

Customer Experience in Luxury Stores: A Study of Indian Women Customers

Shilpa Bagdare*

Abstract

There is a worldwide growth in consumption of luxury products and services. Indian market is also witnessing a growth in the luxury market owing to rapid globalisation, changing demographics, social structure and psychographics of the consumers, innovative marketing strategies and other related developments. It has opened up a vast potential for luxury brand marketers.

Customer experience of luxury brands is a major phenomenon in creating and delivering value to the consumers. It significantly influences brand image, brand attitude, customer satisfaction and purchase intentions. Women are a major customer segment for luxury products. The present study is based on a qualitative study involving an in-depth interview of women customers and observation of selected luxury stores in India. Major luxury brands in personal consumption category included apparel and footwear, cosmetics and fragrances, bags and accessories, jewellery and watches.

An analysis of the results revealed that the luxury customer experience is a personalised co-created experience, which is created through an interaction of the consumer with the environmental stimuli and store elements at every point of interaction during the entire shopping. Some of the important elements which shape the experience include design, visual display, product interface, lighting, ambience, etc. In addition to the store elements, store staff plays a key role in creating a shopping experience through customer interaction at various touchpoints. The study presents important implications for industry and research.

Keywords: Luxury Products, Women Customers, Shopping Experience, Customer Experience, Luxury Stores

Introduction

The luxury market is witnessing a growing trend across the world. Consumers are buying luxury products and services, including houses, automobiles, vacation, jewellery, watches, apparel, footwear, cosmetics, fragrances, bags, accessories, etc. Innovative marketing efforts and changes in the socio-economic and demographic environment are fuelling the popularity of luxury products. The growth in the luxury market may be primarily attributed to fashion and changing lifestyles, growing purchasing power, availability of luxury products and services, conspicuous consumption and marketing innovation. Indian women, with their increasing purchasing power, are emerging as an important customer segment for luxury brands. The present paper is aimed at analysing the major elements of customer experience in luxury stores based on a qualitative study involving an in-depth interview of Indian women customers supported by an observational study of select luxury stores.

Luxury products signify exclusive, expensive, aesthetic, prestigious and high-quality aspiration products bought by a select group of elite customers. They have very high symbolic, social and emotional value. Such products often have a heritage, history, story, legacy, mystique and culture behind them. Dubois (2001) found six facets of luxury products which included an excellent quality, very high price, scarcity and uniqueness, artistic and polisensuality, ancestral heritage and personal history, and superfluosity. The magic and illusion created by marketing innovation play a key role in creating the perceived value of luxury products. Catry (2003) emphasised on the importance of quality, emotions and rarity in luxury products. In another study, Wiedmann et al. (2009) analysed the customers' perception towards luxury value and revealed that consumers' perceptions of luxury value appear to be determined mainly by functional

* Assistant Professor, International Institute of Professional Studies, Devi Ahilya University, Indore, Madhya Pradesh, India.
Email: shilpa_bagdare@rediffmail.com

value (usability, quality and uniqueness), individual value (self-identity, materialistic, hedonic value reflected as self gifting, extravagance and self-directed pleasure), and social aspects described as prestige value in social networks, with the financial dimension (prestige price and expensive) acting as a moderating variable.

Luxury has always been confined to special class of customers who buy products for self-image, personal meaning, hedonic value, social status and expression. Customers' perceived value of luxury, social motives and aspirations play a significant role in determining their buying behaviour. Wiedmann et al. (2009) segmented customers into the four clusters: the materialists, the rational functionalists, the extravagant prestige seekers and the introvert hedonists. Such customers represent a wealthy, affluent and exclusive segment of people representing a unique personality and extravagant lifestyle. Luxury products are perceived to give the owners a sense of pride, elegance, respect, identification, recognition and status. Kim et al. (2016) found that shopping of luxury products is more hedonic as compared to a functional purchase. They observed that emotions play a significant role in forming customer's attitude towards luxury products.

Luxury products are often sold through exclusive, premium retail stores or flagship stores of luxury brands to create a special appeal to the customers. Joy et al. (2014), in an ethnographic study, explained that consumers perceive luxury stores as art institutions offering exclusive shopping experience through aesthetically designed architecture, atmospherics and merchandise. Most of the luxury stores appear to be places of attraction characterised by their grandeur and shopping environment. Some of the important attributes of the luxury store include store design and layout, visual display, product interface, lighting, ambience, service and store staff interaction with the customers. All these elements collectively create a uniquely pleasurable and memorable experience which influences customer's cognitive, emotional and behavioural responses towards luxury stores.

It has been observed that women are an important segment of customers of luxury brands. Although, luxury products are purchased by both men as well as women, significant differences have been reported in their behaviour towards luxury brands. Stokburger-Sauer

and Teichmann (2013), in a comparative study of the role of gender in luxury brands, found that women place greater value to luxury products in terms of uniqueness, social, hedonic and status value and as compared to men. They further added that women reflect a more positive attitude and purchase intention towards luxury brands. Indian women, responding to changing lifestyle, growing purchasing power, international exposure and easy availability of global luxury brands in India, have emerged as an important customer segment for luxury products.

Methodology

The present study is qualitative research based on in-depth interviews and observation of luxury retail stores in India. Face-to-face in-depth interviews of 20 women customers were conducted to understand their experiences of luxury stores. Also, 10 luxury flagship stores in India were visited. The observation was done to obtain first-hand real-life authentic data about the stores. The primary purpose of this research was to understand the customer experience in luxury stores. Women customers, who had an experience of buying luxury brands from luxury stores, were interviewed. They belonged to an age group of 30-50 years, working women as well as homemakers, with a monthly family income of one lakh rupees and above. The selection of stores was confined to the stores selling personal consumption products such as jewellery, watches, apparel, footwear, cosmetics, fragrances, bags, accessories, etc. The stores were visited during a personal visit to some Indian cities including Delhi, Mumbai, Chennai and Ahmedabad. These stores included Louis Vuitton (LV), Prada, Gucci, Armani, Dior, Chanel, Burberry, Swarovski, Coach and Cartier. During the visit, the researcher acted as a shopper and carefully observed the store design and infrastructure; product range; visual display; atmosphere; sales staff and their interaction with the customers; processes; and other environmental elements. Due to privacy and store policies, no recording in any form was done during the visit to the store. After every visit, the observation of the store was documented. The interpretation and conclusions are drawn based on an analysis of in-depth interviews and all the ten observations.

Findings and Discussion

During the interviews, women expressed that shopping of luxury products is a not only an act of buying, but it

also represents a joyful journey leading to the fulfilment of desires, dreams and fantasies. Luxury shopping is a unique, timeless, priceless, immersive, memorable and pleasurable experience in the life of the customers. Most of the women customers were well informed, knowledgeable, experienced and highly demanding.

The women customers explained that their experience in luxury stores involved the entire journey of shopping, from the point of entry until the exit from the store. It consisted of their interaction with a wide range of touchpoints during the journey. An analysis of their interviews and observation revealed that the responses related to their experiences in the retail store can be grouped into six factors: Store Design, Visual Display, Product Interface, Lighting, Ambience and Store Staff. A brief description of findings related to each of these factors is given below.

Store Design

All the respondents thought that the first attraction of the luxury store is its design. Some of them mentioned that they are often attracted by the mesmerising design of the store - both exteriors and interiors. One of the respondents said that "I am so fascinated by the appeal of store's appearance that many times even I do unplanned shopping or impulse buying." Customers also expected that the luxury should be expressed through the store design and its layout while buying luxury products.

Luxury stores represent a grand picturesque iconic view of a large store. The architecture of a store is a reflection of its brand image. These stores have an artistic and attractive facade, exterior and interiors uniquely designed by professional designers. Such designs are globally adopted by all flagship stores of a specific luxury brand. Selective use of colours as per the brand image, along with shades, styles, patterns and symbols creates a thematic image of the luxury brand. Inside the store, the use of artwork, specially crafted motifs, and the use of branding elements make the place aesthetically very appealing and rich. Luxury stores are mostly big and have large spaces for movements.

Visual Display

The women customers highlighted the importance of the visual display of luxury products in the stores. They

thought that a well organised and good product display is essential for knowing about the products. At times, it acts as a stimulant for impulse purchases. "The product must be prominently visible and presented elegantly," said one customer. Most of the customers placed a very high value on the range and selection of products presented on display in the store.

The product display is arranged in a classical manner, where each product is provided sufficient place to speak about itself. Each product appears to be a piece of art, presented beautifully in an elegant manner. Artistically designed shelves and arrangements for product display create a mesmerising impact on the minds of customers. The store presents all its latest models/variations along with timeless classical designs. Use of digital displays further adds to creating a magical impact on shoppers' perception. Digital technology is being embedded in enhancing the visual experience of luxury products.

Product Interface

Respondents mentioned, during the interview, that they wanted to have the real experience of "Touch and Feel" by touching the products in physical form. This is one of the major reasons why they come to stores as compared to doing online shopping. Some customers said that - "I never buy any luxury product without experiencing it physically," "it helps in making a choice easy, I can myself see what am I buying and how does it suit me," and "touching the products in-store gives me confidence that I am buying the right product."

Most of the products are displayed at the accessible reach of the customers. They can be easily picked up for having a closer look at its design, quality and features. There is no crowding of products at any place, which allows the customers to have a closer look at any specific piece on display. The customers are also encouraged to touch and feel the product attributes. The store allows for the exhibit and explanation of product features by specially trained professional sales staff.

Lighting

Most of the customers mentioned that there should be sufficient and good lighting in the store so that they can see the display and details of the products. The lighting further adds to the highlighting of products and its

features. One customer said that “there should be good lights to make products visible and appealing.”

Luxury stores are very intelligently illuminated. The levels of brightness, sharpness, focus, intensity, colours, etc., are carefully managed to create an attractive and pleasant sight. Specially designed and engineered lighting on products on display creates a magical visual impact. Each store uses a unique combination and patterns of lights to reflect its branding elements and unique signature.

Ambience

It has emerged from the interviews that “Ambience” plays a very important role in creating customer experience among women in luxury stores. Most of the women placed a very high value on the store ambience as it makes them feel good, comfortable and relaxed during the shopping. “I like the fragrance of the store; it’s very soothing and refreshing,” said one customer. Another customer was admiring about the combination of fragrance and music inside the store.

The ambience has a unique effect on the shoppers with highly soothing air quality bearing a touch of pleasant scent of specially designed fragrance for the store. It makes a customer feel very comfortable, refreshed and relaxed during the shopping process. It also influences consumers’ moods and emotions. Many stores play a signature background instrumental music which matches with their brand image and creates a brand experience for the customers. A great ambience makes the customers stay longer in the store and explore the product range.

Store Staff

All the respondents pointed out the role of store staff in creating experience and memories of the store. The appearance, communication, behaviour, assistance and personal touch of store staff members have a significant impact on customer experience. Some customers shared that, “I must be treated nicely, and the staff members should help me explain the product details”; “I often ask store staff for their advice on how well the product appears on me”; “They are so friendly and nice to me and always give me lot of respect, some of the staff members have become like a friend to me.”

The most important and lasting impact on the customer is created by the store staff. Cresp (2017) reported

that store staff plays a key role in the luxury store in influencing the customer by giving advice and handling them with empathy and care. Most of the staff members are professionally dressed, look graceful and attractive, soft-spoken, humble and friendly in their approach, and treat each customer with attention and great care. They are well trained in technical, behavioural and emotional skills. Each store staff has a complete knowledge about the product features along with the brand history and related stories. During the interaction, the sales staff often narrates the iconic heritage of the luxury brand and explains its properties in detail. Personalisation and human touch is a critical factor in sales encounters. Each customer is given privileged status and treated with the utmost respect, recognition, care, courtesy and warmth. The views, opinions and suggestions expressed by customers are highly appreciated, valued and given due importance. All the queries raised by customers are appropriately and humbly responded by the staff. Whenever required, assistance, advice or help is provided by the staff members. A delicate balance is maintained in providing assistance and giving freedom to customers to explore the store at their own will. Special efforts are undertaken to make the customer feel very special inside the store.

It has been found that the women customers were of the opinion that the experience within the store is a key determinant of their satisfaction, purchase intentions, the quantity of purchase, the amount spent and store image. They further mentioned that they share their experiences with friends, and pleasant memories of their experience of luxury store result in store loyalty and recommendation to other people.

Implications

The present research brings important implications for researchers and luxury retailers. There is a need to carry out more empirical studies to ascertain the influence of various factors on consumer behaviour and customer experience. Ascertaining the role of gender in luxury customer experience may be undertaken to compare the perceptions of men versus women. Multicultural studies are also required to understand the impact of the country or culture-related factors on luxury consumption. The findings of the qualitative study can be further validated by conducting a large-scale survey research. In view of the customer experience dimensions of the luxury store,

as described by women customers, the retailers of luxury products can map the entire customer journey involving various touchpoint interactions to craft the retail elements for creating a superior luxury customer experience. They need to adopt creative marketing strategies to maintain perceptions of prestige and other qualities associated with luxury.

Conclusion

Luxury shopping experience resembles to fairy tale stories, which take the people to the world of desires, aspirations, dreams and fantasies, and create a lasting impact for lifetime. It is a personalised co-created experience placing greater importance on individual, social and functional values. They are the culmination of a series of experience created through interaction with all the touchpoint during the entire journey of a luxury shopper from entry to exit from the luxury store. Women are important customers of luxury brands. The present study has significantly contributed by bringing out important dimensions related to women customers' experience in retail stores. It appears that emotions play a greater role in the luxury experience. Considering the perceived value of luxury brands, the luxury stores needs to be very carefully designed and managed in a unique manner involving design, visual display, lighting, product interface, ambience, and store staff interaction with the customers. Women customers are often mesmerised with the immersive and near-magical effect of the

experience resulting in timeless, unique and pleasurable memories.

References

- Catry, B. (2003). The great pretenders: The magic of prestige goods. *Business Strategy Review*, 14(3), 10-17.
- Cresp, R. (2017). A luxury shopping experience: How atmospherics and salespeople behavioural attributes influence customer satisfaction. *Luxury Research Journal*, 1(3), 193-239.
- Dubois, B., Laurent, G., & Czellar, S. (2001). Consumer rapport to luxury: Analyzing complex and ambivalent attitudes. *Les Cahiers de Recherche* 736. HEC Paris.
- Joy, A., Wang, J. J., Chan, T.-S., Sherry Jr, J. F., & Cui, G. (2014). M(Art)worlds: Consumer perceptions of how luxury brand stores become art institutions. *Journal of Retailing*, 90(3), 347-364.
- Kim, S., Park, G., Lee, Y., & Choi, S. (2016). Customer emotions and their triggers in luxury retail: Understanding the effects of customer emotions before and after entering a luxury shop. *Journal of Business Research*, 69(12), 5809-5818.
- Stokburger-Sauer, N. E., & Teichmann, K. (2013). Is luxury just a female thing? The role of gender in luxury brand consumption. *Journal of Business Research*, 66(7), 889-896.
- Wiedmann, K.-P., Hennigs, N., & Siebels, A. (2009). Value-based segmentation of luxury consumption behavior. *Psychology & Marketing*, 26(7), 627-644.