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Research paper

# "Smile please" or "you're being watched" impact of CCTV notices on consumer responses in service scapes

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#### **Abstract**

Security systems are imperative for businesses in every service contexts. Closed Circuit Television (CCTV) is one of the ways to ensure commercial security for business. Although such systems are said to protect against potential theft or customer misbehavior, they can influence the productivity levels of employees as well as attitude and purchase intention of customers in servicescapes. The paper studies the influence of CCTV notices on attitude and purchase intention of customers in two different service contexts: utilitarian and hedonic. Positive and negative toned messages, identified through a pilot test, were used in an experimental design. The results indicate that the attitude and purchase intention of the customers are high when they are exposed to positive toned CCTV notices as against negative toned CCTV notices. The study further reveals that the purchase intention of the female customers is higher than the male customers when they were exposed to the positive CCTV notice. However, no evidence was found to support any difference between the impacts of message tones in the two service environment contexts.

Keywords: CCTV Notices; Customer Attitude; Message Tone; Purchase Intention; Surveillance.

#### 1. Introduction

Retailers continue to thrive to enhance consumers' shopping experiences by providing an attractive store environment or better known as servicescapes [1]. Customers are also particular about the safety and protection in the retail environment and these aspects of the servicescapes positively influence their purchase behavior [2]. Studies show that store attractiveness and its image are closely related with customers feeling of security in retail servicescapes [3]. The closed circuit television cameras play a major role in ensuring security of the customers and employees in by ensuring service quality and crime detection in different servicescapes [4][5]. A safe and secure environment makes customers feel good and in turn affect their purchase behavior positively. Closed circuit cameras also help in checking customer misbehavior which has also become a major concern to the service providers. The use of highly visible surveillances can keep in check such customer misbehavior (extreme misbehavior) to a large extent [6].On the other hand, presence of CCTV cameras also tend to affect the customers' negatively by instilling a feeling of distrust and intimidation through a sense of invasion of privacy [4]. Therefore it becomes the responsibility of the service providers to address the privacy concerns of the consumers effectively.

One method of addressing the privacy concern of consumers is by communicating the presence of CCTV surveillance system in the servicescapes to the consumers. CCTV notices are used by service providers to convey the presence of CCTV cameras within the service facility and these make use of statements which has been found to use different tones. It is a crucial decision for the retailers to frame the messages in the right tone as it might possibly affect the customers' emotional feelings which in turn may affect the customers' attitude and in turn their purchase decision. The objective of this study is to understand whether a difference in percep-

tion of positive and negative CCTV notices in servicescapes influence a customer's attitude and purchase intention. Since researches have shown that gender differences have an influence on information processing of messages [7], it is likely that the response of consumers' to the tone of CCTV notices will be influenced by gender. Therefore the study also sees whether the relationship between message tones, attitude and purchase intention varies with gender. It also tries to look at how the impact is different in two different service settings; namely utilitarian and hedonic buying context.

# 2. Literature review and hypotheses development

There have been researches in the past that were done to identify the factor that makes the customer to visit a retail store, safety and security being a major one [2]. There are several measures taken by the service providers to ensure the security and safety of their customers such as installation of CCTV in the premises. Barring a few studies, there has not been much research undertaken to identify the impact of such security measures among customers as to how it influences their decision to buy or stay in the service environment. Further little or no research has been done to understand how these vary in different buying contexts. This study attempts to cover the gap in this literature.

#### 2.1. Surveillance

Surveillance is the process of monitoring people to avoid crime or for crime detection and it is used by retailers for ensuring customer security and prevention of shoplifting [4]. Store surveillance is advantageous as it creates an environment of safety and protection in customers and enhances transparency in work atmosphere [4].



There are two types of surveillance which are used to ensure safety of the customers and the employees; namely formal and the informal surveillance [8]. Both the surveillance play a vital role in making a secure feeling among the customers thereby encouraging the customers to shop more. But from the service environment perspective it is understood that the formal surveillance like the presence of security guard, CCTV may create a negative impact among the customers [8]. On the other hand informal surveillance (proper lighting, clean floor etc.) plays a vital role in making a secure feeling among the customers [8]. It is also understood that the feeling of security also increases the competitiveness of the service provider [8].

#### 2.2. CCTV notices

CCTV notices are used by the service provider to convey the presence of CCTV camera in the premises. For this purpose service provider can use notices with various message tones. Recent study in bank says that the tone of the message plays a vital role in customers purchase decision [9]. The study also reveals that when moderately worded CCTV notices like 'please smile, the CCTV is running!' are employed the expectations of service quality is high and also there is high chances of customers to purchase more. The increase in purchase intention is because of the expectations of better customer service quality. But, when the negative worded CCTV notices like 'Taping now! All your behaviour here is monitored by the CCTV system!' are employed expectation of service quality and purchase intentions are less compared to the moderate CCTV notices [9]. Studies also reveal that positive labels in retail stores create positive associations whereas negative labels create negative associations [10].

#### 2.3. Attitude

Attitude is the learned disposition of individuals which influences the response towards a person, thing, place or occasion [11]. Studies say that when the consumer perceives higher relevance to the situation they tend to have high involvement and this makes the consumer to put more efforts to gather and process information [12]. So in high involvement situations consumers gather and process more information about the CCTV notices too. Consumers perception of service environment and the quality of the product or service creates a favourable mood for consumption among the consumers and this also leads the consumer to spent more money [13]. Studies have also shown that servicescapes can enhance the mood status of consumers [14] and it can be negatively affected by bad shopping experiences [15]. So it is the responsibility of the service provider to provide favourable environment for the customers. In providing favourable service environment and in creating positive attitude among the customers' CCTV notices play a major role.

#### 2.4. Purchase intention

Purchase intention is nothing but a plan to buy a product/service in future. From previous studies, it is understood that service environment plays a major role in creating purchase intention among customers [16]. If a service, facility creates negative effect among the customers it leads to lower purchase intentions [17]. In the similar manner, CCTV notices also plays a major role in creating negative and positive effects among the customers and it can affect the purchase Intention. Studies in retail stores reveal that moderate CCTV notices creates higher purchase intention in expectation of better service quality [9].

#### 2.5. Utilitarian and hedonic buying

Researches have shown that consumption activities can produce both hedonic and utilitarian outcomes [18]. Consumers purchase decision making varies according to different purchase outcomes. Evidence from consumer research shows that pleasure and arousal dimensions are experienced by consumers during or after the consumption of product/ services [19]. The results from above study show that emotions had different influences on perceived service quality and satisfaction in the hedonic service context and the utilitarian service context.

From the above literature review and discussion, we arrive at the conceptual model (Figure 1) and the following hypotheses for the study.

H1: The customer attitude will be positive for positive CCTV notices against negative CCTV notices.

H2: The purchase intention of customers is higher for positive CCTV notices as against negative CCTV notices.

H3: Relationship between positive CCTV messages and attitude is moderated by gender.

H4: Relationship between positive CCTV messages and purchase intention is moderated by gender.

H5: Relationship between positive CCTV messages and attitude is moderated by service contexts (utilitarian versus hedonic.)

H6: Relationship between positive CCTV messages and purchase intention is moderated by service contexts (utilitarian versus hedonic.).

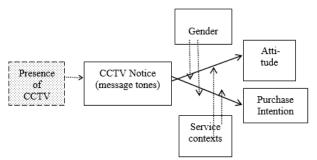


Fig. 1: Conceptual Model for CCTV Notices , Attitude and Purchase Intention.

### 3. Methodology

#### 3.1. Pre- tests

From the literature review and online sources along with the help of a language expert, different CCTV notices were identified. Among the notices identified there were messages with different tones (positive, negative). Around ten different service contexts were also identified and using a pre-test on a sample of 10 respondents, [4] service contexts were identified which were later clubbed into two service contexts identified for the study; namely, utilitarian (Retail store and bank) and hedonic (Gym and Park).

To identify the messages with positive and negative tones a pretest was conducted. A questionnaire consisting of 35 CCTV notices was framed and later a self-administered survey was conducted. The respondents were asked to rate each of the CCTV notices in a 7 point scale (1 being positive and 7 being negative). There were 32 responses collected for the pre-test. Through an online survey across female and male respondents in the age group of 20-30 years. The mean values for each of the messages were analysed. Top rated messages from both the categories (positive and negative) were identified for the experiment. The following were the messages that were identified from the pre-test (2 positive message and 2 negative messages).

Positive messages

- a) Smile! You are looking good on CCTV (Mean value=2.90)
- b) 'We use the CCTV system to guard your safety here' (Mean value=3.00)

Negative messages

- a) The stupidity of your actions is directly proportional to the number of CCTV's watching you. (Mean=5.28)
- Every breath you take. Every move you make. Every bond you break. Every step you take. CCTV will be watching you. (Mean=5.21)

To check message framing manipulation, we asked a group of subjects to rate the tone of the messages on a semantic differential scale (positive/negative). A composite score was derived which confirmed that the manipulation was effective for the pilot tests.

#### 3.2. Experimental design

The study was conducted by means of an experimental design, 2 x 2 factorial designs with mixed methods (between subjects and within subjects). Study was conducted with the help of images in two service contexts. Two images out of which one which depict the interior of a utilitarian service facility and another with a hedonic service context were chosen. Each image consisted of one message out of the four messages, identified from the pre-test. The message was displayed in the service background images as sign-boards. Finally, there were eight images; four images with positive message tone (CCTV notice) and four images with negative message tone (CCTV notice).

Each of the simulated images exposure was followed by a set of questions that measures the attitude and purchase intention. Respondents were asked to respond to the questions based on the image. The purchase intention scale was adopted from a standard scale developed by William B. Dodds [20]. The scale was a 7 point semantic differential scale [1] being very high purchase intention and [7] being very low purchase intention). In the similar manner attitude scale was taken from Bansal and Taylor [21]. The attitude scale was a [7] point semantic differential scale (1 being Negative attitude and 7 being Positive attitude).

#### 3.3. Data description

An online survey was floated to the respondents across multiple Indian cities. Among the 216 responses that were recorded, 60 were females and 156 were males. There were both undergraduates and postgraduates who were in the age group of 25 years and below and also in the age group of 24 years and above. Male postgraduates who were below 25 years were 25% of the total respondents but the undergraduate male who were below 25 years was 21.30% of the total respondents. Female undergraduate respondents who were below 25 years were 12.96% and female postgraduate respondents who were below 25 years were 10.19% of the total respondents. (Refer Table 1)

Table 1: Description of Data across Age, Gender and Education

|               | Male      |             | Female    |             |  |  |
|---------------|-----------|-------------|-----------|-------------|--|--|
| Education     | 24 years  | 25 Years    | 24 years  | 25 Years    |  |  |
|               | and below | and greater | and below | and greater |  |  |
| Undergraduate | 21.30%    | 14.81%      | 12.96%    | 3.70%       |  |  |
| Postgraduate  | 25.00%    | 11.11%      | 10.19%    | 0.93%       |  |  |

#### 4. Analysis

In order to test the hypotheses H1 and H2, a one way ANOVA was done. This tested the effect of tones of CCTV notices on attitude and purchase intention of customers.

Table 2: Mean Values of Attitude and Purchase Intention

|                    |                   | Sum of<br>Squares | df  | Mean<br>Square | F       | Sig.  |
|--------------------|-------------------|-------------------|-----|----------------|---------|-------|
| Attitude           | Between<br>Groups | 422.613           | 1   | 422.613        | 95.668  | .000  |
|                    | Within Groups     | 2070.455          | 794 | 12.608         |         |       |
|                    | Total             | 2493.068          | 795 | 5              |         |       |
| Purchase Intention | Between<br>Groups | 303.384           | 1   | 303.384        | 162.068 | 3.000 |
|                    | Within Groups     | 1607.799          | 507 | 73.171         |         |       |
|                    | Total             | 1911.183          | 508 | 3              |         |       |

In order to test hypotheses H3 through H6, Multivariate a (MANOVA) was done on the collected data, keeping purchase intention and attitude as dependent variables and gender, message tone and service contexts as fixed factors. Results from Table 2

indicate that message tone has a significant impact on purchase intention and attitude. Analysis reveals that positive message tone leads to higher purchase intention and creates a positive attitude among customers in all service contexts.

Further analysis reveals that gender influences purchase intention and attitude of customers when the message tones are positive. Female customers' shows higher purchase intention compared to males both when message tone is positive (p value=0.070). However no significant impact of message tones on attitude was found in either men or women.

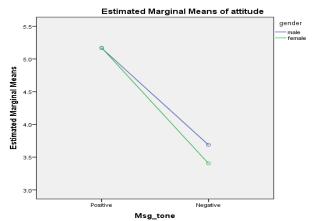


Fig. 2: Gender, Message tones and Attitude.

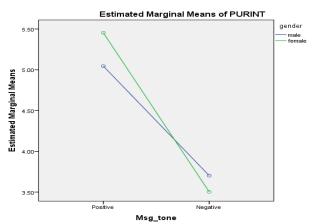


Fig. 3: Gender, Message Tones and Purchase Intention.

The multivariate tests showed that there exists no significant influence of tones of CCTV notices in purchase intention of women or men either in the utilitarian or hedonic service contexts. Hence hypotheses H5 and H6 are not supported.

Table 3: Wilks' Lambda and P-Values

| S.No | Results                |               |         |
|------|------------------------|---------------|---------|
|      | Variable               | Wilks' Lambda | P-value |
| 1    | Tone                   | 803           | 000     |
| 2    | Context                | 987           | 034     |
| 3    | Gender                 | 995           | 262     |
| 4    | Tone*Context           | 998           | 635     |
| 5    | Tone*Gender            | 993           | 188     |
| 6    | Context * Gender       | 988           | 048     |
| 7    | Tone * Context* Gender | 999           | 806     |

#### 5. Conclusion

The study was conducted in a two different service contexts (utilitarian and hedonic) to identify the influence of positive and negative CCTV notices on purchase intention and attitude of customers. The study was conducted by means of an experimental design. Images with different message tones (CCTV notices) were exposed to the respondents to identify the influence of CCTV notice on customers. The results of this study have great implications for

retailers who want to enhance customers' shopping experience thereby increasing their sales and in turn the store profitability. The results from the study indicate that the messages with a positive tone create a positive attitude and lead to high purchase intention among customers. It is necessary for the service providers to use CCTV notices to convey the presence of CCTV in the environment. Many times the challenge lies in displaying such messages without affecting the emotions of the customers. Therefore the retailers need to frame positive messages in CCTV notices so that this will ensure the feeling of safety as well as security to customers at the same time addressing their concerns of privacy without being intimidating. The study will be helpful for the service providers to choose apt messages to convey the presence of CCTV notices in the service facilities and thereby creating a favourable and secure environment for the customers.

The study also indicates that female customers have high purchase intention and positive attitude when they are exposed to positive messages. This is more important because it is the women cusomers who have a chance of getting negative feelings by the presence of surveillance cameras especially near trial rooms. Therefore retailers can address these issues by using positively framed messages which will reduce the sense of intimidation and distrust which might arise due to the presence of CCTV.

The current study was done through virtual means and not by an actual setup of a service environment. This could be major limitation as it might alter the perceptions of customers when they are exposed to the actual service settings. Another limitation of the study is that, it considers only the textual content of various CCTV notices used by the service providers. In today's service context they also use visually appealing pictures and emoticons to convey the presence of CCTV, which can be used for future researches. The presence of such graphics along with the textual content could also alter the perception of customers towards the notices. Future studies could therefore examine how consumers' attitude and purchase intention will be influenced if visual and graphical CCTV notices are used as against verbal messages.

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