

Store Ambiance, Customer Satisfaction, and Purchase Intention

Olivia Mauer

Introduction

When out shopping in retail markets, it is hard to decide which store to shop. This challenge comes from many stores offering similar products at competitive prices. Many retail locations are adjusting in order to compete for consumers' attention. Store ambiance may have an effect on consumer satisfaction, and in turn increase consumer purchase intention.

Due to many advancements in modern times, it has occurred that consumers have a larger income that they can spend freely. A larger income means that consumers can now have more choice of where they shop and why. This in turn leads stores to adjust themselves in order to stand out from competitors - an adjustment that inspired recent research to find which features of store ambiance have an effect on consumer satisfaction and purchase intention (Bhukya 2016, M.S.K. 2014). This research proposed correlations from physical store characteristics, service quality, and merchandise diversity to purchase intention of consumers (Sachdeva 2015). Service quality is the variable of how well consumers are treated and taken care of when they are in the store, while physical store characteristics are factors like that of scent, lighting, and music. Merchandise diversity is when a store has a wide range of products offered to their customers, enough to show why theirs should be coveted over competitors. For Example, in the Michael Kors franchise, this is especially applicable due to all three factors at play: physical store characteristics, customer service quality, and merchandise. This franchise demonstrates when these factors are added they can help make a brand stand out in comparisons to others.

This study helps to establish if physical store characteristics have an effect on consumers in relation to their satisfaction of stores in addition to their purchase intention within these stores.

Enhanced store features like that of lighting, scent, and music will entice customers to pick one store over another while increasing the number of purchases made by consumers (Bhukya 2016, Madzharov 2015). Customer service is another factor that is used to increase store purchases because it allows for the formation of customer to store relationships, increasing the potential for loyal repeat customers (Erasmus 2013). Diverse merchandise is an additional way to show how particular brands are greater than others by offering more choices to their customers (Aliawadi 2006). This would in turn generate a better perception of a store and encourage an increase in consumer purchase intention within a particular store, all of which can be summarized into a conceptual framework (Cristina 2017). Consumer satisfaction is the dependent variable in the center of the framework, with that of purchase intention connecting off of this main dependent variable. Purchase intention is the variable that helps to showcase the connection and importance of these ambiance factors to that of consumer satisfaction, showing that when consumers are satisfied an increase in purchase intention will take place. Physical store characteristics, customer service, and merchandise diversity are all independent variables connected to the dependent variable through a hypothesized connection. This is a hypothesis that can be specifically applied to the Michael Kors Franchise establishments in the St. Louis, Missouri area.

Physical Store Characteristics

Physical store characteristics are actual features used within stores that help to enhance the store appeal to customers (Bhukya 2016, Erasmus 2013, Hasan 2015, Madzharov 2015) (e.g., lighting, music, and scent used within stores) (Madzharov 2015, Sachdeva 2015). These are the main features within physical store characteristics that are focused on within this study.

Store Lighting

Lighting within stores is a factor that consumers typically do not realize. However, this makes an impact on their purchase intentions within stores due to its subtle presence (Schielke 2015). Lighting is used within stores to highlight particular products and features that companies want consumers' attention to be drawn to (Custers 2010, Schielke 2015). Also, lighting is used to attract customers to enter their stores rather than their competitors (Erasmus 2013). For example, displayed tables at the entrance of the Michael Kors franchise with the most recent handbags on them. By displaying the handbags in a way that draws the customer's attention it can increase the quantity sold of these handbags. These tables are highlighted with lighting features placed overhead to shine light on these products in order to draw consumer attention to them. This allows stores to be able to showcase their products by highlighting them in a way that would make customers think since a certain product is highlighted it is better than that of a similar product offered at a competitor's store (Erasmus 2013, Schielke 2015). When store marketers use this feature to draw attention to their stores and products, it can give them an advantage that could increase consumer satisfaction and purchase intention (Hasan 2015, Sachdeva 2015).

Store Music

Music is a feature that can set the mood within the store because it has feelings and emotions associated with it (Mattila 2001). By having music that consumers can connect to in a joyful manner and it can encourage a satisfaction that increases purchases desired of customers in stores (Fei-Fei 2009, Sachdeva 2015). Adding features that puts customers in a better mood encourages a more relaxed and satisfied shopping experience (Sachdeva 2015, Yalch 1993). In recent research, it has been shown that the more satisfied a customer is with their shopping experience the greater the chance that a customer will make more purchases within said store's (Erasmus 2013, Mattila 2001, Porat 2012, Yalch 1993). Thus, music will encourage shoppers

experience. (Erasmus 2013, Hasan 2015, Yalch 1993). With that being said this is only possible if the music is geared towards the target audience (Doucé 2013, Yalch 1993). If the store is designed for older generations then the music should reflect that by playing music of their generation like that of the 80's and older (Yalch 1993). While if the store's target market is geared towards today's young adults then the music should be current releases (Yalch 1993). In addition to the music era, the genre of the music should reflect the style of the store. For example: a company selling alternative style clothing would not be playing classical music within their store. The music should be directed at the ideal customer that the store desires (Yalch 1993). Music genre is a feature that will also help to enhance the store image for obtaining customers who desire this image as well. Even though music within a store may not seem like a huge factor that influences consumer's purchases, it does because it appeals to the subconscious of the consumer by directing them to stores where they desire to be based on feelings evoked (Erasmus 2013, Fei-Fei 2009, Hasan 2015, Yalch 1993).

Store Scent

This factor relates to store ambiance for the fact that a pleasant smell allows customers to feel more comfortable, relaxed, and satisfied (Doucé 2013, Madzharov 2015, Mattila 2001, Spangenberg 1996). This can encourage positive consumer satisfaction and purchase intention to be established (Hasan 2015, Madzharov 2015, Spangenberg 1996). There is also the fact that many stores use an original scent that they sell in store. Thus, marketers can use the store scent to appeal to their customers (Doucé 2013, Hasan 2015, Madzharov 2015, Mattila 2001, Spangenberg 1996).

Service Quality

Service quality can show customers how much they are valued within stores based on how attentive employees are to customers during their shopping experience (Bhukya 2016, Erasmus 2013, Tynan 2014, Hassan 2015). Stores with higher prices on their products generally have more advanced customer services (Baker 2002, Dalwadi 2010, Hasan 2015, Tynan 2014 Schielke 2015). This is due to the fact that stores are trying to justify their prices by providing services that match their products' values (Madzharov 2015, Schielke 2015, Tynan 2014). This is showcasing how more elite products with higher prices will need more attention, in order to showcase to customers their value (Baker 2002, Madzharov 2015, Schielke 2015, Tynan 2014). Service quality is a factor that correlates to how well customers rate their experiences based on their satisfactions (Porat 2012, Tynan 2014).

Merchandise Diversity

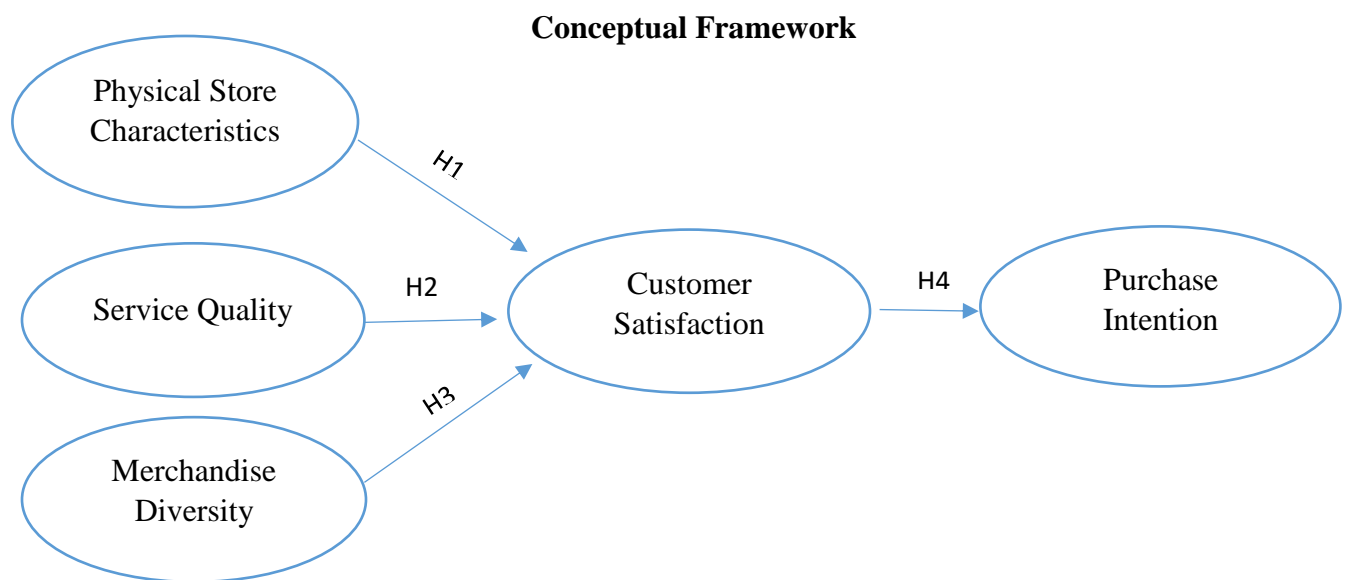
Merchandise is a feature of stores that truly sells products to customers based on what the stores are offering. Merchandise is a factor that entices consumers into stores due to this being the main selling point of stores (Ailawadi 2006, Erasmus 2013, Hasan 2015). Having a large variety of products allows for stores to differentiate themselves from their competitors (Ailawadi 2006, Castro 2013, Erasmus 2013, Hasan 2015). By offering a large expansion of product's it gives consumers more options (Castro 2013). Having this large selection of products on display allows the diversity of choices to be seen by customers and allows positive customer satisfactions to take place (Ailawadi 2006, Brcic 2016, Castro 2013, Dalwadi 2010, Erasmus 2013, Hasan 2015).

Customer Satisfaction

Satisfaction within stores relates to the opinion of how well consumers' needs are met in an efficient manner. Customer satisfaction determines if having an experience in store is enjoyable and encourages customers to continue shopping with the intent to make purchase (Porat 2012, Brcic 2016, Tynan 2014). The more attentive store employees can be to customers in assisting through their shopping experience, will allow customers to enjoy their time in the store being satisfied in their experience (Brcic 2016).

Purchase Intention

The independent factors presented in this study are proposed to see how that of physical store characteristics, store lighting, and store scent can satisfy consumers. The more satisfied a customer's experience can be, the more their purchase intentions will increase (Cristina 2017). This study may help marketers, become more aware of the features that can enhance a store to make the customers' experience satisfactory and enjoyable (Rippé 2016).



H1: Physical store characteristics; like that of lighting, music, and scent; will create a positive customer satisfaction experience.

H2: Attentive service quality by store employees to customers will increase their satisfaction experience.

H3: Large selection of merchandise will allow customers to feel satisfied with their shopping experience in store.

H4: When customer satisfaction is reached in a positive manner, customers will make more purchases within stores.

Research Methods

Sample and data collection

Data was collected from volunteers in the Metro St. Louis area, and the majority of the study participants are those of college age in their young twenties. Many of these participants were recruited to participate through organizations, classes, and convenience of location. The research survey was personally handed out to participants to be completed at the time it was received by the participants, with enough of a time range for participants to ask any questions they had about the survey or their participation in the survey. The data obtained from this research was collected and used for a valid response rate during participation surveying duration. A younger generation of participants were asked to partake in this survey over that of older generations for the fact that younger consumers are the ones that most influence stores to adhere to consumer wants. Younger generations (X and Y) are the future of the retail consumer driven industry. Of the data collected, 68 participants out of 70 surveyed belong in generations X and Y supporting the data that reflects that of young adult and adult consumers. When in regards to the marital status of participants, 96.9 % of the participants who participated answered that they were unmarried. This fact supports the buying intentions of consumers who are single.

Demographic information revealed that of these participants 78.7% participate in consumer buying 1-5 times a month. The household income that these participants claim cover a diverse range: 30% claim less than \$10,000, 18.6% claim between \$10,000 and \$69,999, 38.6% claim between \$70,000 and \$100,001 plus.

Measures

Participants were asked to imagine retail stores and their experience in the stores before completing the survey. Retail stores were chosen as the research setting for the fact that these stores are altering their looks to adhere to current and future consumers. Retail stores are the ones that can change features like that of physical store characteristics, merchandise, and service quality in order to make customers feel satisfied during and after their shopping experience. After the first section of the survey is completed in regards to the above changeable factors affecting satisfaction, it is then tested if satisfaction correlates to positive purchase intention.

Analyses and Results

The tested hypothesis of store ambiance factors: like that of physical store characteristics (PC), merchandise diversity (MD), and service quality (SQ) were testing as correlating to consumer satisfaction of their experience in store. Therefore, supporting the theory that increased customer satisfaction will have positive effects on a customer's purchase intention. These hypotheses were tested using the multiple regressions theory.

Test of Conceptual Model

Using the multiple regression model, the constraints were tested to have a reliable fit in regards to the deviation of each tested constraint being greater than that a .05 standard deviation value. Hypothesis one (H1): Physical store characteristics like that of lighting, music, and scent

will create a positive customer satisfaction experience. Hypothesis two (H2): Attentive service quality by store employees to customers will increase customer satisfaction experience.

Hypothesis three (H3): Large selection of merchandise will allow customers to feel satisfied with their shopping experience in store. Hypothesis four (H4): proposed that when customer satisfaction is reached in a positive manner, customers will make more purchases within stores. This data all showed a significant value supporting the proposed hypotheses to be true. All of the hypotheses and constraints when tested in a regression model proved to correlate data that supported their respected hypothesis. Meaning that the statistical support was all greater than that of 0.05, making the data collected significant.

Discussion and Implications

This research is one that helps to contribute to many aspects involved like that of consumer satisfaction, purchase intention, and store ambiance features influence. One of these aspects that is supported through this research would be that of store ambiance factors having a correlation to consumer's satisfaction when shopping. Physical store characteristics help to enhance customer satisfaction for the fact that these are features that appeal to the customer's senses, particularly that of smell, sound, and look. By appealing to these senses, companies help to satisfy the appeal aspect of their customers. Service quality is another store ambiance feature that allows companies and stores to make their customers feel valued and important while shopping. This creates a connection between stores and customers which will allow customers to be satisfied based on the assistance they are receiving from employees. This is a concept that can help to set stores apart from that of their competitors as well. Merchandise diversity is another way for stores to satisfy their customer's wants. When stores offer a large selection of products, it allows for customers to make a much more personal choice of product. Having this large

selection of products to choose from can help satisfy the need for what consumers are looking for as well. Physical store characteristics, service quality, and merchandise diversity all had appeal to customers in stores which helped in making their experience more enjoyable and helpful (Bhukya 2016, Hasan 2015, Porat 2012). Ways that companies and stores can adhere to this research would be to create a scent for their store that customers will smell upon every visit, use lighting features to highlight new products at the front of the store, play music that represent the vibe of the store, make all employees greet and assist every customer when they enter the store, get to know the customer on a personal level, and offer merchandise in a large variety to meet many customers' needs and desires. If companies choose to update or implement these features in stores, then customers will become more satisfied in their shopping experience and make more purchases in store (Cristina 2017). This relates to past research that showed that when the image of a store meets what the customers' expectations are, then more purchases are likely to be made by these customers (Rippé, 2016). This demonstrates that retail companies have shifted according to what consumers want and expect from brick-and-mortar stores.

This research has become more pertinent in recent years due to the fact that many companies can obtain and sell similar products offered at like prices or revert to online product sales. Due to this, companies need ways to differentiate themselves from that of their competitors. That is where this research comes into play for the fact that as marketers, we need to be aware of what factors should be enhanced within our stores based on what our customers prefer, in order to make our customers satisfied. In the end, this will help to increase sales by adjusting to our customers' desires and needs.

Throughout, this conducted study proved that the importance of what customers perceive of stores is a major driving force in their intention to make purchases within stores. Customers'

perception of stores can be utilized by stores by enhancing physical store characteristics like that of a signature fragrance, trendy music that reflects the genre of the store, and lighting that is used to highlight particular merchandise. Stores can also offer a wide selection of merchandise for their customers to choose from in order to satisfy them. Lastly, retailers can enhance their service quality in order to be of more assistance to their customers, which in turn will make them feel more important and satisfied in their experience. Retailers can use this information in order to enhance their brick-and-mortar stores to better meet the needs of their customers while at the same time increasing customer purchases.

Limitations and Future Directions

In this study, there are several limitations based on store ambiance features studied and the sample group used. There were three store ambiance features studied: physical store characteristics, service quality, and merchandise diversity; in future studies of this topic, there should be an expansion on other store ambiance features to include. Possibly that of store layout, color scheme, merchandise tagging, and staging concepts. Through this study there were also limitations with the sample group, due to the majority of the sample group being from a young age range of 18-21 years of age. By having a more diverse age range, it can make the study apply to a larger consumer market range. For future studies, the sample group should also feature a more gender equal sample range. This particular study featured more female consumers than that of male consumers, in addition to the fact that majority of participants are students at the university level. The more diversity in participant occupations can reflect a wider demographic feature that can apply to the Midwest economy as a whole.

Reference Page

- Ailawadi, K. L., Harlam, B. A., César, J., & Trounce, D. (2006). Promotion Profitability for a Retailer: The Role of Promotion, Brand, Category, and Store Characteristics. *Journal of Marketing Research*, (4). 518.
- Baker, J., Parasuraman, A., Grewal, D., & Voss, G. B. (2002). The Influence of Multiple Store Environment Cues on Perceived Merchandise Value and Patronage Intentions. *Journal of Marketing*, (2). 120
- Bhukya, R., & Singh, S. (June 2016). Factors Affecting Shoppers' Brand Preference Towards Choosing Retail Stores. *The IUP of Brand Management*, XIII (2), 75-86.
- BRCIC, J., & LATHAM, G. (2016). THE EFFECT OF PRIMING AFFECT ON CUSTOMER SERVICE SATISFACTION. *Academy Of Management Discoveries*, 2(4), 392-403.
- Castro, I. A., Morales, A. C., & Nowlis, S. M. (2013). The Influence of Disorganized Shelf Displays and Limited Product Quantity on Consumer Purchase. *Journal Of Marketing*, 77(4), 118-133.
- Cho, J. Y., & Lee, E. (2017). Impact of interior colors in retail store atmosphere on consumers' perceived store luxury, emotions, and preference. *Clothing & Textiles Research Journal*, 35(1), 33-48.
- Cristina, C., & Jean-Pierre, L. (2017). Store brands' purchase intention: Examining the role of perceived quality. *European Research On Management And Business Economics*, Vol 23, Iss 2, Pp 90-95 (2017), (2), 90.
- Custers, P. M., de Kort, Y. W., IJsselsteijn, W. A., & de Kruiff, M. E. (2010). Lighting in retail environments: Atmosphere perception in the real world. *Lighting Research & Technology*, 42(3), 331-343.
- Dalwadi, R., Rathod, H. S., & Patel, A. (2010). Key Retail Store Attributes Determining Consumers' Perceptions: An Empirical Study of Consumers of Retail Stores Located in Ahmedabad (Gujarat). *SIES Journal Of Management*, 7(1), 20-34
- Donovan, R. J., & Rossiter, J. R. (1994). Store Atmosphere and Purchasing Behavior. *Journal Of Retailing*, 70(3), 283-294.
- Doucé, L., & Janssens, W. (2013). The Presence of a Pleasant Ambient Scent in a Fashion Store: The Moderating Role of Shopping Motivation and Affect Intensity. *Environment & Behavior*, 45(2), 215-238.
- Erasmus, A. C., & Grabowski, A. (2013). Female customers' expectation of the service offering and their perception of the service quality in an emerging clothing market. *International Journal Of Consumer Studies*, 37(1), 2-12.
- Fei-Fei, C., Chin-Shan, W., & David C., Y. (2009). The effect of online store atmosphere on consumer's emotional responses - an experimental study of music and colour. *Behaviour & Information Technology*, 28(4), 323-334.

- Foxall, G. R., & Sigurdsson, V. (2013). CONSUMER BEHAVIOR ANALYSIS: BEHAVIORAL ECONOMICS MEETS THE MARKETPLACE. *Psychological Record*, 63(2), 231.
- Hasan, A., & Mishra, S. (2015). Key Drivers Influencing Shopping Behavior in Retail Store. *IUP Journal Of Marketing Management*, 14(3), 7-36.
- Hyunjoo, O., Janiszewski, C., Eunsoo, B., Ho Jung, C., & So-Yeon, Y. (2016). The Effect of Processing Modes and Lighting Types on Shoppers' Engagement in a Store. *Advances In Consumer Research*, 44570-571.
- Madzharov, A. V., Block, L. G., & Morrin, M. (2015). The Cool Scent of Power: Effects of Ambient Scent on Consumer Preferences and Choice Behavior. *Journal Of Marketing*, 79(1), 83-96.
- Mattila, A. S., & Wirtz, J. (2001). Congruency of scent and music as a driver of in-store evaluations and behavior. *Journal Of Retailing*, 77(2), 273.
- Mishra, Sinha, & Kumar (2014). Impact of Store Atmospheric on Customer Behavior: Influence of Response Moderators. *Journal of Business and Management*, 20(1), 45-65.
- OLAHUT Meda, R., & PLAIAS, I. (2013). THE EFFECTS OF AMBIENT SCENT ON CONSUMER BEHAVIOR: A REVIEW OF THE LITERATURE. *Annals Of The University Of Oradea: Economic Science*, Vol 22, Iss 1, Pp 1797-1806 (2013), (1), 1797
- Porat, T., & Tractinsky, N. (2012). It's a Pleasure Buying Here: The Effects of Web-Store Design on Consumers' Emotions and Attitudes. *Human-Computer Interaction*, 27(3), 235-276.
- Rimkute, J., Moraes, C., & Ferreira, C. (2016). The effects of scent on consumer behaviour. *International Journal Of Consumer Studies*, 40(1), 24-34.
- Rippé, C. B., Weisfeld-Spolter, S., Dubinsky, A. J., Arndt, A. D., & Thakkar, M. (2016). Selling in an asymmetric retail world: perspectives from India, Russia, and the US on buyer–seller information differential, perceived adaptive selling, and purchase intention. *Journal Of Personal Selling & Sales Management*, 36(4), 344-362.
- Sachdeva, I., & Goel, S. (2015). Role of Store Atmospheric on Customer Experience. *International Journal of Multidisciplinary Approach & Studies*, 2(3), 72-83.
- Schielke, T., & Leudesdorff, M. (2015). Impact of lighting design on brand image for fashion retail stores. *Lighting Research & Technology*, 47(6), 672-692.
- SEVILLA, J., & TOWNSEND, C. (2016). The Space-to-Product Ratio Effect: How Interstitial Space Influences Product Aesthetic Appeal, Store Perceptions, and Product Preference. *Journal Of Marketing Research (JMR)*, 53(5), 665-681.
- Spangenberg, E. R., Crowley, A. E., & Henderson, P. W. (1996). Improving the Store Environment: Do Olfactory Cues Affect Evaluations and Behaviors?. *Journal of Marketing*, (2). 67.
- Teller, C., & Dennis, C. (2012). The effect of ambient scent on consumers' perception, emotions and behaviour: A critical review. *Journal Of Marketing Management*, 28(1-2), 14-36.

- Terblanche, N. S., & Boshoff, C. (2004). The in-store shopping experience: A comparative study of supermarket and clothing store customers. *South African Journal Of Business Management*, 35(4), 1
- Turley, L. W., & Chebat, J. (2002). Linking Retail Strategy, Atmospheric Design and Shopping Behaviour. *Journal Of Marketing Management*, 18(1-2), 125-144.
- Tynan, C., McKechnie, S., & Hartley, S. (2014). Interpreting value in the customer service experience using customer-dominant logic. *Journal Of Marketing Management*, 30(9-10), 1058-1081.
- Yalch, R. F., & Spangenberg, E. (1993). Using Store Music for Retail Zoning: A Field Experiment. *Advances In Consumer Research*, 20(1), 632-636