

THE INFLUENCE OF SOCIAL ENVIRONMENT ON CUSTOMER EXPERIENCE IN RETAIL MALL

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Abstract: Customer experience into a form of competitive advantage for the company. The creation of a pleasant customer experience is essential for service business. Customer experience coincided with the delivery of the service process, through a process of customer interaction with the company. Social environment are reflected through customer interaction with the customer, the customer interaction with employees and customers observations on the media campaign that used the company. This study used purposive sampling technique in 100 visitors one of the malls in the city of Surabaya. The results showed the influence of the social environment of the retail customer experience mall.

Key words: social environment, customer experience, retail

INTRODUCTION

Every customer who interacts with the company will get an experience. Experience gained customers a unique and distinguishable events on each customer. Today the customer experience can be used as a differentiating factor in business competition. (Pine and Gilmore, 1999).

Shaw (2007) stated that the creation of the customer experience becomes standard practice in the business. This is demonstrated by the Temkin Group, Q1 (2011) who conducted a survey of 6000 respondents Consumer Experience in America (<http://experiencematters.wordpress.com>). This survey shows that the retail industry scored the highest customer experience compared to other industries. This fact emphasizes the importance of creating an experience to customers, especially in the retail industry.

Puccinelli *et al.* (2008) that the experience occurs at each stage of the consumer decision making process. This statement implies that in any event and experienced customer interaction is a form of creation of the customer experience. Social interaction that occurs between the customer-employee and customers is a form of customer experience.

Based on the above, the research aims to prove the social environment variables as antecedents of customer experience in the retail business in Indonesia. Social

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environment variables little is researched and also to prove and strengthen the concept of creating a model of customer experience Verhoef *et al.* (2009).

This study enriches the field of marketing on consumer behavior theory to aspects of consumer decision making. The topic of customer experience has not been widely discussed as a topic of research, especially in Indonesia, which has the characteristics of different consumers and consumers in other countries.

LITERATUR REVIEW

In a broad definition, the social environment is all the social interaction between and around people (Peter and Olson, 2008:258). Consumers can interact with others directly or observing people or something. Macro social environment (culture, sub-culture and social class) will affect the micro social environment consisting of organization, reference, family and the media. Culture, sub-culture and social class had a major effect on the values, beliefs, attitudes, emotions and behavior of individuals in the group.

Social environment by Verhoef *et al.* (2009) includes the interaction between the consumer, the interaction between employees and consumers and consumer interaction within a community. Verhoef *et al.* (2009) stated that the interaction between the consumer such as a consumer who was very disturbed by the loud noise of consumer B when watching movies. Then there is the consumer C reminiscent to reduce the loud noise. This will have an impact on the customer experience of all three. Employee interaction with consumers occurs when a transaction takes place. The attitude of the employees in delivering services will have an impact on the customer experience. Group or community formed in the community can provide information on members of the group / community and the impact on the experience gained.

In the conceptual framework of the relationship between social environment and customer experience raised by Verhoef *et al.* (2009). The social environment is not in the sense of the role of the marketer to create a relationship with the customer, but on the strength of the bond between the consumer in a group or family. The social environment is expressed as the interaction between consumers, consumer interaction with company employees, and observations of consumers in the mass media in the form of advertising or corporate information. Consumer interaction can influence other consumers directly or indirectly. Direct interactions such as occurs when there are consumers who speak with other customers or by employees of the company. Indirect interaction occurs through observation of consumers against something, through observation of the attitude, behavior (body language) other customers or employees of the company at the scene. Observations consumers will give a negative or positive impression and influence the experience of receipt.

Observations and interactions that occur during the process of delivering these services will affect the consumer experience itself.

Verhoef *et al.* (2009) also states that the social environment can be formed from company information intended for consumers. Company information can be obtained from the mass media (electronic/non-electronic), group/family and community that followed the consumer. Peter and Olson (2008) also confirmed that the social media environment includes TV programs, newspapers, magazines, movies, literature and music. Information discussed consumers through virtual communities (virtual) or directly face to face. Information received by consumers form a consumer perception that the next phase will affect the consumer experience itself. Nasermodeli (2013) states the social environment affects the sensory experience of the customer and a reciprocal effect on the emotional experience of the customer. Social environment according Nasermodeli (2013) viewed from the social community around, friends and acquaintances as well as the media instruments Verhoef *et al.* (2009).

Holbrook and Hirschman (1982) adapted in Caru and Cova (2003) defines experiences related to knowledge management as a whole incident experienced by a person, affecting the emotions, occurs when the interaction takes place through the stimulation of the goods and services consumed by the customer. The concept of shopping experience illustrates consumer buying behavior involving elements of recreation, enjoy, defeating behaviors hedonic utilitarian value (Babin *et al.*, 1994). Experiential marketing Schmitt (1999:64-68) is a way to make consumers create experiences through stimulation of the senses (sense); stimulation of the affective/feelings (feel); stimulus to think creatively (think); consumer stimuli to perform physical activity, behave and interact with others (act); stimulus to socialize that reflects the lifestyle and culture.

Interactions that occur in a social community, friends and acquaintances is a form of interaction between the consumer will affect the customer experience. Customer experience is an experience that can be perceived through the five senses (sight, smell, hearing, taste and touch). Consumers in social communities as well as observations of consumers in the mass media will affect the customer experience. Based on the above, then formed a hypothesis: Social Environment significant positive effect on customer experience.

METHODOLOGY

Research is an explanatory research that aims to explain the relationship and influence between variables through hypothesis testing and perform explanation of the variables included in the model study (Malholtra, 1999). The sampling method used in this research is the method of sample selection is selected nonprobabilitas convenience sampling.

The respondents of this study is that consumers in a shopping center (mall) in Surabaya. The research sample of men and women, adults (age above 17 years), never been to the mall at least 1 time, during a visit consumption or purchase process.

Profile 100 respondents in this study it can be concluded that the majority of the past have minimum education diploma (61%), work as a student (37%) or workers (68%) with a status not married/single (64%). In general, income/ allowance respondents more than one million dollars per month (69%). Respondents generally visit and shop in the mall has more than once (97%).

RESULT AND DISCUSSION

The result using values obtained GSCA estimated path coefficients and the value of the critical point (CR*) significant at $\alpha = 0.05$. The results of testing the influence of the social environment on the customer experience can be evidenced by the estimated value of the path coefficient of 0.329 with a positive direction. The path coefficient is positive, stating that the relationship between social environment and customer experience unidirectional. The better the social environment, the better the customer experience. The value of the critical point at 2.78* of testing this hypothesis proves that the social environment positive and significant impact on customer experience. This means that an increase in the same direction and a real social environment to increase customer experience, it can be concluded that the hypothesis proposed in this study can be accepted. The findings of this study support the research Verhoef *et al.* (2009), Nasermoadeli *et al.* (2013). Recapitulation of the calculation to the value obtained from processed GSCA loading of each indicator variable as follows:

Tabel 1
Loading Value

<i>Variable</i>	<i>Variable Indicator</i>	<i>Estimate Loading</i>
Social Enviroment (X)	The intensity of interaction with others	0,728
	The intensity of interaction with employees	0,793
	Observations on media	0,626
Customer Experience (Y)	<i>Sense</i>	0,735
	<i>Feel</i>	0,684
	<i>Think</i>	0,788
	<i>Act (do activities)</i>	0,773
	<i>Relate</i>	0,682

Source: primery data processed, 2014

Social environment variable intensity reflected through interaction with others, the intensity of interaction with employees and observations on the mass media.

The test results measuring the social environment variables can be concluded that the intensity indicator of interaction with employees plays an important role in shaping the social environment variable. The results of that survey showed the same empirical fact that the intensity of interaction with employees is deemed to be of the highest priority. Respondents considered that the attitude of the employees were friendly and helpful in providing services as well as the employees spoke with good intonation to convey information is important in shaping the social environment.

Measurement of customer experience variables in this study reflected through the senses (sense), feeling (feel), creative thinking (think), physical activity (act) and socializing (relate). The test results show that the measurement model think the indicator has the largest contribution to the value of 0.788 loading. However, the variable measuring the customer experience testing showed that the indicator think not used as the primary consideration or has not done well based on an assessment of the respondents. Respondents favored the sense indicators in reality.

Measurement of the social environment in this study more reflected by the interaction between the customer and the store employees. In the condition in the shopping center mall, store employees to be friendly and helpful in providing services and store employees to communicate well in conveying information is important in customer relations and employee. This finding is consistent with studies of Baker *et al.* (2002) and Lin and Liang (2011) that the customer interaction with employees reflect the social environment.

In this study, the indicator think the biggest contribution in shaping the customer experience variables. Activity in the shopping center mall customers can stimulate customers to think creatively and encourage curiosity customer. But the fact of the description of variable customer experience with more emphasis on sense indicators (five senses) customers compared to other indicators (feel, think, act and relate). This is understandable because when customers visit and shop in the mall, which stimulated the first aspect related to the physical environment that can be observed and perceived through the senses. The findings of this study support the results Gentile *et al.* (2007) and Hsu and Tsou (2011) that the stimulation of the senses was instrumental in shaping the customer experience.

Based on the results of short interviews with some of the respondents obtained information that respondents felt more interaction with store employees and customers who accompanied the respondent during the visit and shop. Another customer in question respondents were friends or relatives or family. Respondents also see and observe the attitudes and behavior of consumers/visitors another unknown. Respondents do not deny that the observation of respondents 'attitudes and behavior of consumers / visitors another unknown influence respondents' experiences while in the mall. Respondents stated that the mass media

(newspapers) are often used to obtain information about the store and mall promotional activities. Respondents more information about the store and mall promotional activities through friends, relatives, family or observations on the behavior of the consumer/ visitor else in the mall.

CONCLUSION AND RECOMMENDATIONS

The customer experience is measured by the positive perception of the social environment. The results of this study show variable measuring social environment more reflected by indicators of the intensity of interaction with employees. Customer experience formed more emphasis on the stimulation of creative thinking (think). So we can conclude that the attitude of the store employees were friendly and helpful in providing the service, the way employees talk shop with using good intonation and the ability to store employees to communicate well in conveying information responded by the five senses and the ability to think customers to perform activities so that a customer experience.

Practical contribution of this research, can provide managerial implications in improving the mall retail marketing strategies to increase awareness of the store manager in providing services to its customers through employee behavior and how to communicate with the mall. Service employees are part of a marketing strategy to create a pleasant customer experience.

Retail type used as the object of this study is that the concept of a retail mall store employees serve customers. The customer experience is formed through communication activities with store employees. In future research, it is recommended to use the concept of self-service retail objects. Because the concept of self-service retail store employee with a minimum service began developing a lot today.

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