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**How Café's visual Identity Influences
Customer Choice with Moderating Role of Social Media
Exposure: A Case Study of Cafés in Islamabad**



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Shamsa Shahzad

Author's Declaration

I, Shamsa Shahzad, Enrollment Number 01-322241-014, hereby declare that the “thesis titled *How Café visual Identity Influences Customer Choice with Moderating Role of Social Media Exposure: A Case Study of Cafés in Islamabad*” is my original work. This thesis has not been submitted previously by me for the award of any degree at Bahria University Islamabad or any other institution in Pakistan or abroad. I fully understand that should any part of this declaration be found to be wrong, even after the conferment of the degree, the University holds the right to revoke my MBA degree.

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Dedication

To

My beloved Parents, for showing me what it means to empower daughters,

My dedicated teachers, that taught me the value of effort and hard work,

My siblings, for bringing joy to my life whenever I forgot to smile,

&

To my biggest supporter that gave me the strength to persevere through countless nights,

My dearest Mother.

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Abstract

The cafe market in Islamabad has experienced a sudden change, as the traditional cafe shops have changed into the experiential lifestyle cafes where visual appeal is the main competitive advantage. In spite of this market development, empirical studies of the causal nature between the use of visual identity of cafes and consumer behavioral outcomes are limited in non-Western and emerging urban settings like Pakistan. This paper presents quantitative research on how brand positioning based on aesthetics influences brand perception and customer preference among Islamabad young urban consumers. The study is based on an integrated theoretical approach which is a combination of Customer-Based Brand Equity (CBBE) model by Keller (2013), Sensory Marketing Theory by Krishna (2012) and Halo Effect by Thorndike (1920) and utilized a cross-sectional, quantitative survey design to analyze the results of 300 young consumers aged 18 to 35 years. The results showed that each of four visual identity elements, such as interior design, colour scheme, lighting, and social media imagery had a positive and significant influence on brand perception, and social media imagery had the most significant impact (0.36). Customer choice was closely predicted by brand perception (0.69) and the most significant dimension was the emotional appeal. The Halo Effect was supported as brand perception completely mediated the relationship between every visual identity component and customer choice. The visual identity-brand perception interaction with interior design, lighting and social media imagery was moderated by social media exposure, which enhances the effect of consumers of high social media exposure. The model was able to explain the variance in brand perception (52 percent) as well as customer choice (48 percent). The research adds to the marketing literature by combining three theoretical ideas into a validated model, breaking down visual identity into managerial actionable items, applying the CBBE model to an up-and-coming South Asian economy, and showing the moderating effect of social media exposure. Practical implications imply the ideas that owners of cafes ought to focus on investing in the social media visuals and interior design, design to appeal to emotions, integrate physical and digital spaces, and brand perception as an important key performance indicator.

Keywords: *Aesthetic-driven brand positioning, visual identity, brand perception, customer choice, social media exposure*

Chapter 1

Introduction

1.1 Background of the Study

A paradigm shift has occurred in the global hospitality industry over the past few decades with a shift out of a utilitarian approach to the delivery of products to the orchestration of immersive memorable experiences (Pine and Gilmore, 1999). The shift is more pronounced in the subsector of cafes where cafes are no longer viewed as a place where drinks are consumed but cafes have become a lifestyle experience, making the competition based on atmosphere, design and emotional appeal (Oldenburg, 1999). The visual representation of the inside of a cafe in terms of interior design, colour scheme, lighting, furniture, cutlery, and even the aesthetic quality of the social media pictures has become one of the strategic assets that have the potential to distinguish a brand in the ever-saturated urban market (Keller, 2013). Consumers, particularly the younger age groups, are also becoming more interested in visiting cafes that do not only serve good food and beverage but also present aesthetically pleasing spaces that resonate with their aspirational identities and offer socially shareable spaces on digital platforms, like Instagram and Tik Tok (Marwick, 2015).

This phenomenon is based on the theoretical foundations of a number of developed marketing frameworks. According to Keller (2013), Customer-Based Brand Equity (CBBE) model argues that brand salience and imagery are the building blocks of consumer brand perceptions, and sensory stimuli is important in creating brand judgments and feelings. To this effect, Sensory Marketing Theory (Krishna, 2012) postulates that visual stimuli, such as colour, light, shape and space arrangement will produce internal physiological and emotional reactions that directly impact consumer behaviour. Moreover, according to the Halo Effect (Thorndike, 1920), a positive impression of a cafe in the world causes consumers to be biased toward positive ratings of certain features like product quality, service quality and value, even without being able to experience the product directly. Combined, these theories give a powerful perspective upon which to study the functionalities of aesthetic-based brand positioning in present-day hospitality settings.

1.2 The Pakistani Café Context: Islamabad as an Emergent Market

The hospitality industry in Pakistan has experienced a tremendous change within the last decade especially in the major urban centers. The capital city, Islamabad, has become a