives store based retailers leverage over Internet retailers (Calkins, Farello & Shi 2000).

In response to the dot.com revolution many retailers have invested in becoming what is now commonly known as ‘brick and click’ retailers (Jackson 2002; Kent 2003; Kotler P. & Keller K. L. 2006; Lindstrom 2001). Jeanne Jackson argues that the strongest brands should cover their bases, having both a physical store and an online store. Her belief is that a strong retail brand should use its online store to augment the existing retail brand by adding products and services that may not be possible in a physical store environment, but still represent the core-value of the retail brand.
Chapter Summary

From the literature reviewed in this chapter it is evident that with the introduction of new competitors in the market, such as e-tailers, there are increased distribution channels for brands to be present in. This has encouraged retail brands to become more prominent in the retail market.

It has been argued that positive and memorable brand experiences are what lead to brand loyalty and therefore there remains an opportunity for store-based retailers to take advantage of their physical environments to create leisurely and entertaining places for the consumer to experience the brand across multiple dimensions within a space.

Chapter 2 will examine concepts and techniques used by a range of disciplines to enhance the customers brand experience in store-based environments. These strategies will be examined and amalgamated to encourage the synergy of varying disciplines involved in creating a retail brand in its entirety.
Chapter 2:

Creating Retail Brand Experiences
Chapter Introduction

As introduced in Chapter One, the notion of shopping as a hedonic experience is highly relevant when discussing branding in the evolving retail landscape. Marketing literature suggests that shopping is to a large proportion of consumers, now less about purchasing utilitarian commodities and more about indulging in leisurely and entertaining experiences (Kent 2003; Lindstrom 2001; Riewoldt 2002; Schmitt 1999b). Kozinets et al (2002) assert that ‘… as entertainment has seeped into every aspect of the economy, shopping has become blended into entertainment, becoming… shoppertainment’ (Kozinets et al. 2002, p.17). Furthermore, Lindstrom in his book ‘Clicks, Bricks and Brands’ states that ‘… shopping is being appreciated as a human experience, rather than a necessary procedure. Shopping has assumed the same recreational status as sightseeing.’ (Lindstrom 2001, p.164).

The objective of Chapter two is to consider these consumer behavioural characteristics and expectations, and to examine how marketing, design and business strategy can merge together to better realise the brand within a store-based retail environment. Through this exploration of strategies it is the intention of this dissertation to highlight common flaws in retail organisations which interrupt the consistency of brand communication. By identifying these flaws the aim is to encourage the amalgamation of multi-
disciplinary collaboration within the retail, business, marketing and design disciplines.

**Experiential Retail Branding**

The importance of experiential branding in the retail environment is emphasised by Kent (2003), who suggests a number of reasons why consumers expect entertainment to be fused with their shopping experiences. He argues that with the introduction of Internet shopping and interactive games online, physical retail outlets need to improve the designs of their stores to further encourage shopping as a hedonic experience for consumers and in order to allow them to successfully compete against non-store based retailers. One could argue that consumers are confronted by ever increasing stimuli through mass media and communications and due to these factors it could be suggested that consumers are becoming bored, requiring more stimulation when performing ordinary, everyday tasks. Moreover, Lindstrom (2001) states that ‘...the emergent shopping generation – websters and e-teens – resent boredom, crave variety and is apparently dependant on instant and constant gratification.’ (Lindstrom 2001, p.164)

These notions are underpinned by the outcomes of a symposium that is scripted in the appendix of Riewoldt’s book ‘Brandscaping’.
Hosted by Burkhard Frolich – the editor-in-chief; and Otto Riewoldt – the author, titled ‘Brandscaping. New dimensions in retail design. An expert round table’ (Riewoldt 2002, p.103), the interviewers pose questions to John Hoke - Global Creative Director of Nike Brand Design; Massimo Iosa Ghini – Italian architect and designer; Jens Kalkbrenner – German architect; and Johannes Ringel – German architect; about the evolving retail landscape. It is evident from the discussion that the overall consensus is that there is a growing trend supporting the power and importance of environmental and experiential branding within physical three-dimensional spaces. Their understanding is that entertainment and retail work in tandem. Ghini states that ‘Today, there is a real connection between the world of entertainment and the retail environment.’ (Riewoldt 2002,p.107). Ringel concurs with Ghini stating that ‘Many visitors to shopping centres are looking first and foremost for entertainment.’ (Riewoldt 2002,p.107) and Hoke defines this as ‘retail entertainment’, stating that the actual selling is, in itself, a form of entertainment.

Kotler and Keller (2006) hold major societal forces responsible for the changing expectations of the consumers. These factors, they argue, are what ultimately influence consumers’ behaviour and include such things as changing technology, globalisation, deregulation, privatisation, customer empowerment, customisation, heightened competition, industry convergence, retail transformation
and disintermediation (Kotler P. & Keller K. L. 2006). However, one could argue that the force holding the most relevance when considering retail branding is customer empowerment. It could be suggested that it is because of all of these societal forces that the customer has become more intelligent and empowered. Kotler & Keller (2006) state:

Customers increasingly expect higher quality and service and some customisation. They are more and more time starved and want more convenience. They perceive fewer real product differences and show less brand loyalty. They can obtain extensive product information from the Internet and other sources, which permits them to shop more intelligently. They are showing greater price sensitivity in their search for value.  


One could argue that with the increasing empowerment of the customer, consumers are coming to expect a lot more from their shopping experiences. In response to this market demand, entrepreneurial retailers are incorporating entertainment into their stores in order to market an 'experience', rather than concentrating solely on the choice and price of the merchandise available. This allows retailers to differentiate themselves from the growing number of giant retailers and 'category killers' who base their trade around traditional marketing features (Kotler P. & Keller K. L. 2006). Schmitt (1999b) argues that in today’s world the traditional marketing aspects that once differentiated a brand such as the functional features and benefits, positive brand image and product quality are
now the minimum requirements to achieve brand recognition. They are no longer factors which reflect a point of differentiation.

In accepting the concept of experiential branding and retail entertainment, a number of opportunities arise that allow for retailers to successfully deliver their brand within the retail environment. It is concentrating on blending these opportunities across the multi-faceted dimensions that leads to successful retail brand building. Riewoldt (2002) favours the idea that branding should not be ‘… virtual non-experiences in the no-mans-land of the Internet, but concrete encounters in real locations… (where) we can experience the manifestations, the messages and the emotions of the brand in company with the products themselves…’ (Riewoldt 2002, p.8).

Marketing Methods Used to Communicate the Brand

Although this dissertation is concerned with retail branding, it can be argued that there is a necessity to expand the retail brand beyond the physical store environment to ensure that the brand exists across every dimension. Kent (2003) suggests that ‘compared to manufacturers, retailers were slow to take up… branding’ (Kent 2003 pg. 133). Because of this, much of the academic literature available focuses on product branding, however this literature is
very useful when investigating the techniques necessary to market the brand across an entire organisation. It is therefore vital to understand the communication processes that are implemented by marketing professionals to engage the consumer in the retail brand experience.

Kotler and Keller (2006) in their book ‘Marketing Management’ review several models which explore consumers’ responses to marketing communications. From these models they identify the steps undertaken by a consumer before they purchase. They explain in detail the Hierarchy-of-Effects Model (See figure 1) which was conceived by Robert Lavidge and Gary Steiner.

According to this model the steps that must take place for a consumer to eventually purchase comprise:

**Awareness** – the target audience must be aware of the brands existence;

**Knowledge** – the target audience needs to have knowledge of the brands

![Hierarchy-of-Effects Model](image)

**Figure 1** – Hierarchy of Effects Model (Kotler P. & Keller K. L. 2006, p.540)
offerings; *Liking* – the target audience needs to have a perceived positive opinion of the brand; *Preference* – the target audience needs to prefer this brand over other brands; *Conviction* – the target audience needs to be firmly convinced that this is the brand they want; and *Purchase* – the final response is down to whether the target audience actually makes the purchase based on the previous steps (Kotler P. & Keller K. L. 2006). Kotler and Keller (2006) argue that this model is a delicate form of communicating with the consumer as the assumed probability of the consumer making it through each stage and onto the next is only 50%. Calculating this probability through the six stages, they estimate that there would only be a 1.6% chance that the consumer would actually make it to the purchasing stage (Kotler P. & Keller K. L. 2006).

According to Schmitt ‘traditional marketing views consumers as rational decision-makers who care about functional features and benefits. In contrast, experiential marketers view consumers as rational and emotional human beings who are concerned with achieving pleasurable experiences.’ (Schmitt 1999a p.53). It is because of this theory that Schmitt (1999b) poses an alternative model intended to improve on the Hierarchy-of-Effects Model. He called this the ‘Experiential Wheel’ (See Figure 2) as it related more to the marketing of experiences as opposed to the marketing of the product.
The following components make up the connecting points to the model:

- **S** – ‘SENSE attracts attentions and motivates.’
- **F** – ‘FEEL creates an affective bond and thus makes the experience personally relevant and rewarding.’
- **T** – ‘THINK adds a permanent cognitive interest to the experience.’
- **A** – ‘ACT induces behavioural commitment, loyalty, and a view to the future.’
- **R** – ‘RELATE goes beyond individual experience and makes it meaningful in a broader social context.’

(Schmitt 1999b, p.212)
It is how these components connect to one another which is crucial to the success of the Experiential Wheel. Schmitt has illustrated four steps to building the Experiential Wheel and emphasises that ‘the key issue in experiential wheeling is the identification and use of experiential connectors’ (Schmitt 1999b, p.212). The example used in Figure 2 illustrates a campaign that starts with ‘Sense’ as the first component; Step 1 emphasises that the cycle starts with ‘Sense’ which indicates the need to initially attract attention, this then connects with ‘Feel’ which is the feeling that is felt by the consumer which enables them to create a personal bond with the brand; Step 2 emphasises how ‘Think’ makes the consumer think more cognitively about the purchase and allows them to connect strongly with the ‘Sense’ and ‘Feel’ that was established in step one, at this point each component has a direct relationship with the other; Step 3 shows how each of the previous components leads the consumer to ‘Act’, again emphasising the inter-connected nature of each component; and Step 4 displays how once the consumer has acted they can then ‘Relate’ to that experience, each component is connected and relates to each other allowing for change or growth to now occur.

Schmitt (1999) emphasises that this model is flexible in its use and that each component can be carried out in a different order depending on the specific marketing campaign. The holistic nature of this model means that the overall success does not heavily rely
on one component being successfully communicated before moving onto the next. Comparatively, it can be argued that the Hierarchy-of Effects Model is far too linear to guarantee regular success and does not allow much flexibility for growth or change, whereas the Experiential Wheel allows for changes and growth to happen without seriously interrupting the original brand experience.

Although these models are displayed in a marketing context, it could be argued that they can also be used as a tool when considering the strategy that will be undertaken by management and designers when building and managing a retail brand. Schmitt’s model allows for a far more holistic ‘playing field’ and can be more easily implemented into varying disciplines such as product design, retail design and into advertising campaigns (Schmitt 1999b).

**Using the Atmospherics Concept to Realise the Brand**

As emphasised previously, retailers that provide entertainment and encourage experiential branding communication within the store environment are becoming increasingly more attractive to the empowered consumer. Kozinets et al (2002) states ‘retail markets are more diverse and fragmented than ever before, presenting consumers with an overload of information and alternatives. To
attract these consumers, retailers have increasingly turned to retail atmospherics to create a more memorable and attractive consumer experience.’ (Kozinets et al. 2002, p.17)

Retail Atmospherics is an extremely powerful concept that, as academic research suggests, can increase (or decrease) patronage and positively (or negatively) impact on retail store identity and image. (Babin & Attaway 2000; Baker, Levy & Grewal 1992; Chain Store Age 2005; Chebat & Dube 2000; Donovan & Rossiter 1982; Grossbart et al. 1990; Hedrick & Bridson 2003; Kotler 1973; Michon, Chebat & Turley 2005) Therefore, it could be argued that atmospheric elements, which have been carefully considered, designed and applied to a retail-store environment while being inclusively combined with good marketing and advertising, can express the intended retail-brand’s values, ubiquitously.

To substantiate the importance of this concept an examination of a thorough study by the journal, Chain Store Age, which investigates the affect of Store Atmospherics, was undertaken. They released a summary of the findings in a supplement of their January 2004 issue. It states in the introductory article that ‘intangible details ranging from lighting to music to visual messaging all play an interconnected role in improving the shopping experience, building customer traffic and, ultimately, lifting sales.’ (Chain Store Age 2004c, p.2B). It has been argued that consumers are so sensitive to
the atmosphere that is created in retail environments that seemingly insignificant changes made to the environment, even if they are not always consciously noticed, can influence shopper behaviour within a store. (Turley & Chebat 2002).

The study conducted by Chain Store Age on ‘Store Atmospherics’ turned up a number of results that measure how atmospheric variables impact shopper behaviour in store. They claim that, of the consumers who consciously recall being influenced by a stores atmosphere, over half of them spent more time in the store and nearly half of them actually bought or spent more. The variables indicated by consumers as being most important in shaping the overall atmosphere included (starting from the most important) lighting, signage, promotional events, fixtures, flooring, music, wall designs, audio announcements, video screens and mannequins (Chain Store Age 2004a). Also in the findings they report that the presence of music in the store has the power to attract shoppers and increase time and money spent in the store by consumers. But on the contrary, if not executed properly, music can also discourage consumers from entering or remaining in the store. They state that from their findings, they can definitively conclude that consumers are influenced by these atmospheric elements and that retailers who invest in store atmospherics will see positive financial results (Chain Store Age 2004b).
However, defining an atmosphere within a space seems to be a somewhat difficult task. According to Kotler (1973) ‘…atmospheres are a *silent* language…. Technically, atmosphere is the “the air surrounding a sphere.” The term is also used more colloquially to describe the *quality* of the surroundings’ (Kotler 1973, p.48). Considering this notion, it could be argued that as atmospheres are such a seemingly intangible matter, it would be easier to break an atmosphere up into individual elements in an effort to more easily understand and manage an atmosphere as a whole.

Turley and Milliman (2000), in their paper 'Atmospheric Effects on Shopping Behaviour: A Review of the Experimental Evidence' review, summarise and consolidate much of the literature available at that time examining the atmospherics concept. From their literature review they revealed considerable statistical and empirical evidence supporting the relationship between the retail store atmosphere and consumer behavioural patterns. They provided a comprehensive table (Figure 3.) listing what they call *atmospheric variables*.

This table attempts to organise an ‘atmosphere’ into individual elements in order to create a manageable and logical structure. The main categories they identified were; *external variables; general interior variables; layout and design; point-of-purchase decoration;* and *human variables*. Within these categories they listed a number
of individual variables such as lighting, music, scents etc. (Turley & Milliman 2000, p.194).

It could be suggested that when assessing the atmospheric variables listed in Figure 3, it becomes obvious that, when broken down into individual elements, the apparently intangible

<table>
<thead>
<tr>
<th>Atmospheric Variables</th>
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<td>1. <strong>External Variables</strong></td>
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<tr>
<td>a. Exterior signs</td>
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<tr>
<td>b. Entrances</td>
</tr>
<tr>
<td>c. Exterior display windows</td>
</tr>
<tr>
<td>d. Height of building</td>
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<tr>
<td>e. Size of building</td>
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<td>f. Colour of building</td>
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<tr>
<td>g. Surrounding stores</td>
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<tr>
<td>h. Lawns and gardens</td>
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<tr>
<td>i. Address and location</td>
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<td>j. Architectural style</td>
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<td>k. Surrounding area</td>
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<td>l. Parking availability</td>
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<tr>
<td>m. Congestion and traffic</td>
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<tr>
<td>n. Exterior walls</td>
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<tr>
<td>d. Work station placement</td>
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<td>e. Placement of equipment</td>
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<td>f. Placement of cash registers</td>
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<tr>
<td>g. Waiting areas</td>
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<tr>
<td>h. Waiting rooms</td>
</tr>
<tr>
<td>i. Department locations</td>
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<tr>
<td>j. Traffic flow</td>
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<tr>
<td>k. Racks and cases</td>
</tr>
<tr>
<td>l. Waiting queues</td>
</tr>
<tr>
<td>m. Furniture</td>
</tr>
<tr>
<td>n. Dead areas</td>
</tr>
</tbody>
</table>

| 2. **General Interior Variables** |
| a. Flooring and carpeting |
| b. Colour schemes |
| c. Lighting |
| d. Music |
| e. P.A. usage |
| f. Scents |
| g. Tobacco smoke |
| h. Width of aisles |
| i. Wall composition |
| j. Paint and wall paper |
| k. Ceiling composition |
| l. Merchandise |
| m. Temperature |
| n. Cleanliness |
| 4. **Point-of-Purchase Decoration Variables** |
| a. Point-of-purchase displays |
| b. Signs and cards |
| c. Wall decorations |
| d. Degrees and certificates |
| e. Pictures |
| f. Artwork |
| g. Product displays |
| h. Usage instructions |
| i. Price displays |
| j. Teletext |

| 3. **Layout and Design Variables** |
| a. Space design and allocation |
| b. Placement of merchandise |
| c. Grouping of merchandise |
| 5. **Human Variables** |
| a. Employee characteristics |
| b. Employee uniforms |
| c. Crowding |
| d. Customer characteristics |
| e. Privacy |

**Figure 3. Atmospheric Variables Table**
(Turley & Milliman 2000, p.194)
‘atmosphere’ can actually be constructed from an assemblage of quite manageable aspects.

However, although Turley and Milliman (2000) have included the sub-group ‘Human Variables’ and have considered crowding, customer and employee characteristics, uniforms and privacy, they have not considered the impact of consumers pre-conceived ideas of the brand, or their mood when they enter the store. Bakamitsos and Siomkos (2004) state that ‘research findings suggest that consumers’ affective state (mood), the type of information presented to them and the context in which this information is presented are factors that may affect consumers’ judgement and determine their choice.’ (Bakamitsos & Siomkos 2004, p.304). They assess how mood can be used as a tool and state ‘manipulating the physical environment as a means of inducing mood states is one of the ways in which firms can affect how consumers process information and consequently their attitude.’ (Bakamitsos & Siomkos 2004, p.313).

However, mood is a variable which is very difficult to control and their research suggests that when the consumer is in a negative mood they are usually less satisfied with elements that make up the brand communication, especially if the communication requires some thought process on the consumers’ part. One could argue that although it is difficult to control a consumers’ mood, it would be necessary to consider how a target audience may react to
atmospheric elements in both positive and negative moods in order to create a successfully branded environment.

Each retail brand will have a unique mix of atmospheric variables which should be structured around the target audience. Kotler and Keller (2006) argue that a retailer’s most important concern is its target market. They state that without clearly defining and profiling the retail brands intended audience, a retailer is unable to make consistent and fitting decisions about the stores environmental elements. It can be argued that the retail store environment is a major communication channel, which can be used to broadcast the retail brand’s image and identity to the target audience and if done correctly the store should completely embody the brand.

Identifying and Managing the Brand Gap

There have been several processes highlighted, involving varying practitioners which must be considered when delivering the retail brand as a whole to the target audience. The merging and interrelatedness of disciplinary boundaries can lead to a certain level of ambiguity. As a result of this Turley and Chebat (2002) state that:

‘Retail managers have adopted many of the branding philosophies from goods marketing and have realised that the store environment is similar to a package in that it surrounds the products or products which are for sale. For many larger
retail organisations, the design of a stores atmosphere actually involves a number of people at several stages.’

(Turley & Chebat 2002, p.126)

However with the collective nature of a retail-branding project, there is often a gap, resulting from lack of communication and understanding between disciplines, which can ultimately affect the consistency of the overall brands communication received by the consumer. (Neumeier 2003; Van Tongeren 2003) The communication required to take place between disciplines such as retailing, marketing and design seems to be an area lacking in academic literature. From the literature reviewed it can be argued that most academic discourse concentrates on individual components that are required when building retail brands, and very few concentrate on the synergies that are essential to build a retail brand in its entirety.

As this dissertation is concerned with the brand being present across all dimensions, it would be sensible to say that in order for the brand to be wholly realised, there is a need for each discipline to adopt an all-inclusive philosophy which would allow for a holistic outcome. Kent (2003) states ‘promotion of cross-disciplinary approaches is pedagogically desirable... as disciplinary boundaries become fuzzier; career paths often cross disciplinary boundaries, and cross-disciplinary learning increases students’ problem solving
abilities.’ (Kent 2003, p.131). Although based around learning, it could be argued that Kent’s theory about the promotion of cross-disciplinary approaches should be carried over into the actual practice of the planning, designing, building and managing of a retail brand.

The need for ‘total identity’ is also emphasised by Kent (2003) and described as the collective entity that is involved in building a retail brand in its entirety. He refers to elements such as graphics, logos, fascia design, visual imagery, name, internal signage, store information, displays, packaging, carrier bags, retail interiors, colour and signage. These elements, he states, are what make up the brands ‘total identity’ and can be designed and managed in such a way that they convey the retailer’s brand identity to the consumer in a holistic manner. It could be argued that as these elements are spread across varying disciplinary fields, it would be entirely necessary to ensure that the individual practitioners produce a strategy which is wholly consistent with the given brand concept. In terms of ensuring that the experiential aspect to the store-formula is upheld it has been argued that ‘...retail organisations must ensure that the experiential perspective is understood throughout the entire organisation structure. While store managers and sales associates will be at the forefront of their customers’ experiences, full support is needed from management and executive level to maintain and
adapt experiential strategies, to customers’ changing needs.’
(Hedrick & Bridson 2003, p.1)


Figure 4 illustrates what Van Tongeren believes are the components which make up the ‘store-formula’. It is necessary to break down the store-formula into smaller components, however this can be
holistically managed by ensuring that all who are involved have a thorough understanding of the proposed retail brand’s identity. As can be seen from the Platform Development® Model, a retail brand is made up from various components. He explains that there is not a specified start or end point to the formula, however it is important to perform an inventory of the individual components. When completing this at the onset of the project it is normal for some of these components to be partially or entirely filled in. This is illustrated in Figure 5.

![Platform Development® Model](image)

**Figure 5. Inventory of Formula Elements**

(Van Tongeren 2003, p.84)

Each discipline, whether it be management, designers, marketers, advertisers, and even employees, are responsible for varying components in the store-formula. Therefore, by having a clear brand concept (shown in the centre of the circle), the brand can be the driver behind the decision-making processes. The outer ring of the
circle represents the goals and ambitions of the strategy and will only be reached in ideal circumstances. It is emphasised though, that as this is a holistic model, if one aspect is altered or changed, then it is likely that this will have a knock-on effect, depending on how crucial this change is to the initial brand concept. Van Tongeren (2003) states that ‘in retail, the brand actually represents the truth in all aspects of the formula.’ (Van Tongeren 2003, p.85)

However, the problems associated with multi-disciplinary approaches must also be considered. Van Tongeren (2003) suggests that when planning a retail space and in order to simplify the process, management will often try to break down the procedure into smaller components and field them out to different practitioners who specialise in different disciplines. However this division, although seemingly easier to manage, can lead to incoherent results due to individual interpretations and lack of communication and synergy between the disciplines. This inconsistency of brand communication can be remedied so long as there is a holistic methodology applied to the overall process of building the retail brand (Van Tongeren 2003).

Chapter Summary

This chapter has explored consumer behavioural characteristics that are influenced by many societal forces. This has led to a more
intelligent and empowered consumer who generally holds higher expectations. As these consumers are inundated with an overload of stimuli, they are now expecting leisurely and entertaining experiences when undertaking their ordinary everyday tasks. The expectant consumer has therefore presented store-based retailers with a number of opportunities to dazzle the entertainment-seeking consumer.

It has become apparent that in order to successfully deliver a brand in two, three and four-dimensions, there is a need to assess the disciplines that specialise in creating a branded retail experience. By understanding and accepting the basis of product-based marketing, and also considering the atmospherics concept as a design tool, these strategies can then be successfully transferred into the branding of retail environments.

The atmospherics concept has been identified as a powerful design tool which can be used by retailers to realise the brand within the physical retail store. By combining the variables that build an atmosphere in a space with experiential marketing techniques which are used to advertise the retail brand outside of the space, the brand can exist over 360 degrees of the organisation.
Conclusion
Conclusion

It has been the objective of this dissertation to obtain a thorough understanding of how a brand can be holistically realised in a retail space so that it is evident in all forms of communications - from the physical environment, the corporate image and even so the brand is present in the store’s ambient atmosphere. To achieve this it was necessary to examine the evolution of the retail brand in order to gain a comprehensive insight into the meaning of what a retail brand is today. By comprehending this notion of the retailer as a brand, it was then possible to assess the techniques involved in building experiential brand communications within a store-based environment.

Chapter one examined how the evolution of the brand from ancient times until more modern times has led to the emergence of retail brands. However with technological advances and social trends, it has been demonstrated that the once traditional notion of store-based retailing is being challenged by non-store based retailers such as e-tailers. Although e-tailers were initially considered a threat to the store-based retailer, it has been argued in this dissertation that the boom in Internet shopping has only come to remind or emphasise to the consumer what a store-based retail environment can offer; being the experience and entertainment.
In chapter two the consumers desire for experiential environments and entertaining experiences was considered in order to establish what the customer expectations are in the modern consumerist world. Once this was established, the method in which the brand could be realised within the retail environment across two, three and four dimensions was considered. Marketing strategies and the atmospheric concept were examined and through this assessment it has become particularly evident that when assessing strategies that can be utilised by varying professions to create a brand in its entirety, there is commonly a gap present in the brand communications. This is caused by inadequate communication when tasks are delegated to different disciplinary fields, specifically during the brand building organisation and execution processes.

This dissertation has highlighted the need for synergy across the varying disciplines. However, the wide range of media reviewed for the purpose of this paper including books, journal articles, Internet websites and video recordings primarily focused on one field or disciplinary area only – again stressing the notion that there is a lack of synergy and unification in the industry – not only in practice but in theory. In the case of this dissertation there was ample marketing, business and academic literature that considered branding, however very little of this discourse was concerned with ‘retail’ branding. What is also apparent is that there is a distinct lack of academic literature that focuses on design and branding within a retail context.
In future, any researcher who wishes to undertake further study on this topic may like to consider looking at the possibilities for cross-disciplinary collaboration and address the potential communication channels that need to be nurtured to allow for wholly successful brand communications within retail store environments.
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