

**STUDY ON FASHION RETAIL DESIGN IN
MALAYSIA:
CASE STUDY GUCCI, PAVILION,
KUALA LUMPUR**

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**STUDY ON FASHION RETAIL DESIGN IN
MALAYSIA:
CASE STUDY GUCCI, PAVILION,
KUALA LUMPUR**

by

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LIST OF ABBREVIATIONS

ETP	Economic Transformation Programme
ICSC	International Council of Shopping Center
PEMANDU	Performance Management and Delivery Unit
PNC	Private and Confidential
SME	Small and Medium Enterprise

KAJIAN REKA BENTUK KEDAI FESYEN DI MALAYSIA:

KAJIAN KES GUCCI, PAVILION, KUALA LUMPUR

ABSTRAK

Perkembangan peruncitan moden di Malaysia telah memberikan impak cabaran kepada peruncitan sedia ada (lama) dari segi persaingan. Oleh itu, peruncit perlu mencari cara untuk menyampaikan nilai pengguna yang lebih baik untuk menarik minat pelanggan. Kajian terdahulu mendapati terdapat hubungan yang signifikan di antara reka bentuk kedai ke atas pengalaman membeli-belah pelanggan. Unsur-unsur reka bentuk kedai ini dapat mengukuhkan suasana persekitaran kedai dengan memberi pengalaman membeli-belah berteraskan identiti jenama kepada pelanggan yang mana menyumbang kepada pemilihan kedai dan jualan. Walau bagaimanapun di Malaysia masih kekurangan informasi dan kajian terhadap reka bentuk kedai terutamanya dalam konteks peruncitan fesyen. Kekurangan ini telah menyebabkan peruncit fesyen sedia ada di Malaysia dengan ketiadaan garis panduan dalam menentukan strategi reka bentuk kedai mana yang lebih sesuai untuk perniagaan mereka. Oleh itu, tujuan kajian ini adalah untuk mengkaji dan menyediakan rujukan piawai asas terhadap reka bentuk kedai secara menyeluruh ke atas suasana persekitaran kedai dan juga pengalaman membeli-belah pelanggan dalam peruncitan fesyen di Malaysia. Kajian ini menggunakan kaedah kualitatif dengan menjalankan kajian kes terhadap butik fesyen mewah Gucci, di Pavilion, Kuala Lumpur, yang mana dikenali sebagai salah satu daripada butik fesyen

perniagaan yang paling terkemuka. Kajian dilakukan melalui pemerhatian, temu bual dan soal selidik. Keputusan awal kajian menunjukkan bahawa ketiga-tiga kumpulan unsur fizikal reka bentuk kedai; luaran, dalaman dan ambien adalah penting dalam peruncitan bagi mewujudkan suasana persekitaran kedai yang unik dan pengalaman membeli-belah pelanggan, yang membawa kepada kejayaan dalam peruncitan. Kajian ini juga menunjukkan bahawa sentiasa mengekalkan inovasi adalah perlu untuk peruncit bagi mengekalkan kedudukan mereka dalam pasaran yang mencabar hari ini.

STUDY ON FASHION RETAIL DESIGN IN MALAYSIA:

CASE STUDY GUCCI, PAVILION, KUALA LUMPUR

ABSTRACT

The emerging of modern retail formats in Malaysia has caused a challenge for existing retailers in competition. Therefore the retailers need to look for ways to deliver better consumer shopping value to increase consumer purchase intention. Past studies found significant relationship between store designs and customer behavior. The store design elements reinforce the retail environment by providing the consumers in experiences around the brand identity which contributed to the store choices and sales. However, only few literatures and researches regarding store design were done in Malaysia especially in fashion retail context. These left the Malaysia's existing fashion retailers with none existing guideline in deciding which store design strategies are more appropriate for their retail business. Hence the purpose of this investigation is to investigate and establish a basic standard reference on the whole view of store design elements on creating exciting store environment and customer shopping experience towards fashion retail in Malaysia. The study employed a qualitative case study method on the luxury fashion store Gucci, Pavilion, Kuala Lumpur, which is known as one of the most leading fashion retail. The study was performed by observation, interview and survey. The early findings suggested that these three groups of physical store design elements; exterior, interior, and ambient were important for retailer and industry retail consultant in creating

unique store environment and shopping experiences for the customers which lead to the retail success. It also showed that sustaining innovation was necessary for retailer to establish and maintain their position in today challenging market.

CHAPTER 1: INTRODUCTION

1.1 Introduction.

The increasing competition by the rapid growths of today's modern retail industry has affected the existing retailers. It has become difficult for retailers to depend only from their products, price, promotions and location strategies. Therefore to survive into and through the next decade, seeking alternative way to add shopping value to increase sales is needed. Past studies has found significant relationship between store design and customer behavior (Banot and Wandebori, 2012; Hosseini and Jayashree, 2014; Hasan and Mishra, 2015). The store designs plays an important role in creating exciting store environment which influence customer shopping experience as well as lead to making purchases. According to Hassan and Mishra, (2015) a store brand story can be enhanced through the physical store design elements which contribute to the store competitiveness advantages that also act as point of difference. Therefore the store design is crucial in today's retail success. The retail store environment should be better designed and focused on continuous improvement as to provide a desirable store environment shopping experience to the customers.

However, in Malaysia little knowledge regarding information on creating a good store design environment is still undetermined especially in the fashion retail context. This left existing fashion retails hard time to compete as poses questions regarding the value of the store design strategies. Therefore by examining the nature of well-

established luxury fashion store will provides a suitable context for the analysis of this study on the whole view of store design strategies on creating attractive environment shopping experience.

1.2 Emerging Of Modern Retail Formats.

The growth of modern retailing has played a significant role in the developed countries. Modern retailing has begun to tap the enormous market with number of large business houses and foreign retailers with very ambitious plans. According to Kiran and Jhamb, (2011) the large and foreign business retailer has entered the country with the support of act making less strict of the economy policy, rise in per capital income, improve infrastructure, and growing consumerism. Among these new grown established retail formats includes department stores, supermarkets or hypermarkets, malls and specialty stores (Kiran and Jhamb, 2011). Malls and specialty store are the emerging retail formats that considered in the present study.

Kiran and Jhamb, (2011) also stated that the reason for the growth of these modern retails was that they provides an ideal of shopping value. These retails provides pleasant environment, shopping experience, ranges of mixture products, entertainment and services all in one placed.

In Malaysia, the retail industry has grown rapidly over the years witnessing these modern retails entered the country with enthusiastic retail plans. Based on Wel et al., (2012) the loose restriction by the Malaysian government policy such as Economic Transformation Program (ETP) has encouraged the opportunities for these modern retails to grow. Added Hosseini and Jayashree, (2014) associated with the growth in the economy and the attendant rise in consumption spending, the Malaysian consumers of today are also seeks for more level of services which includes pleasant environment experience, and merchandise quality.

The issue between modern and existing retail players today is rising competitiveness by selling similar products (Hasan and Mishra, 2015). Besides the modern retails has further offered their products through intense marketing strategies. Therefore there is a need for existing retailers to understand and improved by uniquely create a strong store environment shopping experiences through store designs strategies to differentiate themselves from the competitor and influences customer buying intention.

1.2.1 Overview Of Malls.

One of the modern retail formats is the birth of malls. According to Jusoh et al., (2013) a mall is a building that created to cater for a group of independent retail stores; tenants, facilities, and services including a parking space which is constructed and maintained by separate management company. Even today malls have evolved

not only group of retail store but also other facilities that offers social community. Farrag et al., (2010) stated that these social communities include amusement parks, banks, theaters, restaurants, and others.

The international Council of Shopping Center (ICSC) has classified mall into eight basic types. Neighborhood center or convenience center is a small scale mall composed of 30,000 to 150,000 square foot retail space, arranged in a strip mall format. The malls anchor usually consists of supermarket or a drugstore that provides the needs for the neighborhood. The community malls features retail area of 100,000 to 350,000 square foot, which provide the needs of main area of 3 to 6 miles. The malls offered a wider selection of products than the neighborhood center which anchor consist of supermarkets, super drugstores and discount department stores. A regional center is a mall that supplies general merchandise and variety of services such as wide range of retail store, discount department store, and specialty stores. The mall usually enclosed building scale between 400,000 to 800,000 square foot, with stores connected by walkway and parking space. Super regional mall contains more anchors two or more department store with wider ranges election of merchandise and services. The malls serve for a large population based with scale around 800,000 to 1,000,000 square foot. It is usually layout in an enclosed building with multiple levels (Farrag et al., 2010).

A specialty center usually caters for luxury apparel, and boutiques that serve unique merchandise of high quality and price. The design of the center is very sophisticated consist of rich décor, high quality materials and nice landscaping. The center does not need to be anchored with scale between 80,000 to 250,000 square foot, it provides the needs of an area 5 to 15 miles. The outlet center or outlet mall normally located in a tourist area served an area of 30 miles from the national retail chains sells manufactured brands at low price such as clothing, leather goods and house wares. Power center commonly contains several large anchors such as discount department store, and warehouse brands, wider range of stores that offer selection merchandise at low price. This center consists of scale of 250,000 to 600,000 square foot and serves main area of 5 to 10 miles. A theme or festival center with area of 80,000 to 250,000 square foot usually incorporates a theme that is carried out by the store retailer throughout their store design. The themed design sometime extended into their merchandise. This center commonly caters for tourist. The building usually part of mixed use project by adapted from an old building (Farrag et al., 2010).

According to Chan, (2011) the growth of malls in Malaysia started when the emergences of the Ampang Park Shopping Complex in the early 1970s. The mall often regarded as the first shopping mall with retail space of 340,000 square foot. Plate 1.1, shows the Ampang Park mall in its gloried early days. Since then, more than 320 malls are presently operating in the county with providing approximately 100 million square foot space.



Plate 1.1, The Ampang Park Shopping Centre in Kuala Lumpur.

(Source: <http://www.ampangpark.com.my>)

Furthermore Chan, (2011) stated that from the total established malls in the country, the Central Region which consists of Klang Valley, Negeri Sembilan, and Melaka dominates with 56.6% of malls. The Northern Region includes Pulau Pinang, Perak and Kedah with 17.7% and Southern Region as Johor with 12.8% of the total. East Coast Region comprise of Terengganu, Pahang and Kelantan with only 3.8% of total malls. The East Malaysia Region cover Sabah and Sarawak seize with 9%. Therefore this distribution shows the fact that Central Region is the pulse of the growing modern retails; malls industry. Klang Valley Territories is the location sampling that would be considered in the presently study. Beside, Malaysia also housed several features malls including famous shopping destinations mall, tourist shopping destination mall, and among biggest super mall (Wonderful Malaysia, 2007-2016).

Pavilion Kuala Lumpur Shopping Mall is a super-regional mall located at the center of Kuala Lumpur major shopping strip, Jalan Bukit Bintang. It's popular for its shopping destination among the local people and tourists. The mall opened on 20 September 2007 with a gross retail area of 1,400,000 square feet with over 500 outlets offering luxury fashion brands, entertainment and restaurants with several anchor tenants. Pavilion mall is the first in Malaysia to provide a row of street-front duplexes housing flagship international brands boutiques. Plate 1.2, shows the front entrance of Pavilion Mall which consists of several branded flagship stores. Among the luxury fashion brands stores includes Burberry, Bottega Veneta, Celine, Gold Gentle, Givenchy, Roger Vivier, Michael Kors, Loewe, Prada, Miu Miu, TOD'S, Mulberry, Jimmy Choo, Rolex, Coach, Maschino, Gucci, Diane Von Furstenberg, Calvin Klein, Versace, Hermes, Tory Burch, Paul Smith, Salvatore Ferragamo, and Hugo Boss.



Plate 1.2, The Pavilion Kuala Lumpur Shopping Mall in Kuala Lumpur.

(Source: Author)

Suria KLCC Shopping Center is another one of Malaysia's super-regional most popular tourist destinations mall. The mall is located directly beneath the Petronas Twin Towers, Kuala Lumpur, the tallest twin towers in the world. The mall consists of 1,500,000 square foot of retail space with over 320 stores spread through six floor with several anchor tenants. Suria KLCC was opened on 31 August, 1999 which mostly housed luxury stores, cafes, restaurants, entertainments, a concert hall, gallery, and center. Plate 1.3, shows the Suria KLCC mall which composed of large outdoor leisure park. The mall luxury fashion brands stores includes Aigner, Bally, Burberry, Calvin Klein, Chanel, Coach, DKNY, Dolce & Gabbana, Emporio Armani, Fendi, Giorgio Armani, Gucci, Harley Davidson, Louis Vuitton, Prada, TOD'S, Versace, Alexander McQueen, Anya Hindmarch, Aseana, Balenciaga, CH Carolina Herrera, Diane Von Furstenberg, Farah Khan, Kate Spade, MaxMara, Miu Miu, Ralph Lauren, Salvatore Ferragamo, Alfred Dunhill, Brioni, Dior Homme, Emenegildo Zegna, Massimo Dutti, and Hugo Boss.

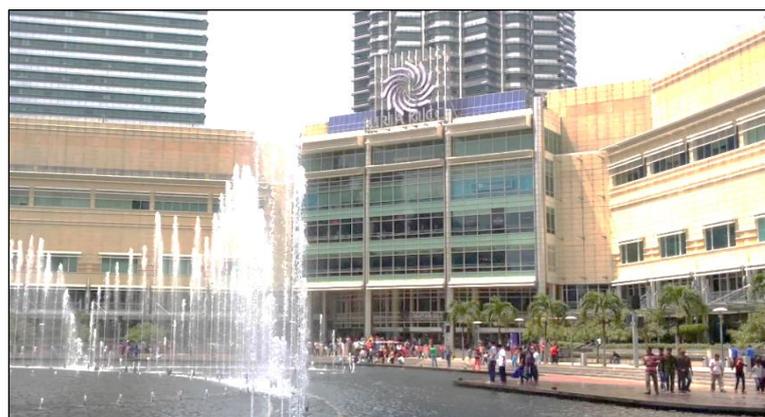


Plate 1.3, The Suria KLCC Shopping Center in Kuala Lumpur.

(Source: Author)

One Utama Shopping Center in Damansara, Petaling Jaya is featured as the biggest super-regional shopping mall in Malaysia and fourth largest in the world. The mall was opened in 1995 and has been undertaken several renovated upgrading extension. It has a total retail space of 5,000,000 square foot with more than 700 stores and houses several anchor tenants. One Utama mall also contains the largest indoor rock climbing facilities and garden. Plate 1.4, shows the One Utama mall which included large indoor sports and garden area. Within the mall luxury fashion brands stores includes Armani, Calvin Klein, DKNY, and Massimo Dutti.

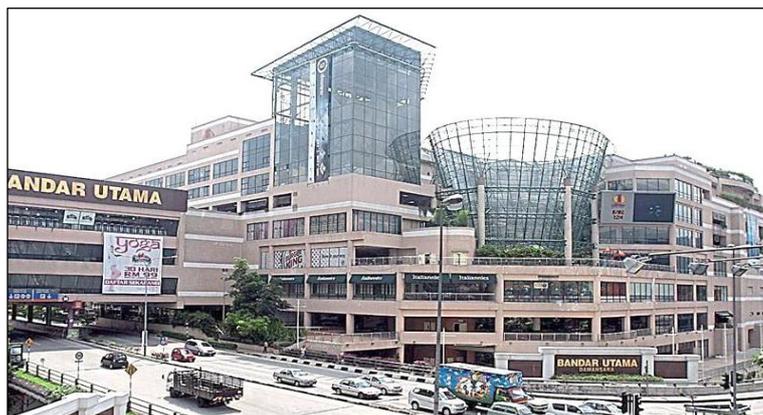


Plate 1.4, The One Utama Shopping Center in Kuala Lumpur.

(Source: Wonderful Malaysia, 2007-2016)

Based on past studies shoppers mainly preferred these modern retail malls due it provides pleasant environment of shopping experience to the customers through its well-designed physical environment which also known as service-cape (Anuradha and Manohar, 2011; Ahmad, 2012; Shashikala and Suresh, 2013; Odeh and As'ad,

2014). Many of these past researchers found positive relationship between mall designs elements towards mall attraction, preference, experience, image, enjoyment, excitement and environment.

1.2.1(a) Mall Design Components.

The environmental psychology theory Donovan and Rossiter, (1982) suggest that the mall atmosphere should influences shoppers mood and behavioral intentions. They found that formal, expressive and symbolic qualities of mall and store environments communicate various messages to consumers and may bring about both aesthetics and instrumental value. An effective mall shopping environment design may impact the shopping experience, and influences consumer to exhibit more approach behavior, staying longer in the mall (Donovan and Rossiter, 1982).

According to Anuradha, and Manohar (2011), the mall designs elements can be grouped into two which are internal and external. The internal elements include exterior display, architectural style, entrances, height, size and color of building. Meanwhile the external elements consists of finishes include carpeting and painting, ambient which contained lighting, music, scent, and temperature, cleanliness and waiting area. These mall designs elements are all connected to one another and supportive in creating a pleasant environment shopping experience. With positive mall design elements can leads to increased mall liking, more time spent in the mall, and higher of unplanned purchases (Anuradha and Manohar, 2011; Ahmad, 2012).

1.2.2 Overview Of Retails.

Based on Koul et al., (2015) the term retail is defined to as activities which involved in selling goods or services to consumers through different type of retail shapes and sizes. Retail also can be made in either physical store or market; fixed location and by delivery; online.

Past studied by Gupta and Tendon, (2013) stated that the retail business industry can be divided into two groups which are modern and traditional retailers. The modern retail commonly involved by licensed retailers such as large retail business, and retail chains that are registered for sales tax, income tax, etc. Meanwhile the traditional retail refers to low-cost retailing such as market stalls which own propriety stores, and non-store operator.

Furthermore, Sinha (2004) mentioned that the modern retail can be classified by the size of their business and the way they sell goods, which there are seven main types. Department store offers selections of products at different pricing and services which managed by a company. The products sometime can come as a collection of smaller retail outlet. The store convenience allows customer to purchase large selection of products at one retailer. The supermarket store commonly offers assortment of food based products. However, nowadays the store expands into others products as well. The encouragement of buying power allows the store products to be sold at low prices. A warehouse store is usually located in lower rent business premises which

allows them to stock variety of products. This enables the store to sell variety of products at very competitive prices. Specialty store offers the customer with knowledge and high services on specializing products. By offering additional related products and services at the same shop, it added the store value. Convenience store commonly situated at residential area. The store provides premium price due to limited products offers. The discount store provides the consumers with wider range of low prices discounted products. The products include less branded products and returned goods; rejected products by the suppliers which are resell at a lower price. Electronic retailing (E-Retailer) or online retailing allow customer to shop and purchase products through the internet. The products then delivered to the customer's address. Wider range of customer can be reached by the retailer and lower rent makes it so convenient (Sinha, 2004).

The retail industry in Malaysia has faced massive changes since 1950 (Jantan and Kamaruddin, 1999). According to Wel at al., (2012) the Malaysia retail landscape started with small-scale traditional shop-house which then shifted to modern retail such as department stores and supermarket before the emergence of malls. Today they are many types and categories of modern retail established throughout the country. Based on Businesscircle, (2015) the Malaysia whole sale and retail in 2013 has grown from RM9.3 billion in 2009 to RM13.3 billion with increased of 43%. Furthermore the report done by AT Kearney in 2014 showed that Malaysia has been ranked as ninth in its Global Retail Development Index. The rank has increased four places from 2013.

The Malaysia retail markets were mostly under governs of Small and Medium Enterprise (SME) authority (Khan and Khalique, 2014). SME organization also provides the small and medium retail to be more successful by providing infrastructure support and services. Based on SME, the business retailers are classified based upon their sales turnover Table 1.1, describes the SME break-down classes.

Table 1.1 The types of SME categories.

SME classes based on size			
Category	Micro	Small	Medium
Services and other sectors.	Sales turnover of less than RM 300,000 OR employees of less than 5.	Sales turnover from RM 300,000 to less than RM 3 million OR employees from 5 to less than 30.	Sales turnover from RM 3 million to not exceeding RM 20 million OR employees from 30 to not exceeding 75.

Source: Small and Medium Enterprise.

However the study done by Khan and Khalique, (2014) which referred to Census report indicated that the majority of Malaysia store total establishments 662,939 or 97% were small and medium businesses. This shows that these current small and medium retailers have still been acknowledged as majority of today's country total retail establishment. Since the number is big, the impact of competitive from the modern retail new markets would be huge. This support with study done by Selvadurai, et. al., 2013 on the impact of modern retail towards existing small scale

retailers in Malaysia which found majority of the respondents admitted that the modern retail format establishments had negatively affected their retail business.

Therefore to survive through the next decade, the existing retailer must improve their business strategies for their survival and growth since it could help them tackle the challenges they face in the competition markets.

1.3 Fashion Retail Market.

According to PricewaterhouseCoopers, (2013) the retail fashion is defined as business that involved sales ranges of clothing that cater for all gender and ages. The activity consists of buying clothing and accessories from the manufactures or wholesalers and sells the products to consumers. Additional, some fashion store may offers extend products include footwear and fragrances.

There are aggressive competitions in clothing retail industry. The boundaries of clothing industry are significantly expanding. The fast changing dynamic of the clothing retail industry force retailers react as quickly as possible to meet those consumers demands (PricewaterhouseCoopers, 2013). Some retailers can perform well in the competitive fashion retail market, while some are merely struggling for survival.

Based on ReportLinker, (2015) the Malaysia fashion retail industry between 2010 and 2014 has posted revenue of RM7.6 billion, an increased growth of 9.9%. In 2014 overall value, the women's clothing products has marked as the most profitable with total revenue of RM3.4 billion. It was forecast that for year period 2014 to 2019 the industry will increase bringing value to RM12.3 billion.

The rapid growth of Malaysia retail fashion industry over the past few years has increased the competitive market between modern and existing business retailers (Selvadurai et. al., 2013). This forced retailers to build up an attractive store environment experience through store design strategies to lure and retain customers as well to be in competitive advantages (Han et al., 2011). However there are few key challenges Malaysia fashion retailers have faced in recent years include on creating good store design (Han et al., 2011). Due to undetermined store design strategies, these conditions have put existing fashion retailer with no clear ideas as to what store design may help in extend their store value eventually. Hence it is hard for them to compete within the market same as modern retail.

1.3.1 Physical Fashion Store Channels.

There was not many data found on the studies of physical fashion retail in Malaysia. However, according to Alazzawi and Farcuta, (2012) in retail fashion market there were two main physical store channels. These channels include luxury fashion stores and regular fashion stores. The luxury fashion store often used store design elements

to enhance the uniqueness and sophisticated retail environment experience which influence customers. Among the luxury fashion stores include flagship stores, chains stores, high-end department stores and designer outlets. Regular fashion store usually apply less displaying environment experience due to their large assortment of products. This type of stores includes independents and department stores.

1.3.2 Fashion Brands.

Fashion brands are particularly the apparels that carry the logo or name of fashion designers. Based on Cyril-Eze et al., (2012), fashion brands normally refer to clothing and other merchandise which named after its designer or company background. The products often categorized within luxury products.

The development of the retail sector in Malaysia has offered opportunity for consumers to purchases ranges of fashion brands include local and international. Hosseini and Jayashree, (2014) stated that it is common for consumers to crave for fashion brands labels which some used to increase their self-esteem and lifestyle. Furthermore these labels brands attract consumer by its reputation and life span in the market. Nowadays both local and international brands have been taking over the fashion industry either by product, quality or services. Among the Malaysia local fashion brands labels include Voir, Padini, Farah Khan, and Bonia. Meanwhile the international labels comprise of Coach, Gucci, Massimo Dutti, and Michael Kors.

The increasing number of these modern retails as malls and luxury fashion stores also signifies the craving for fashion labels products in the country.

Based on Forbes, (2014) ranking The World’s Most Valuable Brands, the top five fashion brands labels include Louis Vuitton, Gucci, Hermes, Coach, and Prada. Table 1.2, shows the summary ranking of the top five fashion brands by Forbes 2014. (Details on the ranking can be seen in Appendix A).

Table 1.2, Summary of the top most valuable fashion brands 2014.

The World's Most Valuable Brands 2014					
Ranks	Overall ranks	Brands	Brand Value (\$billion)	Last ranks	Industry
1	10	Louis Vuitton	29,9	10	Luxury
2	31	H&M	16,8	30	Retail
3	39	Gucci	12,5	38	Luxury
4	47	Hermes Paris	10,8	53	Luxury
5	51	ZARA	10,1	52	Retail

Source: Forbes, (2014) ranking The World’s Most Valuable Brands.

In the competitiveness of fashion retail industry, modern retail specialty luxury fashion store are offering products at different marketing points by provide a brand environment experience to the customer through its store design (Han et al., 2011). The luxury fashion store players have further enhanced the works competition within the existing fashion retail. Therefore this study will provide a better insight into the value and importance of the whole view of store design strategies based on the

carried out by luxury fashion brand store on creating brand environment experience which influences customer behavior, thus the retail business performance.

1.4 Overview On Gucci Brand.

According to Nagasawa and Fukunaga, (2012) before Gucci expands its products selection on selling clothes, bags, shoes, perfumes and accessories, the store was first opened as a luxury leather goods company, back in Florence, in 1921. The store becomes popular within a few years included the attention of many powerful celebrities. By 1950 Gucci was then opened its first international store in New York followed by other country such as Europe and Asia in 1970.

However in 1980 the mismanagement of the business had brought difficulties which resulted the company shares were sold. Gucci was then started rejuvenating to gain their success after Domenico Del Sole as the company CEO and Tom Ford as a designer were engaged to the company. After years the new brands labels such as Alexander McQueen and Yves Saint Laurent were welcome into the Gucci family by the company expansion (Nagasawa and Fukunaga, 2012).

By investing a lot on advertising, promoting and development on the Gucci products and physical stores, this has brought success to the company by repositioned its exclusive image. The products often portray sexy and vibrant images within its

designs. Exclusivity is the key to the company success (Nagasawa and Fukunaga, 2012).

1.4.1 Justification On Gucci Brand Selection.

In Malaysia there is not much data regarding fashion brand Gucci. However there are several reasons why Gucci brand is to be investigated. First, the brand once was pushed to bankruptcy by the mismanagement within the company. By making changes in both management and design, Gucci achieved to recovery and not only regained its position as a luxury brand but also achieved further development. This event has overturned the general idea that a changed in design alone can regenerate a brand success. Second, Gucci has also been selected due to its reputation as among the leading fashion brand in the luxury fashion industry. Finally, after considering the suitability, the Gucci store brand would be selected to be studied since it is the only store brand available at the location of sampling, and this would be discussed later in Chapter 3.

The Malaysian consumers also have developed sophisticated sensibilities towards luxury fashion brands include Gucci (Tee et. al., 2013). The craving for Gucci brand is famous among the Malaysian consumer especially the young generation today. In Malaysia there are a total of two main Gucci stores which are boutique in Suria KLCC and flagship store in Pavilion Bukit Bintang.

1.5 Store Environment.

Based on the past researches, the store environment is critical to a retailer, because it directly affects customers total shopping experience. Store environment creates a nonverbal communication which translates its meaning through object language which is supported by combination of different store design elements (Singh et al., 2014; Hasan and Mishra, 2015). These physical store design elements are very important in communicating the store environment to the customers and influences their behavior. Based on Hasan and Mishra, (2015) a positive store environment can enhance customer satisfaction and lead to store choices, increased shopping frequency and leads to increase store performance. Hence the management of the physical environment is considered as an important element in contributing to a business success and a valuable shopping experience for consumers.

1.6 Shopping Experience.

According to Hasan and Mishra, (2015) the term shopping refers to an activity in which a customer intends to purchase at the moment by examining the products or services from retailers. Shopping can also be considered as a leisure activity.

Shopping experience or experimenting is a new concept in understanding brands. Based on Hasan and Mishra, (2015) this is where customers are treated as both rational and emotional individuals that seeks experience from products. It generates

the relationships among customers by providing customers a unique experience around the products or services. Hasan and Mishra, (2015) found that perceived store shopping experience is more important than the products price or quality perception when explaining consumers value perception of a retail store. Additionally these positive experiences may greatly influence customer behavior towards the store which affects their decision on which they may make. Furthermore, the shopping experience is also important for the stores to be different from other competitor in order to succeed. Therefore to gain success in today's retail market, it is important for the existing retailers to form an exciting store design that provides positive environment of shopping experience.

1.7 Problem Statements.

From previous studies, creating an exciting store environment of shopping experience which influences customer behavior is an important issues for today's retail market. In order to differentiate from one another and to gain store success, retailers need to create an attractive store environment with the help of store design. However the information on fashion store design strategies in Malaysia is still undetermined. Furthermore until today there is none of the specific guideline on designing fashion retail store in Malaysia ever-drawn by any authorities. This problem also agreed by researchers contacted the Performance Management and Delivery Unit (PEMANDU) under the Malaysia Economic Transformation Programme (ETP) and visited to the Small and Medium Enterprise Corporation

(SME Corporation) in Kuala Lumpur regarding on the store design guideline especially towards creating fashion store environment. However negative result was gained from both the emails and visits. The SME Corporation did not provide any guideline on the store design, but they did provide guidelines on the basic starting up a business. Compare to the other countries such as United States and Australia they did have their own fashion store design guideline on ‘Visual merchandising’ a guide for small retailers.

Moreover a number of past Malaysian researchers have studied the influence of store design on customers (Aishah and Azlaini, 2011; Wong et al., 2012; Hosseini and Jayashree, 2014). However most of these studies have focused only on one or two store design elements in the store environment which is insufficient for understanding the whole underlying in order to create good store environment of shopping experience. Based on the past studies available from other countries, customers perceive influences in store environment as of whole combination of these elements rather than focusing on the impact of one element (Morgan, 2008; Turley and Miliman, 2009). Due to information on store design on Malaysia fashion retail context is still limited and undeveloped, thus for this reason the focus on this study would be on examining and proposing a basic references on store design strategies towards creating fashion retail environment shopping experiences in Malaysia.

The study would look both the different factor in store design elements and its influenced on store environment and customer shopping experience. With the help of in-depth research on this study, it would help Malaysia's retail industry retailers and retail consultant to understand and create a positive store environment experience through store design strategies. Below are the two main problems for this study:

- i. Until now there was no established standard guideline on creating a good store design especially in fashion store in Malaysia by any authority.
- ii. Lack of determined and developed information regarding store design elements within Malaysia's fashion retail.

1.8 Research Aim.

The aim of this study was to analyze and proposed a basic reference on physical store design strategies towards creating the exiting store environment experience in Malaysia's fashion retail context.

1.9 Research Objective.

Due to the research gaps, this study would like to explore the relationship between each of the store design elements on store environment and customer perception in Malaysia's fashion store. Below are the three main objectives for this study:

- i. To examine the current store design elements towards the fashion retail in shopping mall in Malaysia.
- ii. To analyze the significant impact of each of the store design elements on store environment and customer behavior towards fashion retail in Malaysia.
- iii. To established basic references on creating a good store design towards fashion retail in Malaysia.

1.10 Justification For The Research.

In today's retail market it is often that the product sells by competitor perceived as similar. Furthermore the intense marketing strategies by the modern retail make the existing retailer hard to compete. The store design played an important role in creating store environment experience in influencing customer behavior and act in different advantages. Therefore creating a relationship between customer and store