

## **The Importance of Edmonton's Retail Environments**

*Published in the Edmonton Commerce News, November 7<sup>th</sup>, 2011*

I love living in Edmonton. But, like many people, there are times in the dead of winter when I miss the long days of summer sun. Recently, we have discovered that retailers miss them too.

In a study that examined the impact that sunlight has on consumer spending, my colleagues and I found that more sunlight not only makes us feel better, it also increases how much we are willing to pay for the goods and services that we buy. In one study, we looked at the daily sales of a local Edmonton store; in another we had students at the University of Alberta keep a diary of their purchases. In both cases we looked at a number of weather variables – including heat, humidity, rain, snow, wind, etc. – and we found that more sunlight meant more spending. We even used state-of-the-art lamps to create artificial sunlight in our lab and asked consumers how much they were willing to pay for a variety of common items. Those who completed the survey under a sun-lamp light told us they would pay significantly more than other consumers.

In fact, there is a rapidly growing body of research examining how in-store atmospherics – that is, the shopping environment that retailers' create – affect consumer behavior. Of particular interest are studies that have revealed how shoppers use "retail therapy" to manage their moods. A basic principle of human psychology is that we are motivated to pursue pleasure and avoid pain. When shopping this means that we are driven to not only buy those products that make us feel good, but also to buy them in a store environment promotes a positive mood. In addition, people tend to prefer shopping experiences that facilitate a pleasant energy level – for example, when we are excited we don't want to shop in a store that will bring us down. This desire to manage both our energy level and maintain positive moods can even affect the products that we buy. One of my doctoral students, Fabrizio Di Muro (now a professor at the University of Winnipeg), and I recently completed a series of experiments in which we used color, music and scent to induce specific moods (pleasant or unpleasant and relaxed or excited) in randomly assigned groups of consumers. When we did not induce a specific mood in consumers they were indifferent to the products and service options that we offered to them. However, after mood induction (using color, music or scent), we found that people had a very strong preference for products and services that maintained pleasant moods and mitigated unpleasant moods. People who were excited made choices that were consistent with a high energy level (playing tennis or consuming an energy drink), while people who were relaxed chose lower energy options (playing golf or drinking tea).

Ultimately, what the current research tells us is that store environments have a substantial impact on sales. More natural light increases consumer spending. The mood set by the colors, sounds, and smells in the store has an important impact on the types of products that customers are inclined to purchase. As many Edmonton stores undergo substantial renovations – from Henry Singer at Manulife to the Zeller's stores that are becoming Targets – how customers feel and behave will also change. Successful stores will provide their customers with pleasant atmospheres that contribute to a happier community and, as a result, a healthier economy. They may even help us forget that Edmonton's long summer days are many months away.

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