Effect of Store Atmosphere on Consumer Purchase Intention

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Abstract

This paper aimed at identifying the effects of atmosphere on the consumer purchase intention in international retail chain outlets of Karachi, Pakistan. This was the first study, which investigated the collective impact of atmospheric variables at one point in time on purchase intention. This research was causal in nature. A sample of 300 consumers was taken who usually visited these outlets. Data was collected through a well-structured questionnaire and analyzed through regression analysis. Research findings indicate that atmospheric variables such as cleanliness, scent, lighting, and display/layout have a positive influence on consumers’ purchase intention; whereas music and color have insignificant impact on consumers’ purchase intention. The temperature has almost no impact on the purchase intention of the consumers. This study has important implication for Practitioners and Academicians.

Keywords: store atmosphere, shopping environment, cleanliness, scent, lighting, temperature, music, display/layout, purchase intention

1. Introduction

Earlier consumers mainly focused on product functions or attributes to opt for a shopping place. Nowadays, consumers ask for added beneficial elements to select retail outlets for their purchases. A pleasant atmosphere of the retail chain outlets is one of those elements which are extremely desired. The role of store atmosphere in the success of retail outlet can not be neglected (Turley & Milliman, 2000). Retail chain outlets are gradually replacing small traditional retailers. The success of the retail chain industry in comparison to traditional retailers is attributed to convenience, choice of goods, huge space and low prices.

“Atmosphere is a term that is used to explain our feelings towards the shopping experience which can not be seen” (Milliman, 1986). Kotler (1973-74) describes the atmosphere as “the design of the of retail chain outlet that produces specific emotional effects on the buyer that enhances his purchasing probability”. The attractive and impressive atmosphere of retail chain outlets creates an enjoyable experience among the consumers, which directly affects consumers’ purchase intention and their decision making process (Srinivasan & Srivastava, 2010). Wakefield & Baker (1998) proved that the probability of customers staying longer in store increases due to atmospheric stimulus. When a consumer feels satisfied from the retail environment of the store, he spends more time in a particular store and buys more because of pleasant environmental stimuli (Bohl, 2012). The environment has a huge impact on the consumers’ emotion and satisfaction. The impressive atmosphere of the retail chain outlets enhances the customer satisfaction level and purchase experience (Silva & Giraldi, 2010).

Several researchers have identified the effect of atmosphere on the behavior of consumers in the store (Russell & Mehrabian, 1978), but still empirical research on the impact of store atmosphere on the behavior of consumers is limited (Zeynep & Nilgun, 2011). The scope of consumer studies is narrow in the previous researches (Areni & Kim, 1994; Bitmer, 1992). Many researches were conducted, but they focused on one atmospheric variable at a time and left others. Though in reality consumer behavior is affected by several atmospheric cues collectively (Zeynep & Nilgun, 2011).

Therefore, this study has been designed to investigate the collective impact of all major atmospheric variables such as cleanliness, music, temperature, lighting, color, display/layout, and scent or fragrance at one point in time. This study becomes even more useful in the context of a developing country like Pakistan, which has hardly any research data available on the mentioned subject matter.
2. Literature Review

2.1 Cleanliness

Cleanliness is the appearance of the retail chain outlet that improves the atmosphere which affects the customers feeling towards the outlet. Customers create positive or negative word of mouth about retail chain outlet by looking at the cleanliness (Banat & Wandebori, 2012). Cleanliness can improve store atmosphere (Gajanayake, Gajanayake & Surangi, 2011). Cleanliness of a store creates positive impression among consumers and makes them stay longer in the store. Product display and Cleanliness are very important for the outlet selection (Wanninayake & Randiwela, 2007). Cleanliness of the outlets creates an image of comfort and luxury in the customer's mind due to which customers stay for more time in retail chain outlets and make more purchases (Yun & Good, 2007).

H1: Cleanliness has significant impact on purchase intention of consumers.

2.2 Music

Music can be defined as a pleasant sound that impacts consumers’ conscious and unconscious decisions (Banat & Wandebori, 2012). Music played in retail outlet significantly impacts consumer purchase intention. Music styles and tempos deeply influence consumers in increasing sales of the retail outlets. Pleasant music is associated with longer consumption time (Holbrook & Anand, 1990). The variety of the background music significantly impacts on the consumer perceptions and preferences (Bruner, 1990). Consumers spend less time in stores when the music is played louder as compared to soft (Smith, Patricia, & Ross, 1966). Impact of loudness on musical preference is moderated by gender, with females reacting more adversely than males to louder music (Kellaris, James & Ronald, 1993). Music generally influences positively while fast tempo music mediates influence on the shopper’s perception of the mall (Michon & Chebat, 2004). Music has a constructive impact on the customers’ sum of time and money spent due to good environment (Herrington, 1996).

H2: Music has significant impact on purchase intention of consumers.

2.3 Scent

Presence or absence of scent in the retail chain outlets has noticeable impact on the consumer purchase intention. Scent is a pleasant fragrance that influences customer mood and emotions which make the customers stay more time and feel excited (Banat & Wandebori, 2012). Right use of scents improves evaluations of products that are unfamiliar or not well liked (Morrin & Ratneshwar, 2000). Scent has a major effect on how consumer evaluates the merchandise (Spangenberg, Sprott, Grohmann, & Tracy, 2006) Customers spend more time in shopping when the environment contains good music and scent (Yalch, Richard, Eric, & Spangenberg, 2000). Selection of one scent should be preferred over multiple scents. Shoppers spend more money at the outlets with single scent compared to those consumers who are exposed to multiple fragrances (Haberland, 2010). The selection of scent must consider the targeted gender to make theme pleasing, so that customers spend more time and money at a retail outlet to purchase goods (Spangenberg et al., 2006).

H3: Scent has significant impact on the purchase intention of consumers.

2.4 Temperature

Temperature at retail outlet is among those atmospheric variables that greatly impact the consumer purchase intention. Extreme temperature—very low or very high—creates negative feelings among customers; it leads to dissatisfaction among the customers and consequently, customers spend less time in outlet and produce negative word of mouth (Lam, 2001).

H4: Temperature has significant impact on purchase intention of consumers.

2.5 Lighting

Lighting is used to highlight products. It creates excitement and has a positive impact on consumer purchasing behavior (Mehrabian & Albert, 1976). When the lighting used in the retail chain outlets is of good color, consumers are inclined to touch products to assess quality (Areni & Kim, 1994). Consumer’s choice of store is moderately influenced by the lighting and store layout (Wanninayake & Randiwela, 2007). Stores with proper lighting, music, color, scent and displays will motivate the customers to visit the store again in the future (Yoo, Park, & MacInnis, 1998). The main purpose of using brighter lighting in retail outlets is to grab the customers’ attention so that they start purchasing from the outlets due to their comfort.

H5: Lighting has significant impact on purchase intention of consumers.
2.6 Color
Color builds feelings and affects consumer behavior and attitude (Banat & Wandebori, 2012). It could stimulate memories, thoughts, and experiences. For instance; “red retail environments tend to be generally unpleasant, negative, tense, and less attractive than green and blue” (Bellizzi, Crowley, & Hasty, 1983). Color has great impact on the consumer’s perception about the merchandise (Yuksel, 2009). Good color of the retail chain outlet will grab the customers’ attention and create positive perception about the merchandise (Crowley, 1993).

H6: Color has significant impact on purchase intention of consumers.

2.7 Display/Layout
Products in the retail chain outlets should be displayed in such a way that attracts the consumers. Product display in the retail outlets is a stimulus to attract the consumers to make impulse buying (Abratt, Russell, Goodey, & Stephen, 1990). Design and display of products in the retail chain outlets contribute one fourth sales of the outlets (Mills, Paul, & Moorman, 1995). The display can be defined as grouping of products, shelf Space, and allocation of floor space, department allocation and wall decorations. Layout is defined as division of selling area, space utilized and arrangement of products (Banat & Wandebori, 2012). Product display has a strong impact on the consumers purchase intention and customer's perception about the product. Customer's movement in the stores is immensely influenced by the display of the products in the stores (Ward, Bitner, & Barnes, 1992).

H7: display/layout has significant impact on purchase intention of consumers

3. Research Methodology
It was basically a quantitative research. The type of research was causal. The primary data was collected through a structured questionnaire from two international retail chain outlets, namely Habib Metro & Hyperstar. The total number of international retail chain branches in Karachi is 4. The sample size was 300. People were selected based on judgment and convenience. Data collection was done by visiting these stores multiple times in different timings incorporating more and less crowded situations.

3.1 Conceptual Framework

The conceptual framework provides a foundation for research study. The framework consists of seven predictors which are cleanliness, music, lighting, temperature, scent, color and display/layout of outlet, and one response variable which is purchase intention.

4. Data Analysis
Data was analyzed by using the SPSS software. Confirmatory factor Analysis was used to check validity of research instrument and multiple regression to test the hypothesis.

4.1 Reliability & Validity
The instrument of data collection has been adapted from Han, Kuang, Low & Yap (2011) and Vijay (2013) which
shows the validity of the instrument. To further check validity of the instrument, confirmatory factor analysis was used. The items below 0.40 were dropped. Remaining items with their respective loadings are as under:

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleanliness</td>
<td></td>
</tr>
</tbody>
</table>
1. The cleanliness of the outlet floor motivates me to buy more. | .808  
2. The clean shelves of retail chain outlet motivate me to stay more. | .815  
3. The cleanliness of retail chain outlet attracts me to visit again. | .711 |
| Music |  
4. Listening to music creates a relaxed atmosphere while shopping. | .737  
5. Music in store motivates me to buy more. | .746  
6. Pleasant environment created by music makes me spend more time in the store. | .831  
7. The adequate rhythm of the background music makes me comfortable. | .828  
8. The sufficient volume of the background music makes me stay more time. | .662  
9. The existence of background music increases my well-being and comfort. | .686 |
| Scent |  
10. Scent in retail chain outlet encourages me to purchase more. | .521  
11. Scent in the store makes me to revisit retail chain outlet. | .685  
12. Fragrance of the retail chain outlet makes me to stay more time. | .597 |
| Temperature |  
13. The quality of the air conditioning store made my presence in the store comfortable. | .625  
14. Fully air conditioned environment makes me comfortable while shopping. | .573  
15. Retail chain outlets with no air conditioning discourage me towards shopping. | .774 |
| Lighting |  
16. Lighting in retail chain outlets is fine. | .595  
17. The lighting in the outlets is pleasing to the eyes, and makes me to stay more. | .743  
18. Good color of lighting attracts me towards products. | .658  
19. The lighting of the outlets makes things more visible and attractive to me. | .668  
20. The lighting in the area of products allows me to evaluate the quality of the product. | .733  
21. The different lighting used in each area inside the store is important. | .645 |
| Color |  
22. The color of retail outlet chain is fine. | .543  
23. The outlet color creates a positive image in my mind. | .564  
24. The color of retail outlet makes positive perception in my mind. | .510 |
| Display/Layout |  
25. I tend to buy more when I come across attractive and impressive displays. | .620  
26. There is a sufficient display of in-store information. | .537  
27. Display motivates me to look at the products more critically. | .633  
28. The retail chain outlet display allows me to see displayed products clearly. | .720  
29. The creative and systematic arrangement of products in the retail chain outlet helps me in the selection of product. | .605 |
| Purchase intention |  
30. I would like to purchase in the retail chain outlet. | .569  
31. I would like to shop longer in the retail chain outlet. | .673  
32. I would like to visit the retail chain outlet again. | .771  
33. I would like to repurchase in future. | .765  
34. I would like to tell my family and friends about the retail chain outlet. | .589 |

The reliability of the instrument was ensured through acceptable values of Cronbach’s alpha. The Table 2 shows the summary of reliability statistics for seven independent variables (cleanliness, music, lighting, scent, color, temperature, Display/layout) and one dependent variable (Purchase intention). Overall reliability is 0.937 which is extremely good.
Table 2. Reliability statistic

<table>
<thead>
<tr>
<th>Variables</th>
<th>No of items</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleanliness</td>
<td>1-3</td>
<td>0.787</td>
</tr>
<tr>
<td>Music</td>
<td>4-9</td>
<td>0.882</td>
</tr>
<tr>
<td>Scent</td>
<td>10-12</td>
<td>0.768</td>
</tr>
<tr>
<td>Temperature</td>
<td>13-15</td>
<td>0.659</td>
</tr>
<tr>
<td>Lighting</td>
<td>16-21</td>
<td>0.805</td>
</tr>
<tr>
<td>Color</td>
<td>22-24</td>
<td>0.753</td>
</tr>
<tr>
<td>Display &amp; layout</td>
<td>25-30</td>
<td>0.797</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>31-34</td>
<td>0.845</td>
</tr>
<tr>
<td>Overall reliability</td>
<td>1-34</td>
<td>.937</td>
</tr>
</tbody>
</table>

Afterwards, multiple linear regression was applied whose result is mentioned in Table 3. The R square is 0.481. It means our model is explaining 48.1% variance in purchase intention.

4.2 Findings

4.2.1 First Hypothesis

H1: Cleanliness has significant impact on the consumer purchase intention.

H1 is accepted because p < 0.05 (see table 3) which shows cleanliness influences positively on the purchase intention of the consumers. The output of the test explains that there is a significant relationship between consumer purchase intention and cleanliness. Loo, Ibrahim & Hsueh-Shan (2005) rated cleanliness higher than any other atmospheric factor which shows cleanliness is useful for motivating customers towards purchasing.

Table 3. Multiple regression result

<table>
<thead>
<tr>
<th>Variables</th>
<th>Purchase Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td>Constant</td>
<td>0.12</td>
</tr>
<tr>
<td>Cleanliness</td>
<td>0.176</td>
</tr>
<tr>
<td>Music</td>
<td>0.066</td>
</tr>
<tr>
<td>Scent</td>
<td>0.166</td>
</tr>
<tr>
<td>Temperature</td>
<td>-0.018</td>
</tr>
<tr>
<td>Lighting</td>
<td>0.233</td>
</tr>
<tr>
<td>Color</td>
<td>0.063</td>
</tr>
<tr>
<td>Display &amp; layout</td>
<td>0.280</td>
</tr>
<tr>
<td>R2</td>
<td>0.481</td>
</tr>
<tr>
<td>F</td>
<td>35.073</td>
</tr>
<tr>
<td>Δ R2</td>
<td>0.467</td>
</tr>
</tbody>
</table>
* p < 0.05

4.2.2 Second Hypothesis

H2: Music has significant impact on the consumer purchase intention

H2 is rejected because p>0.05. Music shows an insignificant impact on the consumer purchase intention. The insignificant relationship between music and consumer purchase intention is in contrast to findings of Alpert & Alpert (1986), Irena Vida (2008) and Vijay (2012) which state music has a positive impact on mood and purchase behavior.

4.2.3 Third Hypothesis

H3: Scent has significant impact on the consumer purchase intention

H3 is accepted because p<0.05 which shows that scent positively influences consumers’ purchase intention. Parson (2009) pointed toward a positive relationship between scent and purchase intention.

4.2.4 Fourth Hypothesis

H4: Temperature has insignificant impact on the consumer purchase intention.

H4 is rejected because the temperature has almost no impact on the consumer purchase intention because the value of p is greater than 0.05. This result is in contradiction with the research studies of Bhol (2012) & Lam
(2001) that mention the influence of temperature on purchase intention.

4.2.5 Fifth Hypothesis

H5: Lighting has significant impact on the consumer purchase intention

H5 is accepted because \( p < 0.05 \) which explains the significant positive influence of lighting on the purchase intention. Adequate lighting is critical for customers to assess the product quality and form perception about the store (Areni & Kim, 1994). The result of this hypothesis test is consistent with the findings of Banat & Wandebori (2012).

4.2.6 Sixth Hypothesis

H6: color has insignificant impact on purchase intention of consumers.

H6 is rejected because \( p > 0.05 \). So color shows insignificant impact on the consumer purchase intention which means the color of the retail chain outlets does not impact consumers while shopping. The result is in contrast to the findings of Gajanayake et al (2011).

4.2.7 Seventh Hypothesis

H7: display/Layout of outlet shows significant impact on the consumer purchase intention

H7 is accepted because \( P < 0.05 \), which means that there is a significant relationship between the consumers’ purchase intention and product display/layout. The same finding was reported in the studies of Abratt et al. (1990) and Banat & Wandebori (2012).

5. Conclusion

The major objective of conducting this research was to identify the impact of atmospheric variables on the consumer purchase intention in the international Retail chain outlets (Metro Habib & Hyperstar) of Karachi. In the past, many researchers have been conducted on these variables, but mostly conducted outside Pakistan. We have conducted this research specifically in Karachi, Pakistan. This research examined the impact of cleanliness, music, scent, color, lighting, temperature, display/layout on purchase intention of consumers. Cleanliness, Scent, Lighting and Display/Layout have significant positive influence on the consumers' purchase intention while music and color have minimal impact on the consumer purchase intention, whereas, the temperature has almost no impact on the consumer while shopping.

5.1 Recommendation

On the basis of this research, we recommend to the managers and retail chain outlet owners that they must take into account the Cleanliness, Scent, Lighting and color of the outlets to match with the customer’s attitudes and perceptions. Scent used in retail outlets must be pleasing and attractive to both males and females. The products’ display should be made convenient for customers to explore and handle. Managers must take into consideration the environmental cleanliness so that consumers are encouraged and motivated to visit again. Proper lighting is advised for visibility of the products to consumers. More than one color could be used in lighting of retail outlets wherever possible without compromising on visibility and matching with the surrounding context. It is recommended to play music for creating a soothing environment.

5.2 Recommendation for Future Research

Future researchers are advised to collect the responses from consumers through qualitative as well as quantitative researches to know more about the influence of these variables on the consumer purchase intention. This study was limited to Karachi city only. Future research should cover either whole country or significant number of large and small cities to have a broader outlook of consumer behavior in Pakistan. Future research should be conducted using a relatively large sample. Comrey & Andrew (1992) postulated that “1000 respondents and above is considered as excellent sample size”.

References


Michon, R., & Chebat, J. C. (2004). the interaction effect of background music and ambient scent on the


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