

ANALYSING RELATIONSHIP BETWEEN STORE ATMOSPHERICS AND CONSUMER PURCHASE INTENTION IN SELECT HYPERMARKETS

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ABSTRACT

Space management is one of the crucial challenges faced by today's retail managers. A well-organized shopping place increases productivity of inventory, enhances customers' shopping experience, reduces operating costs, and increases financial performance of the retail store. The present paper attempts to identify any significant relation between Store Atmospherics and consumer purchase intention in select Hypermarkets. Result showed that store atmosphere influence customer behavior. The atmospheric attributes create a positive image and also help in making purchase decision.

INTRODUCTION

Recognizing the significant impact of store environment on consumer behavior, retailers devote considerable resources to store design and merchandise presentation activities. This study explores the effect of merchandise display modes and colored display shelf atmosphere on consumer's purchase behavior in retail store. The consumer's purchase decision-making processes focus on the level of attention, perceived value and the intention of purchase. Although considerable research has examined the impact of various store environment elements on shopping behavior, the existing research does not provide an explanation for the differential effectiveness of atmospherics in store or managerially relevant guidelines for selecting the appropriate atmospherics & layout for a specific store environment.

The concept of atmosphere is ambiguous and in the same time is a commonly used term both in everyday life and in the business context. In spite of several efforts to define this concept, the meaning of the term still remains vague, nonetheless, atmosphere remains important and it really counts. A well-managed shopping environment attracts customers, prevents stockouts, drives inventory productivity, reduces operating costs and, most importantly, increases the financial performance of the store. The challenge to grow same store sales can no longer be considered an isolated corporate headquarters issue. Retailers need to tap into the details and knowledge spread across the organization in order to manage store space profitability.

Space management is one of the crucial challenges faced by today's retail managers. A well-organized shopping place increases productivity of inventory, enhances customers' shopping experience, reduces operating costs, and increases financial performance of the retail store. It also elevates the chances of customer loyalty. It is the process of managing the floor space adequately to facilitate the customers and to increase the sale. Since store space is a limited

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resource, it needs to be used wisely. Space management is very crucial in retail as the sales volume and gross profitability depends on the amount of space used to generate those sales.

As a retailer one of your greatest assets is 'space'. However in many situations the amount of space you have is a finite resource so the asset has to be sweated – in other words made to work harder for you! It needs to be well managed. It goes without saying that space needs to be used effectively. This means providing a logical, sensible, convenient and inspirational customer offering and making sure that the right products are available at the right time.

Space allocation and layout of product setting directly impact the product sellout, revenue, profit, stock levels, retailer working capital, stock-out, customer satisfaction, extra workload, etc. Indeed, the list of effects of good or wrong decisions to the retailer business is very long. If the slow moving product is given to large stock and shelf space, than we have situation where the working capital is frozen, due to low rate of return on investment.

LITERATURE REVIEW

Since Kotler (1973-1974) was the first to use and define the term “atmospherics” as “the conscious designing of space to create certain effects in buyers. More specifically, atmospherics is the effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability” (p.50). Other scholars developed and deepened the concept of atmosphere even if the first author to describe the relevance of atmosphere inside a department store was a novelist (Zola, 1883). Kotler (1973-1974) also highlighted the importance of combinations of retail environmental characteristics (store atmospherics) in stimulating a consumer's desire to purchase.

The store atmosphere, becoming a largely adopted retailing strategy and is also a subject matter that gained a growing interest among researchers and practitioners. Several researchers focused on identifying the environment's components and particularly their influence on customer behaviour (Kotler, 1973-1974; Baker, 1986; Berman and Evans, 1995; Bitner, 1992; Turpley and Milliman, 2000).

In the marketing literature stream many articles examine atmospheric effect on shopping behavior (Kotler, 1973; Areni & Kim, 1994; Herrington & Capella 1996; Turley & Milliman, 2000). Today many retail marketers view the store environments as increasingly important to satisfying their customers by providing a positive total shopping experience and use as a communication tool to position the store in the consumers' mind (Levy & Weitz, 2001). Atmospheric variables influence consumer behaviour by creating attention, by communicating an image and level of service to actual or potential visitors, and by stimulating affective responses (Kotler, 1973; Kotler and Scheff, 1997). Sarel (1986) suggested that consumers interact with atmospheric cues during all phases of their visit and that these cues can determine substantially the impression consumers form about an environment (Mazursky and Jacoby, 1986).

A store's environment is comprised of a vast array of separate elements (e.g. music, color, illumination, aroma windows display,) which are highly interrelated and work together synergistically to affect consumers (Babin et al., 2003; Mattila and Wirtz, 2001; Mehrabian and Russell 1974). In other words, the elements of a store's environment are viewed holistically by consumers, not as individual elements (Babin et al., 2004; Bitner, 1992; Warren and Burns, 2002).

OBJECTIVE OF RESEARCH

To identify any significant relation between Store Atmospheric and consumer purchase intention in select Hypermarkets.

RESEARCH METHODOLOGY

a. Sources of Information

This research work is in the form of exploratory and its nature is also descriptive research Study. For conducting this research the information will be gathered from the Primary sources. The first hand primary data will collected through questionnaires.

b. Sample design

Sample Units: Current study depends upon customers visiting shopping malls.

Sampling Technique – Convenience Sampling

Sample size – 300.

c. Scaling

To meet the research objective of research Questionnaire was used as an instrument for collecting primary data. Looking to the nature of study the questionnaire will structured and mainly contained questions, which are closed ended. The response will be recorded and measured by using Nominal Scale and Likert Scale.

RESULT

Table: Sample Demographics

Age	Percentage (%)	Education	Percentage (%)
20-30 yrs	48%	Under Graduate	40%
31-40 yrs	26%	Graduate	25%
41-50 yrs	12%	Post Graduate	35%
>50 yrs	14%		
Gender		Occupation	
Male	47%	Business	46%
Female	53%	Employed	54%

Majority of visitors/customers are from 20-30 years of age. 25 percent of consumers are between age of 31-40 years of age. 12 percent of consumers belong to age bracket of 41-50 years. A small proportion belongs to higher age group of greater than 50 years. 53 percent of respondents are female and 47 percent were male. Out of the total consumers, about 46 percent belong to business class and 54% is related to employed category. From the total respondents, 40 percent are under graduate, 25 percent are graduate and 35% is related to post graduate category. It showed that there is a balance in sample distribution with respect to education.

Following hypothesis is formed to test the relation between Store Atmospherics and consumer purchase intention.

H1 (null): There is no significant relation between Store Atmospherics and consumer purchase intention in select Hypermarkets.

H1(alternate): There is a significant relation between Store Atmospherics and consumer purchase intention in select Hypermarkets.

To test the above hypothesis, Pearson Bivariate correlation is applied. The Pearson correlation coefficient (r) can have the values from +1 to -1. Value of $r=0$ indicates that there is no association/correlation between the two variables. Value >0 indicates a positive association. The Positive association means that the value of one variable increases with increase of other variable. Negative value (less than 0) indicate a negative association which means that a value of one variable increases with decrease of other variable. Results are given below in the table.

Table: Correlation Analysis

Exterior Atmospherics			
		Purch_Int	Exterior
Purch_Int	Pearson Correlation	1	.134*
	Sig. (2-tailed)		.021
	N	300	300
Exterior	Pearson Correlation	.134*	1
	Sig. (2-tailed)	.021	
	N	300	300
Interior Atmospherics			
		Interior	Purch_Int
Interior	Pearson Correlation	1	.115*
	Sig. (2-tailed)		.046
	N	300	300
Purch_Int	Pearson Correlation	.115*	1
	Sig. (2-tailed)	.046	
	N	300	300
Store Layout			
		Purch_Int	Layout
Purch_Int	Pearson Correlation	1	.360**
	Sig. (2-tailed)		.000
	N	300	300
Layout	Pearson Correlation	.360**	1
	Sig. (2-tailed)	.000	
	N	300	300
Visual Merchandising			
		Purch_Int	Visual_Mrch
Purch_Int	Pearson Correlation	1	.358**
	Sig. (2-tailed)		.000
	N	300	300
Visual_Mrch	Pearson Correlation	.358**	1
	Sig. (2-tailed)	.000	
	N	300	300

** . Correlation is significant at the 0.01 level (2-tailed).

CONCLUSION

From the above table it can be concluded that there is a significant and positive relation between Store Exterior Atmospherics and consumer purchase intention. Store exterior factors like Storefront, Surroundings, parking space, Display windows, store visibility from distance and location influence in driving customer purchase intention. There is also a significant and positive relation between Store Interior Atmospherics and consumer purchase intention. Store interior factors like Lighting, Flooring, odor, passages, background music, Trial rooms, air conditioning,

color theme, store fixtures and Employees has positive impact in creating purchase intention.

From the above table it can be concluded that there is a significant and positive relation between Store Layout and consumer purchase intention. Store layout factors like floor space allocation, electronic displays, store merchandising, department location and management of customers Traffic influence customer purchase intention. There is also a significant and positive relation between Store visual Merchandising and consumer purchase intention. Hence, we can conclude that store merchandising factors like product assortment, Racks arrangements, payment counters and store theme influence customer purchase intention. From the above analysis, we can accept the alternate hypothesis that there is a significant relation between Store Atmospherics and consumer purchase intention in select Hypermarkets.

It is confirmed from data analysis, majority of customers agreed that store atmosphere influence customer behavior. The atmospheric attributes create a positive image and also help in making purchase decision. They also believe that store atmosphere makes customer stay comfortable. Customers also like to recommend other peoples to come and buy product from these malls and also like to purchase again in the future. Moreover, results also revealed that majority of retailers agreed that store atmosphere influence customer behavior. The atmospheric attributes assist customer in making purchase decision. They also believe that store atmosphere makes customers stay longer. Retailers also perceive that the atmospheric factors are successful in putting trust on customers. However, this research has some limitations along with its fruitful results. First our targeted areas were limited to Delhi Region. Survey was based on small sample of customers. Due to time constraint some customers did not respond properly. The greater the sample sizes of respondents, the more reliable the result. Future researchers need to determine the suitable sampling technique in order to reach the targeted sample accurately in turn to deliver a more accurate and reliable result for research.

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