

# CONSUMER TRUST AND EXPERIENTIAL DRIVERS IN PHYGITAL FASHION RETAIL: A STUDY OF SENSORY DESIGN, LAYOUT AND DIGITAL-PHYSICAL CONSISTENCY IN INDIA

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**Abstract:** The rising Indian retail market has also brought about the concept of phygital shopping experiences, which blend online and offline shopping experiences to influence consumer behaviours. The research paper emphasizes the importance of experiential store design elements such as ambience, lighting, and layout design in influencing consumer trust and comfort in the fashion retail market. The research paper follows a quantitative research methodology, and a structured survey was carried out among 218 respondents in Tier 1, Tier 2, and selected Tier 3 cities in India. The findings reveal that comfort, ambience alignment, and lighting are the most important parameters in establishing consumer trust and loyalty, while digital engagement is the most important parameter in establishing initial brand engagement, although emotional engagement and trust-building are established through the offline shopping experience. The research paper proposes a dual-store design strategy with QR and NFC-enabled phygital touchpoints and enhanced trial room lighting to establish brand resilience and customer loyalty. The research paper contributes to the existing knowledge base on phygital retail by establishing the significance of experiential and emotional alignment in establishing consumer trust in the Indian fashion retail industry.

**Index Terms:** Phygital retail, Consumer trust, Fashion retail, Experiential marketing, Digital-physical consistency.

## INTRODUCTION

The fashion retail industry in India is also experiencing a paradigm shift because of the fast digitalization of the fashion retail industry and the changing lifestyle of the consumers. The smartphone, social media, mobile applications, and e-commerce have completely altered the way the consumers interact with the fashion brands. Today, the consumers are known to interact with the products, compare designs, read reviews, and form opinions about the brands digitally even before stepping into the store. This has resulted in the creation of the concept of phygital retailing, which is an integrated approach that combines the convenience of digital retailing with the experience of physical retailing.

The fashion retail industry in India has also experienced a paradigm shift from the traditional fashion retail format that was essentially transaction-oriented to modern fashion retail stores that are being developed as experiential destinations to create an emotional connect with the brands. Ambiance, lighting, layout, visual merchandising, and sensory stimulation have become the key drivers of customer perception and satisfaction. However, the customers also demand consistency between online and offline experiences.

Whereas the conventional retail format was more transaction-oriented, the contemporary fashion retail store is currently undergoing a paradigm shift to become an experiential destination that aims to evoke an emotional response. Store environment, lighting, layout, visual merchandising, and sensory stimulation have assumed paramount importance in defining consumer perception and satisfaction. However, consumers also seek consistency between offline and online experiences. Disappointment with the offline experience in terms of the online promise may lead to a loss of trust and brand loyalty.

In the current highly competitive fashion retail environment, it is the need of the hour that fashion retailers deliver seamless and engaging experiences across all touchpoints. The fusion of experiential and sensory stimulation with digital engagement is the imperative to the evolution of trust, comfort, and repeat business. Although the importance of this blend is presently on the ascendance, there is a dearth of empirical studies in the Indian context that examine the importance of phygital spaces in shaping consumer behaviours.

The research objective of this research study is to fill the research gap by examining the importance of sensory design, spatial design, and digital-physical consistency in trust-building and experiential value creation in the Indian fashion retail context.

## NEED OF THE STUDY:

The increasing use of digital platforms and their integration with the physical retail environment has completely altered the way consumers in India engage with fashion brands. While fashion brands are increasingly adopting the concept of omnichannel retailing, there is very little research that has attempted to understand the way in which experiential elements of physical retail environments, such as ambiance, layout, lighting, and sensory engagement, are being integrated with digital engagement to create consumer trust and loyalty. Fashion brands are extremely keen on digital engagement but tend to ignore the importance of ensuring consistency between digital engagement and physical retailing. This may result in a negative impact on customer satisfaction.

Further, in emerging markets such as India, where physical retailing is still a very important social phenomenon, it is important to understand the importance of the convergence of digital convenience and retailing. There is a clear need to understand the impact of phygital retail environments on emotional engagement, comfort, and revisit intentions of consumers.

## RESEARCH METHODOLOGY

### 3.1 Population and Sample

The population for the study consists of Indian consumers who are actively engaged with fashion retail brands through offline and online platforms such as e-commerce sites, mobile applications, and social media handles. These consumers represent the rising population that is exposed to phygital retail experiences.

From this population, a sample of 218 respondents was selected for the study. A non-probability convenience sampling method was adopted for the study. This was due to convenience and time constraints. The respondents were selected based on their familiarity with fashion retail shopping experiences in offline and online platforms. It consisted of people from all three types of city classifications, namely Tier 1, Tier 2, and some Tier 3 cities.

### 3.2 Data and Sources of Data

The report mostly utilized the quantitative method of surveying for data collection. There were no interviews, as well as any other form of qualitative procedure such as conducting a focus group, since the needs of the report included determining the perceptions as well as the behavioural intentions of consumers, which ought to be quantified.

For this purpose, a structured questionnaire was developed after a close study of the literature related to experiential retailing, sensory marketing, and omnichannel retailing, among other dimensions related to trust in brands. For the purpose of quantification of the responses to the questionnaire, wherein the questions related to the topic are objective in nature, the questionnaire consisted only of closed-ended questions, wherein the responses ranged from Strongly Disagree to Strongly Agree.

The research questionnaire consisted of the following sections:

- Demographic Profile of Respondents
- Ambiance and Sensory Stimulation of the Physical Store Environment: Layout, Lighting, colour.
- Materials, Visual Merchandising, Ambient Sound, Temperature
- Digital Storytelling or Online Brand Engagement
- Brand loyalty, emotional ties, and revisit intentions

In the study, both online and offline approaches were used in carrying out the study. The online study was conducted using online research tools that facilitate the gathering of information from respondents who are geographically distant, while the offline study was conducted in the sense that the study was done on the respondents. The study was also done on a voluntary basis, and the respondents were made aware of the objective of the study.

### 3.3 Theoretical framework

The proposed study has a strong theoretical framework that is developed by using an interdisciplinary approach and combining Experiential Retailing Theory, Sensory Marketing Theory, and Omnichannel Retailing Theory.

- Experiential Retailing Theory:  
Customers are drawn to experiential retailing rather than transactional retailing. In the fashion retail industry, symbolic value and self-expression are key factors that have a significant role in decision-making.

- **Sensory Marketing Theory:**

This theory emphasizes the importance of sensory elements such as lighting, colour, music, space, and texture in influencing consumer perception, comfort, and emotional responses in retail settings.

- **Omnichannel Retailing Theory:**

The consistency between digital and physical channels is of utmost importance. Consistency between digital and physical channels results in higher levels of trust, lower levels of cognitive dissonance, and higher levels of credibility.

The proposed study combines the three theories to highlight that the factors which play an important role in influencing consumer trust, emotional responses, and revisit intentions in phygital fashion retail environments are sensory consistency, spatial comfort, and digital-physical consistency.

#### IV. RESULTS AND DISCUSSION

This paper showcases the results of this study, conducted on a collection of primary data taken from 218 respondents across Tier 1, Tier 2, and Tier 3 cities of India. The findings are brought into focus through thematic subheadings of distinct objectives of this study, followed by a discussion of these findings and their implications for phygital retail and consumer behaviours. These findings have been derived through several techniques of descriptive statistics such as frequency and percentage, presented through tables and graphs.

##### How the Research Was Conducted

The data gathering was done through a survey design that is structured. The respondents were made aware of the academic character as well as purpose of the gathering prior to involvement. The participation is voluntary, and informed consent is obtained. There were also no material incentives. The respondents were able to complete the questionnaires either by using online survey tools or through physical settings found in the fashion retail environment.

The questionnaire was administered in a predefined order, commencing with demographic inquiries and progressing to aspects of physical store atmosphere, sensory perception, digital brand experience, trust building, and revisit behaviours. Respondents were given a chance to withdraw at any point in time. After completing the task, respondents were thanked for their cooperation and did not require a debriefing session as the investigation was non-intrusive in nature.

#### 4.1. Demographic Profile of Respondents

Table 4.1.2: Age Distribution of Respondents (218)

| Age                | Count Of Age |
|--------------------|--------------|
| 15-18              | 14           |
| 19-21              | 40           |
| 22-25              | 104          |
| 26-29              | 36           |
| 30 years and above | 6            |
| 30+                | 18           |
| Grand Total        | 218          |

Table 4.1. Analysing the classification of age groups, it has been clear that maximum participants belong to age groups 22 to 25 years, followed by 19 to 21 years, and 26 to 29 years. This indicates that the collected data lies under young adults, which comprise of students and young professionals. Young adults belong to the age group that is actively present on online and phygital sources.

This dominance in the age group can be easily associated with the purpose of the study because Generation Z and younger millions tend to engage with fashion brands using online or offline media. Consumer behaviours observed in these types of consumers tend to be very enlightening with respect to the perceptions that have shifted with regards to stores, trust, and loyalty with respect to a phygital store.

## 4.2 Income Level and City Tier Distribution

### 4.2 Income Level and City Tier Distribution of Respondents

| Annual personal income             | Tier 1 | Tier 2 | Tier 3 | Grand Total |
|------------------------------------|--------|--------|--------|-------------|
| ₹10–18 lakh                        | 71%    | 18%    | 12%    | 100%        |
| ₹3–6 lakh                          | 55%    | 26%    | 18%    | 100%        |
| ₹6–10 lakh                         | 52%    | 27%    | 21%    | 100%        |
| Above ₹18 lakh                     | 50%    | 29%    | 21%    | 100%        |
| Below ₹3 lakh                      | 50%    | 39%    | 11%    | 100%        |
| I'm a student, I'm not earning yet | 52%    | 28%    | 20%    | 100%        |
| Grand Total                        | 54%    | 28%    | 19%    | 100%        |

Table.4.2 The calculation conducted showed there were different consumers based on income and type of city. The Tier 1 cities had more mid-to-high income respondents, but Tier 2 and Tier 3 were dominated by college-going and young earning groups.

It again touched upon the diversity of the Indian fashion retail market and the requirement to personalize the retail strategies as per the context. The customer experience, pricing, and integration of technology as expected in all tiers of the city was quite diverse in nature; thus, it again reiterated the importance of the contextual phygital strategy.

## 4.3 Influence of Store Ambience on Revisit Intention

### 4.3.1 Consistent Ambience and Revisit Behaviour

| Rating            | Impact of Consistent Store Ambience on Revisit Intention |
|-------------------|--|
| Agree             | 30%  |
| Disagree          | 4%   |
| Neutral           | 21%  |
| Strongly Agree    | 44%  |
| Strongly Disagree | 1%   |
| Grand Total       | 100%   |

Table.4.3.1. The findings indicated a strong positive correlation between consistency in store ambience and consumers' revisit intentions to fashion retail outlets. A significant 74% of respondents agreed or strongly agreed to the statement that consistency in ambience impacts positively on their revisit intentions to the store. Very few have been seen to display negative attitudes.

This seems to imply that a familiar and predictable store environment is key to encouraging repeat visits. In this instance, a consistent ambience has been perceived in relation to comfort and reliability as a means of boosting perceptions of brand trust by the respondents.

## 4.4 Sensory Design and Consumer Comfort

The research aimed to assess the impact of the sensory aspects of the physical store environment on consumer comfort and confidence in a phygital retail environment. The results of the analysis of the respondents' answers show that environmental factors, such as the quality of lighting, colour harmony, organization, and aesthetic appeal of materials, have a decisive influence on the formation of in-store experiences.

Good lighting and well-organized layouts positively affected visual clarity, cognitive ease, and the amount of time spent in the store. The outcome of the assessment and the purchasing decision process is influenced by the assessment and the purchasing decision process due to this development. The dark and disorganized areas of the store created conditions that made customers feel uncomfortable and uncertain about their product assessment.

#### 4.5 Role of Digital Touchpoints in Forming Expectations

Another aspect that the research aimed to explore is the role of digital engagement in forming consumer expectations before actually visiting the physical stores. The findings of the study clearly show that social media storytelling, online previews, and influencer communication play a crucial role in forming the consumers' anticipatory expectations, especially among the younger generation.

But the findings also show that mere digital exposure is not enough to build trust. Building trust is possible only when the physical store experience confirms the promises made through online communication. If there was any mismatch between the online and offline experiences, the outcome was dissatisfaction, loss of credibility, and reduced revisit intentions.

This, once again, highlights the significance of digital-physical alignment, where technology acts as an expectation-building platform and the physical store acts as the proof of brand authenticity.

#### 4.6 Trust Building in Physical Retail Environments

The study also sought to establish the factors that contribute to trust building in the current fashion retail environment. Although the trend towards digitalization is on the increase, the respondents were unanimous in linking trust to physical aspects of the retail environment. The most important factors in trust building were:

- Cleanliness and comfort.
- Consistency in visual merchandising and product presentation.
- Positive staff interaction.
- Consistent store layout.

The results of this study indicate that consumers still view physical retail environments as more trustworthy and emotionally comforting than digital interfaces.

#### 4.7 Discussion of Key Findings

The findings from the empirical study confirm the theoretical underpinning of experiential retailing by showing that consumer trust and loyalty in phygital retail settings are primarily influenced by experiential consistency and not by technological complexity.

The key findings of this study, which are in line with the research objectives, are:

- Ambience consistency is identified as a key predictor of revisit intention, suggesting that familiarity is a key factor in psychological comfort.
- Sensory comfort is a significant predictor of emotional confidence and perceived product value.
- Digital platforms are very effective at building awareness and building expectations but need offline validation to convert them into trust.
- Younger consumers are more sensitive to the seamless integration of online stories and offline experiences.

#### 4.8 Managerial and Design Implications

The research study aims to provide fashion retailers operational guidelines yet it shows three strategic results for implementation. The store ambience needs to maintain uniformity between different locations so customers can develop brand recognition through their shopping experience.

- The design interventions should concentrate on sensory-driven elements which include improved lighting systems and user-friendly store layouts and clear display signs because these elements will increase shopper satisfaction.
- The study requires researchers to use digital technologies which include QR-enabled information systems and interactive interfaces as supplementary instruments that help people experience physical environments.
- Digital storytelling needs to be used in store presentation because it creates an uninterrupted product demonstration which helps customers understand their products better.
- The study requires researchers to use digital technologies which include QR-enabled information systems and interactive interfaces as supplementary instruments that help people experience physical environments. Retail locations need to adjust their design and service methods because customers differ based on their geographical area and their income level and their spending habits.

- The essential goal requires businesses to develop emotional value because it creates long-term customer relationships which continue beyond ordinary business interactions.

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