

## Lively tunes boost sales in crowded stores

## August 29 2017

If a store is crowded, people tend to buy more if the sound system is playing a fast-paced song rather than a ballad. That's what a team of researchers found in a field experiment across a chain of grocery convenience stores in Northern Europe.

The researchers - Klemens M. Knoeferle of the BI Norwegian Business School in Oslo; Vilhelm Camillus Paus, of Saatchi & Saatchi in Oslo; and Alexander Vossen of the University of Siegen, in Germany conducted a longitudinal experiment to determine whether and to what extent music played a role in influencing shoppers when stores were more or less crowded. The authors noted that customer spending tracked an inverted U-shape as stores became more crowded. They found that when stores weren't crowded, music had little effect, but as social density increased, music with an up-tempo beat spurred spending.

In "An Upbeat Crowd: Fast In-store Music Alleviates Negative Effects of High Social Density on Customers' Spending," appearing in the September issue of *The Journal of Retailing*, the authors describe a sixweek <u>field experiment</u> in 2014 that tested the interaction between manipulated music tempo and measured social density. The sample included 460 small stores and recorded a total of 43,676 observations about shopping basket value (SBV) and the number of purchased items. Compared with no music, as a store became more crowded, the average SBV was roughly 8 percent greater. The authors also observed that SBV was higher due to shoppers' buying more items rather than more expensive ones.



Managerial implications were clear: first, the authors say, retail managers should be aware of crowding's effect on <u>spending</u> patterns and find ways to control it; second, ambient music is a relatively easy tool for retailers to mitigate crowding effects; and third, the authors provide a metric for measuring when social <u>density</u> demands some lively tunes. In addition, when customers are few, retailers might save royalty fees by not playing music, and because fast music in crowded stores motivated customers to buy more low-priced items, managers should prepare for a run on impulse purchases.

**More information:** Klemens M. Knoeferle et al, An Upbeat Crowd: Fast In-store Music Alleviates Negative Effects of High Social Density on Customers' Spending, *Journal of Retailing* (2017). DOI: <u>10.1016/j.jretai.2017.06.004</u>

Provided by New York University

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