Atmosphere of Departmental Stores and Consumer Purchasing Behavior: A Case study of Faisalabad Region, Pakistan

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Abstract

Purpose of study is to recognize the atmosphere effect of departmental store on consumers' purchase behavior. The atmosphere in a retail environment initiates when consumer recognizes its effect on their purchasing decision. Particularly when shopping for fun, the decision to enter a particular store, effect of layout design, cleanliness and choice to buy or not have strong influences on consumer purchase behavior. Four independent variables such as display & layout, location, lighting and cleanliness are selected from prior literature. For this quantitative research, we choose 250 people to conduct the questionnaire survey. Based on data collected from our questionnaire survey, different SPSS techniques such as reliability, correlation and regression analyses are carried out to evaluate which of the atmospheric stimuli can improve consumer purchase behavior towards departmental stores in Faisalabad. The results depict that atmospheric factors (cleanliness, lighting, location, and display & layout) have the greatest impact on Consumer purchase behavior. The result of current study may be helpful for the departmental store to attract the consumer according to their behavior.

Key worlds: Layout; Cleanliness; Lighting; Location; Consumer Behavior

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1. Introduction

Today, consumers tend to ask for additional beneficial elements before they finalize their purchases. The pleasant store atmosphere is one of those elements which are highly demanded. Another reason to make such a trend is because retailers are difficult to gain advantages on the basis of product, price, promotion and place but store atmosphere contributes to a business success or failure. Space layout means functionality or ways in which corridors, chairs, walkways, food service lines, toilets, entrance and exits are designed and organized in service settings. Signs, symbols, and artifacts consist of personal artifacts, decoration, and other physical features that work as signals which connect with users. However, there are a number of scholars who have recommended the external aspects in atmospherics dimensions (see Berman & Evans, 1995; Yildirim, 2010). Berman and Evans (1995) identify external dimensions such as storefront, tents, entrance, window display, and architecture of the building, while (Yildirim, 2010) views external aspects in atmospheric dimension as comprised of window display only. From previous studies, we found that store atmosphere is a critical issue for today's consumers. In this research, we try to use some of relevant store atmospheric stimuli to interpret its effect on Consumer Purchase Behavior. By considering different types of store atmospheric stimuli, it would be more accurate to predict and control consumer Behavior.

As per (Sabrina & May 2014) "There is a surprising lack of empirical research and theoretically based frameworks addressing the role of physical surroundings in consumption settings". The more recent times point out that "although environmental stimuli have been found to influence shopping behavior but empirical knowledge of how these variables interact to affect shopper perceptions and actions is lacking". The early academic articles on the impact of the store environment in consumer behavior dated back to 1950 and 1960. In the following decade, (Kotler, 1973) in his seminal article "Atmospherics as marketing tool",

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coins the term "store atmosphere", that is used to describe the conscious planning of the environment to create certain effects in buyers, for that purpose he is credited pioneering the subject (Turley & Milliman, 2000). (Kotler, 1973) affirms that a product goes beyond the tangible aspects normally associated with it, adding in his definition a package that constitutes the "true product" perceived by consumers, including the planned environment where it is sold. During the 1980's, a new perspective opens up the theory of consumer behavior: the hedonic perspective. Until then, buyers were thought to be exclusively rational beings, whose purchasing choices are made after a logical processing of available information into a stream that came from the detection of a problem to their satisfaction with the purchase (Schmitt, 1999).

Later research however shows that a number of non-rational factors exerted strong influence on buying behavior. Among these factors are hedonism, fantasies, feelings and fun, the moods of consumers (Gardner, 1987) and consumption rituals (Rook, 1985). These findings have revolutionized the way of seeing the consumer, indicating the influence of "experiential" aspects in consumption. Some authors such as (Pine & Gilmore, 1998 & Schmitt, 1999) call our attention for what is known as era of "experiential" economics where products are no longer an end in themselves but are artifacts of a larger construct called consumption experience, which is memorable, personal, prolonged and involves many sensations. Today, we are experiencing this moment with studies that evidences the experiential aspects of consumption (Pullman & Michael, 2004; Hume et al., 2006). Within an experiential marketing perspective, companies should take advantage of every point of interaction with consumers to create and reinforce this experience, through either sponsorship, merchandising, advertising and especially, point of sale (Naylor et al., 2008). Due to the immense importance of the topic, this study aims to establish a link between store atmosphere and consumer purchase behavior in departmental stores of Faisalabad to help local retailers to understand and manage it in an effective way. The purpose of study is;

• To investigate the impact of display & layout on Consumer purchase Behavior in Departmental stores.

• To examine the relationship of cleanliness on consumer Purchase Behavior in departmental stores.

• To determine the influence of lighting on consumer Purchase Behavior in departmental stores.

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• To identify the effect of location factor on consumer purchase behavior in departmental stores.

2. Literature Review

Store display & layout include fixtures, product groupings, traffic flow, department locations, allocation of floor space and allocations within department (Turley & Milliman, 2000). Store display & layout are taking into consideration when retailers hope to influence consumer behavior towards positive ways. According to (Kolter, 1973-1974), product display is selective product that present in a consciously design arrangement (e.g., display window or end of aisle). It helps to highlight the particular products and create a mood and message that will positively affect consumers' behavior. It is able to guide visual attention of consumers on desirable presented merchandise (Cahan & Robinson, 1984). The design of store's display & layout contributes to one fourth of retail sales for a store (Mills, Paul & Moorman, 1995). Besides, many shoppers like to shop in the store which allows them move easily (Titus & Everett, 1995). Layout strategy is one of the important decisions classified into long term operation strategy in supply chain decisions. An effective and efficient designed layout could impact in competitiveness, process flexibility, costs and also corporate image building (Heizer & Render, 2011). Bazargan-Lari (1999) finds that there is significant impact of layout design on costs, wastes and capital investment. An improvement can also be achieved developing an effective layout such as customer satisfaction, labor productivity and delivery time (Heragu & Kusiak, 1988). According to Akinyele (2010) cleanliness can improve store atmosphere. Cleanliness of a store will create positive impression among consumers Carpenter and Moore (2006) show that cleanliness is the most important store atmospheric cue which affects customers to shop longer or revisit. Grocery and Drug stores should pay particular attention to store cleanliness since their shoppers are among the highest percentage measured that will "stop going to a store" if the store is not perceived as being clean. Clearly cleanliness is an important component of the consumer experience. It impacts consumers' willingness to shop at a given retailer and also influences frequency of shopping and the length of time consumers are willing to shop.

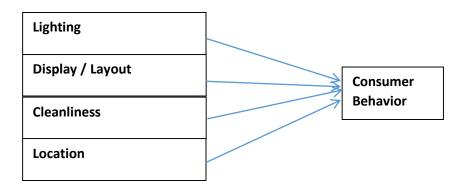
According to Ruchi, Zillur and Ishwar (2010) lighting is used to highlight product and create an atmosphere. Lighting directly influences customer perception towards store image and their mood to shop in the store. In-store lighting

influences customers" perception, value, and expenditure (Areni & Kim, 1994). According to Mehrabian and Russell (1976), lighting is the main factor of store atmosphere that has greater impact on consumer behavior. According to Vaccaro et al. (2008) brighter level of lighting is considered as an important issue in retail atmosphere because it enhances positive customer perception. When the store is brighter, customers are more likely to observe and touch the products in the store. Many people believe that bright lights allow them to see the merchandises clearly and also some believe that it livens up the store atmosphere. Having spotlight on a particular area or merchandise will assist in capturing and drawing customer attention while darker area is also useful for retailers to hide their mistakes (e.g., messy stocks). Furthermore, consumers tend to be more active in asking detail information of a product under a brighter lighting condition rather than a dim condition Areni & Kim (1994). Before the 1940s, daylight was the primary light source in buildings; artificial lights supplemented the natural light. In the short span of 20 years, electric lighting had transformed the workplace by meeting most or all of the occupants' lighting requirements. Recently, energy and environmental concerns have made day lighting a rediscovered aspect of building lighting design. Day lighting is often integrated into a building as an architectural statement and for energy savings. However, benefits from day lighting extend beyond architecture and energy. The psychological and physiological aspects of natural light should also be considered. The comforting space and connection to the environment provided to building occupants provide benefits as significant as the energy savings to building owners and managers. 2 This paper summarizes the benefits that different wavelengths of light have on building occupants. Day lighting has been associated with higher productivity, lower absenteeism, fewer errors or defects in products, positive attitudes, reduced fatigue, and reduced eyestrain.

The selection of retail store locations is one of the most significant decisions in retail marketing because in store-based retailing, good locations are key elements for attracting customers to the outlets and sometimes they can even compensate for an otherwise mediocre retail strategy mix. A good location, therefore, can lead to strong competitive advantages, because location is considered one of the elements of the retail marketing mix that is "unique" and thus cannot be imitated by competitors. Location decisions are highly complex because of the large number of factors that have to be considered and the costs associated with for example, opening new stores can be very high. Site selection is therefore, a long-term decision that implies a long-term capital commitment. Once a retail site has

been chosen, either for a retailer to build its own store or to sign a long-term retail contract, there is little flexibility, because this decision usually cannot be changed easily without high losses. Because of its fixed nature, location cannot be changed in the short-term contrary to other elements of the retail marketing mix such as price, customer service, product assortment or advertising. These factors can be altered if the environment (e.g. consumer behavior, competition) changes.

Figure 1: Theoretical Framework



3. Methodology

Consumer purchase behavior has been taken as dependent variable. Display & layout Cleanliness, Lighting and location have been taken as independent variable. The main purpose of the study is to identify the factors contributing Consumer purchase behavior and the relationship between Consumer purchase behavior and independent variable. Consumer purchase behavior in this study refer to effect on store atmosphere. To achieve the objectives of the study 250 surveys are sent (through questionnaire) to three larger stores (Imtiaz shopping Mall, Metro, Al-Fath) located at different areas in Faisalabad city. The data are collected from consumers aged between 20 to 60 years. The 250 questionnaires are returned having response rate of 100%. The questionnaire using 5-Scale Likert (1=Strongly Disagree, 2=Disagree, 3= neutral, 4=Agreed, 5=Strongly Agreed) is designed to test the impact of all the variables. For this study the questionnaire is divided into 2 sections demographics and atmospheric factor having effect on consumer purchasing. The questionnaire covers all the variables such as display & layout, Cleanliness, Lighting and location.

4. Empirical Results

Table-1 demonstrates five statements for display & layout. "Store display window allows me to see displayed products clearly." scores highest mean (4.35); while "The product organization allows me to identify the location of products in the store easily." scores lowest mean (3.10). The clear shelves information increases my well-being and comfort." scores highest standard deviation (0.667); while "The corridors in the store allow a good circulation", scores the lowest standard deviation (0.425). Table-2 shows five statements for cleanliness. "The store is clean." scores the highest mean (4.41); while "The store's floor is clean", scores the lowest mean (3.93). "The store's floor is clean." scores the highest standard deviation (0.836); while "The fact that the store is clean and tidy increases my well-being and comfort." score the lowest standard deviation (0.325). Table-3 determines five statements for lighting. "The light in the areas of products allows me to evaluate the quality of the products", scores the highest mean (3.97); while "Different lighting used in each area inside the store is important." scores the lowest mean (3.30). "The light in the areas of products allows me to evaluate the quality of the products", scores the highest standard deviation (0.942); while "The light at the corners of the store (more hidden areas) is sufficient." scores the lowest standard deviation (0.320). Table-4 demonstrates five statements for location. "The locations near to main road mostly appropriate", scores the highest mean (4.90); while "Store hours are appropriate for my shopping needs according to location", scores the lowest mean (3.70). "Store must be near to my home town", scores the highest standard deviation (1.080); while "The locations near to main Road mostly appropriate", scores the lowest standard deviation (0.294). Table-5 shows five statements for customer purchase Behavior. "I would like to tell my family and friends about the store", scores the highest mean (3.76); while "I would like to shop longer in the store", scores the lowest mean (3.62). "I would like to repurchase in the future", scores the highest standard deviation (0.738); while "I would like to shop longer in the store", scores the lowest standard deviation (0.561). The table-6 shows the summary of reliability statistics for four independent variables (display & layout, lighting, cleanliness, and location) and dependent variable (consumer purchase behavior). The joint Cronbach alpha value is 0.601. According to Table 6, R2 for this model is 0.206. This means that 21.9% of the variation in the dependent variable (consumer purchase behavior) can be explained by five

independent variables (participant factors, location, display & layout, lighting and cleanliness). Table also shows F value for this model which is 17.203 with 0.000 significance level. Thus, the overall regression model with these four predictors (location, display & layout, lighting, and cleanliness) has worked well in explaining the variation in customer purchase behavior. Table-7 shows that cleanliness have significant positive relationship with customer purchase behavior, whereas location has significant negative relationship with customer purchase behavior. While the display and lighting have insignificant relationship with consumers purchase behavior.

Table 1: Descriptive Statistics for Display & Layout in Store

| Display & layout | SD | D | Ν | Α | SA | Mean | Sd. Dev |
|--|----|------|------|------|------|--------|---------|
| The corridors in the store allow a good circulation. | 0 | 0 | 12.0 | 81.7 | 6.4 | 3.944 | .42530 |
| The product organization allows me to identify the location of products in the store | 0 | 12.0 | 65.3 | 22.7 | 0 | 3.107 | .57998 |
| easily. | | | | | | | |
| The locations of each department in the store are important. | 0 | 0 | 10.0 | 67.3 | 22.7 | 4.127 | .55828 |
| Store display window allows me to see displayed products clearly. | 0 | 0 | 0 | 64.1 | 35.9 | 4.358 | .48054 |
| The clear shelves information increases my well-being and comfort. | 0 | 0 | 35.9 | 50.6 | 13.5 | 3.7769 | .66785 |

Table 2: Descriptive Statistics for Cleanliness in Store

| Cleanliness | SD | D | Ν | А | SA | Mean | Sd. Dev |
|---|----|---|------|------|------|--------|---------|
| The store's floor is clean | 0 | 0 | 38.2 | 29.9 | 31.9 | 3.9363 | .83661 |
| The shelves are clean. | 0 | 0 | 8.0 | 68.5 | 23.5 | 4.1554 | .54015 |
| The store is clean. | 0 | 0 | 0 | 58.2 | 41.8 | 4.4183 | .49427 |
| The products are tidy and not damaged. | 0 | 0 | 15.1 | 40.2 | 44.6 | 4.2948 | .71605 |
| The fact that the store is clean and tidy increases my well-being and comfort | 0 | 0 | 0 | 88.0 | 12.0 | 4.1195 | .32505 |

Table 3: Descriptive Statistics for Lighting in the Store

| Lighting | SD | D | Ν | A | SA | Mean | Sd. Dev |
|--|----|---|------|------|------|--------|---------|
| The light in the areas of products allows me to evaluate the quality of the products | 0 | 0 | 45.4 | 11.6 | 43.0 | 3.9761 | .94203 |
| The light at the corners of the store (more hidden areas) is sufficient | 0 | 0 | 11.6 | 88.4 | 0 | 3.8845 | .32031 |
| The overall light in the store is sufficient. | 0 | 0 | 24.3 | 60.2 | 15.5 | 3.9124 | .62633 |
| Different lighting used in each area inside the store is important | 0 | 0 | 69.3 | 30.7 | 0 | 3.3068 | .46208 |
| The bigger the clarity increases my wellbeing and comfort | 0 | 0 | 23.9 | 76.1 | 0 | 3.7610 | .42735 |

Table 4: Descriptive Statistics for Location in Store

| Location | SD | D | Ν | А | SA | Mean | Sd. Dev |
|--|----|------|------|------|------|--------|---------|
| Stores are conveniently located. | 0 | 0 | 9.6 | 45.0 | 45.4 | 4.3586 | .65032 |
| Store have own Secure parking area. | 0 | 0 | 15.5 | 18.7 | 65.7 | 4.5020 | .75033 |
| The Locations near to main Road mostly appropriate. | 0 | 0 | 0 | 9.6 | 90.4 | 4.9044 | .29465 |
| Store must be near to my home town. | 0 | 24.7 | 32.7 | 21.1 | 21.5 | 3.3944 | 1.08065 |
| Store hours are appropriate for my shopping needs according to location. | 0 | 0 | 30.3 | 69.3 | .4 | 3.7012 | .46729 |

Table 5: Descriptive Statistics for Consumer Purchase Behavior in Store

| Customer Purchase Behavior | SD | D | Ν | Α | SA | Mean | Sd. Dev |
|---|----|----|------|------|------|-------|---------|
| I would like to purchase in the store. | 0 | 0 | 18.7 | 48.6 | 32.7 | 4.139 | .70461 |
| I would like to shop longer in the store. | 0 | .4 | 40.2 | 55.8 | 3.6 | 3.625 | .56142 |
| I would like to visit the store again. | 0 | 0 | 38.6 | 46.6 | 14.7 | 3.761 | .69183 |
| I would like to tell my family and friends about the store. | 0 | 0 | 13.1 | 51.0 | 35.9 | 4.227 | .66349 |
| I would like to repurchase in the future. | 0 | 0 | 42.2 | 39.8 | 17.9 | 3.757 | .73804 |

Table 6: Multip1e Regression Analysis

| Model Summary | | | | | | | | | |
|----------------|--|--|---|--|--|--|--|--|--|
| R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watsor | | | | | |
| 0.468ª | .219 | .206 | .42934 | 1.527 | | | | | |
| | Analys | is of Variance (ANOVA) | | | | | | | |
| Sum of Squares | Df | Mean Square | F | Sig. | | | | | |
| 12.684 | 4 | 3.171 | 17.203 | .000 ^b | | | | | |
| 45.345 | 246 | .184 | | | | | | | |
| 58.029 | 250 | | | | | | | | |
| | 0.468 ^a Sum of Squares 12.684 | R R Square 0.468 ^a .219 Analys Sum of Squares Df 12.684 4 | R R Square Adjusted R Square 0.468 ^a .219 .206 Analysis of Variance (ANOVA) Sum of Squares Df Mean Square 12.684 4 3.171 | RR SquareAdjusted R SquareStd. Error of the Estimate0.468a.219.206.42934Analysis of Variance (ANOVA)Sum of SquaresDfMean SquareF12.68443.17117.203 | | | | | |

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| | | Unstandard | lized Coefficients | Standardized Coefficients | | |
|---|-------------|------------|--------------------|------------------------------|--------|------|
| | Mode1 | В | Std. Error | Beta | t | Sig. |
| | (Constant) | 1.376 | .611 | | 2.254 | .025 |
| | Disp1ay | .172 | .123 | .092 | 1.391 | .166 |
| 1 | C1ean1iness | .869 | .113 | .542 | 7.695 | .000 |
| | lighting | .029 | .139 | .015 | .206 | .837 |
| | location | 451 | .093 | 365 | -4.858 | .000 |

Table 7: Summary of Regression Coefficients

5. Conclusion

In this study, all four independent variables were measured on their central Tendency. Multiple Regression shows a significant relationship between the dependent and independent variables. In nutshell, the store atmosphere factors have much influence on consumer purchase behavior which can lead towards higher growth and profit for the stores under study. Using the single type of departmental stores is limitation of our study. Furthermore, large sample size tends to generate better results and minimize the probability of errors. We rest it for future research.

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