1. Discuss various factors influencing customer value generation?

Ans: Factors influencing customer value generation is broadly divided into two parts:
1 Internal Factors
2 External Factors

**Internal Factors**

Store related
- Colour
- Lighting
- Music
- Design and layout
- Product offerings etc.

Employee related

**External Factors**

- Location
- Word of mouth

1 Internal Factors

A. Store related Atmospheric cues:
Customer spending behaviour can be significantly influenced by the store atmosphere and the customer mood. Customers require a store layout that maximizes the number of products seen within the context of a customer’s need for the product. Customers who experience a form of personal control, whether in orienting themselves to the store section they need to go to or in finding the products they want, generally feel good about the store. Good feelings lead to more purchases, especially if products are presented within a display that shows the potential usefulness of the product for them.

Atmospheric Cues which denote symbols or objects in the store environment proximity has been at the centre of numerous discussions recently as a means of creating a pleasurable consumption experience; engaging and luring customers, with hopes that they will increase their likelihood to purchase, revisit and recommend to others.

Seven of the atmospheric cues are discussed below:

1 Colour
Customer often associate brand and store image with their color. Brands like McDonalds uses red and yellow color to communicate leadership and happiness. Colors have differences in their significance, with changes in cultural context. For example, the color black has different significance in western and eastern cultures. Universally the color pink is used to communicate femininity, green is used for freshness natural, and vegetarian, and so on. Moreover, the color preferences of consumers change with change in fashion, fad, and trend.

2 Lighting
Discussion with retailers in India revealed that lighting affects customer’s attraction and choice of retail store and visibility in evaluating products’ features, price, ingredients, labels, etc.

3 Music
Music variations such as fast, slow, classical, instrumental, and hit numbers influence customers’ mood. Changing music in different parts of the store was found as influencing factor that can alter customers’ mood or appeal to different customer segments. Music can potentially increase customer value and shopping volume by providing relaxation and calmness to the customer so that beneficial associations are created in the mind. The customers’ interest in shopping, pleasure, and time spent depend on the nature of these associations.

4 Design and Layout
Design factors can create attraction and uniqueness to appeal to people at a focal point by signalling a pleasant and worthwhile experience. The design aspects of retail stores are an ideal convergence of artistic ideas, instinct, and business in a planned and profitable manner.

Store’s layout may communicate value by increasing search efficiency, comfort, inventory capacity, product quality, price and product displays, etc. Signage and window dressing is the face index of the store that can attractor repel customers from the store. Customers may develop associations of trust, value, quality of goods