

The impact of atmospheric elements



Abstract

Shopper behaviors have changed drastically with the few years due to increase in retail channels availability. Multiple retail stores are in the access of customer such as chain stores, boutiques, special discount stores and mass merchandising stores. Due to excessive variety shopper are not bound to a particular retail outlet. They try to select a retail store which can offer them not only a good price and quality but some additional services such as good atmospheric elements which make their experience more exciting and pleasurable. Retailer need to deeply focus and should be aware of those elements which enhance customer experience because if they do not focus on customer needs and expectations . There is possible chance of losing the customer for life time.. As the competition is increasing minute details should be given importance by the retailer to capture their target market. If we talk in the context of Pakistan's environment there is not such research done which focus typically on the interior atmospheric elements such as light, layout, color, scent which play a major role in creating a positive experience for the customer in a retail sector. As Pakistani consumer are now aware of their individuality and their dynamics therefore the retailer needs to put much more effort than just providing a good quality and reasonable price product. This study can be very beneficial for retailers to understand consumer insight , it will help retailers to offer their customers a positive atmosphere, a great shopping experience, and to determine the most important atmospheric elements to run their business successfully and most of all increase shopper value and productivity.

The Impact of Atmospheric Elements on Consumer Behavior

Intentions: The case of retailing sector

RESEARCH OBJECTIVE

Following will be the objective of this research:

- To study the consumer's intention with regard to interior environment of retail store in Pakistan scenario.
- To find out whether there is any relationship exists between interior environment and consumer's intentions in retail store.
- To analyze the impact and magnitude of interior environment of retail store on consumer intentions.
- To explore which elements have the most significant impact on consumer behavioral intentions.

Does the consumer react positively or negatively to particular aesthetics that contributed in the environment of the retail store?

PROBLEM STATEMENT

The interior of the environment plays a significant role while shopping in a particular retail outlet. Retailer spend a heavy amount in their decor which helps them to increase their profit . A positive interior environment helps the consumer to stay longer , enjoy, purchase more, and feel comfort. The owner of retail store decorates the interior in such a way that they can attract more customers and forces them to buy and become their repeat or loyal customers. In western countries huge shopping malls attract and force customers to stay long and spend major part of his/her money. In Pakistan,

the shopping malls in cities are still an emerging trend and retailer's tries to provide as much products in one roof as possible. If we focus the cities mainly Islamabad and Rawalpindi there are is no concept of huge shopping malls and retailer tries different way to make their interior more appealing then their rivals. Therefore researcher like to investigate " whether the interior of retail store in Islamabad and Rawalpindi have any effect on consumer intention or not".

SIGNIFICANCE OF THE STUDY

In the context of Pakistan as well as from the literature it has been observed that little research work has been done regarding how combinations of atmospheric variable, in terms of retail experience, impact consumer behavior (Baker et al. 2002; Beverland et al. 2006; Wakefield and Baker 1998). This concept can be very helpful in the areas such as environmental psychology, retailing, marketing, organizational behavior, and consumer research. This study could also make an impact on the design of retail industry. It provides designers of retail industry with guidance on how to attract Pakistani consumer by designing to their needs and preferences. Secondly it will support them to get information about which is the most important atmospheric variable which have the major impact on customer. It also helps consumer to realize that retail environments try to influence their decision making through aesthetics. It will also help to identify the needs and demands of customer that what exactly their expectation regarding interior environment of the retail store. Managers have to discover the key variables of the physical environment that are accessible to create the desired customer awareness and reaction (Ryu, 2005). This study will help Managers

to know what are the details of the physical environment that should be implemented in effective way so that they could minimize the competition with other retailing stores. Keeping aside the other marketing tools such price, quality, variety, better customer services etc as they have become very common in the Pakistani market. There is need for managers to focus on the physical environment of the retailing store which can give a distinctive edge in the current competitive situation

Introduction

The interior of a retail store plays a major influence on the shopping behaviors and purchasing decisions of a shopper. As Schollosser (1998, p. 345) states that the first thing that is captured by the consumer when he enters a retail store is display of the store. Interior atmospheric variables are exceptionally significant because all of these elements have an effect on a shopper's approach/avoidance behaviors, their time spend and on purchasing of the product (Turley & Milliman, 2000). Hoffman and Turley (2002) explore atmospherics to any facility that consists of both tangible elements (the building, carpeting, fixtures, decorations, etc.) and intangible elements such as (colors, song, temperature, scents, etc.). The store interior atmosphere is also discussed in three dimensions such as ambient factor (light, melody, aroma), societal factors (workers and purchaser in the store) and lastly design factor (style, layout, architecture) (Baker, 1992). However In a resent study is was found out that atmospheric elements (color, lighting and style) were found significantly related to customer positive impression (Countryman & Jang, 2006). The environment of a retailing store plays a vital role for consumer to make his /her product buying decision. Mostly in the

studies the retail environment is define in two categories physical aspects (lighting, music . color and displays etc) and social environment which includes the numbers and friendliness of the employees . Which plays an important role in getting consumer positive attention in a store environment (Baker, Levy, & Grewal, 1992; Yan, 1996). According to Ryu,(2005) “ The place, and more specifically the atmospherics of the place, can be more influential than the product itself (e. g., meal) in purchase decision-making”. It is also found in previous studies that a formal, impressive and symbolic attributes of a retail environment convey various messages to consumer . Which also helps to bring up positive service quality and store image (Fore & Ogle, 2000). Similarly it was found that an effective shopping environment helps consumer to stay for longer time and influence towards more approach behavior (Stoel, Wickliffe, and Lee, 2003).

Literature Review

The environmental psychologist focuses behavior in two dimensions which are: Approach and Avoidance (Turley & Milliman, 2000). A famous study by Mehrabian and Russell (1974) also classified all behavior as approach and avoidance. Approach is all the positive behaviors that directed to an environment.

As research focus is on the retail environment, this will include desire to interact with others in the store, enjoy the environment of the store, patronage intentions, recommending the store to friends. Where as avoidance behavior would be opposite to approach (Donovan and Rossiter, 1982). Zeithaml (1996) defines behavior intentions as “ The customer’s willingness to provide positive word of mouth, to visit the restaurant again in <https://assignbuster.com/the-impact-of-atmospheric-elements/>

the future, to stay longer than anticipated, and to spend more than anticipated". Further focusing on the approach and avoidance behaviors can generate four different outcomes such as: (1) a wish to remain or depart; (2) a desire to explore and interact or a tendency to want to leave and not explore the store; (3) a desire to communicate with others or to ignore them; and (4) thoughts of happiness or unhappiness (Hoffman & Turley, 2002), (Chebat and Michon, 2003). It is a human nature that if a consumer build up a greatly positive or negative experience with a retail store . It will results in approach or avoidance behavior in the future (Susan L. Zavotka, 2007). Turley and Milliman (2000) also found out that there is significant relation between atmospherics and shopping behavior.

The term atmospherics is defined as dissimilar environmental elements that can be deliberately control by the retailers and helps to enhance the retail store atmosphere in such a way that it provides a positive experience to customer (Turley & Milliman, 2000). In the environmental psychology Atmospherics elements of a retail store play a vital role in creating a significant impact on customer(Hoffman & Turley, 2002). while discussing the importance of atmospherics elements it was revealed that atmospherics elements have a major impact on customer emotions, most of all perceived value and post dinning behavior intentions (Liu & Jang, 2009). un presentable use of atmospheric in a retail store can divert customer mind(Baker, Grewal, & Parasuraman, 1994) and dishearten buyer from staying in retail store (Maxwell & Kover, 2003).

Another author explores the complexity faced by retailers while designing the interior environment. Mainly interior design is not according to customer

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conscious level or awareness. Which leads to misinterpretation of what customer desires and what retailer want to delivers (Greenland & McGoldrick, 2001). The analysis of the data done by using factor analysis and t-statistics and compared the modern and traditional outlet of a bank and concluded that larger windows and modern layout attract customers more than traditional means and familiarity of used with environment is also important characteristics. Where as in the case of hotel industry it was identified that hotel owners, architects and interior atmospherics of a hotel have a significant impact on customer memories . The author use the term “ business of memories “ for the hotel industry sector to show the importance of a positive experience with help of good interior atmospherics (McDonough et al, 2001). In another case associated to hotel industry coined atmospherics attributes as dine escape and it shows that it has a very significant impact on purchaser satisfaction. As physical environment can be a major instrument for communicating these messages. He used field study, survey approach for data collection and used 7-point semantic differential scale to capture his variables and used structural equation modeling (SEM) for his statistics study. He concluded his study that ambience, facility aesthetics and social factor had a significant effect on customers’ pleasure & arousal and also had a significant function in determining customer behavioral intentions. (Ryu, 2002).

A study related to grocery store and impact of aesthetics on consumer showed that design element can have a significant impact on consumer and it can compel a customer to perform certain type of behavior and he took approach and avoidance-behavior as mediating variable. Laboratory test is

applied to capture the impact of variables with two independent samples of 43 and 87 respondents. He used mean, standard deviation and inter-correlation statistics for data analysis (Gilboa, 2003).

While identifying retail sector and its impact on adolescent's customer's behavior. The results proposed that adolescents favor complex retail environments. In complex stores their pressure levels decrease, their energy increases, and their positive feelings increase. The complex aesthetics related to the elements of design including color and textures and negative feelings for simple retail environments. He used pre-felling survey and post feeling survey and gathered the data from four retail stores (DKNY, Banana republic, Urban Outfitters and Berlyne). She applied descriptive statistics as frequencies and tables for the analysis of data (L. Susan, 2007).

Backstrom & Johansson (2006) wrap up their study that the retailers need to focus more on traditional values such as the behavior of their personnel, which is not captured by the retailer's occasionally. So they find the gap that more and more attention of the retailers comes towards technology side now a days, the result is that they are ignoring traditional aspects.

A recent research results that specialist store (Malls) earn more attention than normal stores. Furthermore they did not find any significant impact of event themes on store choice decisions (Sands, Oppewal & Beverland, 2008).

A study explored behavioral intentions and how they respond in the environment of a retail store. Therefore gap has been identified that the future research should be focused on physical surroundings where the

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consumers buy goods/services, have social interaction and gain consumption experience (Bitner, 1990).

Turley Millman (2002) idea was to analyze the impact of atmospheric element on consumer service experience by developing a framework (use as a research tool) that cover all the historical research on atmospheric, services encounter and consumer decision making. Its objectives were to find out the relationship of atmospheric variables pleasure and arousal etc. On this basis researcher made eight hypotheses relating to atmospheric impact on the services sector. His study is up to literature gathering and he purposed his work for further research by another researcher.

Interior Atmospherics creates such environment that enhances customer loyalty and image of the product that influence behavioral intentions and their perception also. Atmosphere also helps to transform commodities into goods, goods into services and service to experience, thereby it increases the economic value of the product that automatically change its pricing strategy in benefit of the seller therefore according to the study, atmospherics has the ability to affect the behavior intentions of the consumer (Hoffman & Turley, 2002).

Based on the importance of interior atmosphere and its relation with customer behavioral intentions, it is hypothesized that:

H1: There is a significant relation between consumer behavioral intentions and interior atmosphere of a retail store.

H1. a) A positive atmospherics of the retail store will influence word of mouth.

H1. b) A positive atmospherics of the retail store will influence revisit intentions.

H1. c) A positive atmospherics of the retail store will influence frequency of visit.

H2: There is a significant effect of interior atmosphere of a retail store on consumer's behavioral intention.

The color is also very important element to capture consumer attention. In marketing research color is mostly study in the areas of advertising and packaging . Retailer has used color to project image or create a desired atmosphere. Some colors have power to enhance approach propensity but retailers need to focus on those colors which persuade shoppers to shop and make them focus to their display (Hasty et al, 1983) . A color schemes adopted by a retail store can influence store image, arousal level, spending time, purchasing rates, enjoyable feelings, and most of all increase the ability to attract a shopper toward a retail display (Turley & Milliman, 2000).

According to a study customer make their decision within 90 seconds by having first contact with the sales person or commodities. The evaluation on color individually is 62-90 percent. Wise choice of color schemes can not only differentiate product from the competitor but also influence consumer emotional feelings and their approach towards certain products (Singh, 2006). In another study it was explored that the colors and different schemes

affect perceptions, attitude and also results in creating behavioral differences (Robson, 1999).

In the context on retail atmospheric studies, it was explore that color has a ability to attract more customers (Bellizzi et al, 1983) and it also enhance a pleasurable feeling in customers (Bellizzi & Hite, 1992).

Countryman, (2006) study on atmospheric elements such as color, lighting, and style and had found to be significantly related to the overall impression of a hotel lobby. Data were gathered by using a scenario approach, showing photographs of the hotel lobby. Structural equation modeling was used for analysis the data to find out which of the atmospheric elements were more significant in the overall impression of the hotel lobby. He measured color with the help of three facets which were beautiful, soothing and pleasant. The results showed that color was the most important of these three atmospheric elements.

One of the problems in making the color choice is that it is an art than a science, and manager do not has planned guideline to follow. It is a trail and error process through which a company selects a color which appeals more than other to its customers and which they gain from their experience (Gorn et al, 1997).

A scholar identified that red color enhance appetite because of its metabolic effect so usually fast food restaurants are using red color for their decor, yellow color helps to gain attention and develop interest, where as blue use to calm and relax of their customer (Kido, 2000) .

A contradicting issue faced by McDonald's was that the customers complained of headaches due to use of red color on the walls (Von Bergen, 1995). Gorn et al (1997) study also show that red color is more appealing and have significant impact of increasing the arousal emotions than blue color backgrounds whereas in case of products in blue-colored backgrounds have more sale than product with red color. One of the finding related to color impact of advertising resulted higher levels of chroma and value influence feelings of excitement and relaxation of the customer in the retail sector. However study also revealed that the selection of the color was made without having a real understanding of the value and chroma dimensions.

Color can also influence customers with respect to the passage of time as red color make customer feel that time is passing slowly and objects seen larger and heavier in the presence of red light. On the other hand blue lights works vice versa. Just similar as symbols, signs, artifacts, color have their own way of communication. This theory is applied in casinos where red light is used to make customer feel that they are enjoying and not wasting their time (Singh, 2006). While classifying the importance of color it was observed that warm colors are more successful in making people enter in a retail store but these color not make them feel comfortable in the interior of the retail shop therefore outer appearance should be in bright colors and the interior walls of a retail should use calm colors to avoid mental pressure faced by the customer (Hagen et al, 2009).

Chebat & Morrin (2007), similarly explored that the color schemes of a retail store can greatly impact the behavioral intentions and influence a shopper's shopping performance. The rationale of this paper was to discover how the <https://assignbuster.com/the-impact-of-atmospheric-elements/>

shopping mall environment influences the shopping experience and approach behavior of female fashion customer. Questionnaire was used for collecting the data with the sample of 286, it contained seven point semantic differential scales and data was analyzed by using structural equation modeling.

Therefore our second hypotheses can be stated as:

H3: There is a significant impact of color of a retail store on behavior intentions.

The second important interior atmospheric variable which plays an important role in capturing the impact of consumer behavioral intention is a retail store layout. The layout of any store helps the customer to feel relax and move around freely. A proper spacing support to minimize crowding effect, it helped to create a favorable impression on customers. The researchers measured the layout of a hotel lobby with the help of four elements which were graceful, proportionate, accommodate and uncluttered. The results concluded that layout do not have a significant impact for creating a positive impression of hotel lobby (Countryman, 2006).

Keeping in mind the importance of the layout the author used the term “ visual escape” . As customer impact is of what they see therefore it can build up or destroy the whole experience of the customer and specially the propensity to spend (Soars Brenda, 2009). The scholar also focus on the problem faced by the major retail shops is that many of the retail outlets in developed countries are filled with twice as many customers on the weekends but is only increase 60% of their sales. The problem the author

identifies in his study is the unorganized layout . The customers in retail shop are not able to move freely due to complex layout or over crowded space. The solution suggested by the author was to deeply understand the circulation and reallocate merchandise layout in relation with people flow (Soars Brenda, 2009).

Another researcher discovered the layout of the retail out let by focusing a planned shopping centre in the context of urban cities. According to him a planned shopping centre can only be successful in long-term if its layout is based on customer convenience. However the importance of social, economic and architectural concepts can not be denied and they should be according to consumer need and accessibility (Kelley, 1958).

While analyzing the dine escape of the restaurant the scholar contradict with the importance of layout . He explore the emotional aspects, behavioral and interior aspects in his study. How ever by contradicting with other researches he concluded that lighting, layout and service products are not directly associated with the quality of the dine escape therefore it does not have significant relationship with the emotions (Ryu, 2002).

In a research while discussing the big four attributes of shopping center which were service, merchandising, accessibility and atmospheric (ambience, decor, color, music and layout). The author finds that these elements play a significant role in increasing consumer excitement of retail out let (Sit, 2003).

In a study author correlates the light effect with layout and human behavior in a retail store. According to his resulted that without light there could not

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be any appearance of a proper visible layout and no human can act in dark so layout or space is directly depend on good lighting. It influenced their walking speed and arise positive or negative feeling for the retail store similarly a consumer behavior would act accordingly (Quartier & Cleempoel, 2008).

It was discovered that creating a change atmosphere is very expensive especially for chain stores. As they have uniformity in their designs for all retail outlets so it is very difficult for retailer to differentiate or competes with up coming rivals. According to scholar, " Spatial layout" of the physical surroundings is more important and he defines this term as Spatial layout refers to the ways in which equipment, tools, and furniture are arranged, the dimension and form of those objects, and the spatial associations between them. According to him, it is reasonable to say that spatial layout and functionality of the environment are highly significant to consumers in shopping environments. Similarly, if the tasks are very complex than the efficiency of layout and functionality will be more vital than when the tasks are easy (Bitner, 1992).

Baker et al. (2002) while discussing the importance of store patronage on the consumer intention and their willingness to wait or stay in the retail store conclude that the role of gender have a significant impact on the evaluation and wait expectation of a retail store. He used videotapes to reproduce a store environment experience and applied maximum likelihood simultaneous estimation procedures.

A further study concludes that interior elements of retail shop, the design element have a strongest impact on patronage behavior which helps when the rivals' shops have same prices and other features while defining the design elements, few scholars divide them in to 6 categories that are space, line, form, texture, light and color. These are they major elements which are kept in mind while designing a particular retail store (Allen & Jones, 2004).

On the other hand while exploring the importance of aesthetics it was recognized that pleasing effects captured more by the customer though their senses specially their sight. According to the scholar sight plays a vital role to judge objects instead what they can hear or smell. As people can took more information through their vision than any other senses (Wenz, 2002).

According to L. Susan (2007) a retail store that is symmetrical in its store layout, has a huge amount of product displays, apply neutral colors, but has a variety of materials such as wood and aluminum that give texture can affect customer experience. It also believed that the physical design of the space can negatively affect the shopping experience and result in a lost sale (Winchip, 2008). Based on the importance of layout on consumer behavior it is hypothesized that:

H4: The layout of the retail store has a significant impact on customer behavior intentions.

Scent is also a very important element to enhance the retail store environment. The fragrances present in the atmosphere can influence consumer shopping behavior. The retailers related to bakery items, coffee shops increase their sale due to the sweet aroma present in the atmosphere

(McDonnell, 2007). The earlier studies showed that scent has direct influence on customer response (Gulas & Bolach, 1998).

However some researchers argued to this statement that although the importance of scent in a retail atmosphere can not be denied but if the scent was not matching with the retail environment, result could become negative (Chebat & Michon, 2003).

According to a recent study hotel industry has developed their own signature scents. These scents are becoming so popular that customer wanted to have similar experience or pleasant atmosphere in their home environment. In order to cater that demand the segment was captured by hotel industry by selling those scented candles and other products which help them increasing their revenue. However the scholar concludes that scope of ambient scent and its effect on human behavior still have great potential. The service industry specially the hotel industry should understand its importance and should take most advantage (Zemke & Shoemaker, 2008).

An author by comparing two models of emotions and cognition concluded that there was a mediating effects of ambient scent cues on emotions and behavioral intentions and not able to found a direct effect of scent on consumer's mood . Similarly other scholars while looking at a odorless stores such as book store, appliances, fashion outlet says that scent needs to have perceived association with a store type to get positive response (Parsons, 2009).

Some marketing intellectuals have studied the combine effect of cleanliness and scent. According to them cleanliness of retail store is a controllable

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atmospheric element which have a strong impact on customer to judge the quality of the retail store (Wakefield & Blodgett, 1996).

A banking sector research resulted that waiting in line in a pleasant scented environment with soft music helps to cut the anger and frustration of the customer. The facets used by author were music, scent and time to judge the customer satisfaction (McDonnell, 2007).

Other authors while discussing the importance of olfactory receptor results that Fragrances play a key role in the composition of consumer household products and their acceptance by consumers. While examining various household products such as Air Freshener , bathroom cleaner, furniture polish, kitchen cleaner, toilet cleaner and their association with different scents. Besides the air care products, fragrance was not consider being an important attribute for cleaning products and other than that fragrance was ranked least important variable. In other study while discussing the importance of sensory stimuli and their influence on retail store environment it was concluded that with the right use of sensory stimuli a retailer can motivate, relax, de stress, improve mood of the customers and can increase the propensity to spend more(Soars, 2009).

However the service provider not forget the issue of allergies so it is important to make sure before using a scent that it is safe and environmental friendly (Goldkuhl Lena & Styven Maria, 2007).

As the main aim of every retailer is to attract more customers not to make them leave at once. Studies have revealed the major impact of scent came from the presence or absence of a scent in a retail store since the nature of

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the scent does not have a significant impact on customer behaviors. The Scents in a retail store, even if it is pleasant or unpleasant, could affect and influenced sales and profit; having fun in a pleasant atmosphere; and the shopper's perceived time spent in the store (Turley & Milliman, 2000). As a scent became strong, shopper's reactions and behaviors have a propensity to become more negative. Scents are a really important atmospheric element for retailers to seriously notice since they could create positive and negative buying behaviors from shoppers (Turley & Milliman, 2000). It is therefore hypothesized that:

H5: There is a significant impact of scent on consumer behavior intentions.

Lighting is also an important part of retail atmospherics since it influence the shopper's visual assessment of everything in the retail store, including the goods, which can eventually change a shopper's buying behavior. A researcher measured the impact of light on hotel lobby with the help of three elements which were appropriate, inviting and positive. The results showed that light effect have a significant impact on hotel lobby impression (Countryman, 2006).

The Lighting not only used to make a retail space more artistic and practical but it could also develop certain behaviors without the shopper even knowing. It is an important element which not directly increases the sales but influence customer perception of a store image, its examination and caring of commodities (Turley & Milliman, 2000).

Ryu(2002) study light while explaining the dine escape effect . He used three questions to measure light. These facets focused mainly the intensity to made customer feel warm, comfort and welcomed. He used SEM model and with the help of questionnaire he resulted that light have a significant impact on customer while select a restaurant.

Un-appealing atmospherics and designs could make customers to leave where as positive design can persuade them to stay for more duration, this study was done by Baumstrack (2008) on dressing room lighting. She used descriptive analysis and t-statistics to conclude her study as lighting direction may affect the experience of customer and