Identification of Impact of Atmospheric Attributes upon Buying Intention of Customers in Bhat Bhateni Supermarket in Nepal

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Abstract

The rise of supermarket business through changing consumer’s behavior in the cities of Nepal, atmospheric attributes, as an integrated part of supermarket business, has become a strategic tool in creating persuasive channel in a supermarket. The purpose of this paper is to describe atmospheric attributes of Bhat Bhateni Supermarket in Kathmandu Valley, Nepal and to which the impact made by these attributes towards buying intention of customers of the store. There were 400 questionnaires distributed to the customers who have at least visited Bhat Bhateni Supermarket once. The analysis of Multiple Linear Regression and Simple Linear Regression Analysis was applied to visualize the relation between dependent and independent variables. The findings of the research described the Nepalese consumers’ views on the atmosphere of Supermarket in Kathmandu Valley and to identify the extent to which atmospheric attributes of Kathmandu Valley’s Supermarket has impact upon Nepalese consumers’ buying intention. The researcher suggests room for improvement to the Nepalese marketers who use store surrounding and atmosphere as a marketing tool in Nepal’s supermarket industry. There exist an impact of general interior of the store, store layout or the interior display and human variables of the store. Therefore, the atmospheric attributes play a key role in the success of supermarket.

Keywords: atmospheric attributes, buying intention, store atmosphere, supermarket, retail store

Introduction

The retail industry is a kind of business where there are lots of up and down due to high level of competition. The key factor for the success of retail store is its fast response and its ability in understanding consumer’s behavior. The retail store must focus on customer’s preference and the factors influencing customer purchase decision (Singh, Katiyar and Verma, 2014). Atmospherics refers to the design of an environment to stimulate perceptual and emotional responses by consumers, and ultimately to influence their behavior (Yalch and Spangenberg, 1990). Kotler (1973) defined atmospheric as the effort to design buying environment to produce specific emotional effect in the buyer that enhance his purchase probability and suggest using atmospheric as a competitive tool in
an attract and maintain a specific target market especially where product and price differences are nominal.

When a consumer feels satisfied with 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 an impact on the consumers’ emotion and satisfaction. The impressive atmosphere of the retail chain outlets enhances the customer satisfaction level and purchase experience (Silva and Giraldi, 2010). Donovan, Rossiter, Marcoolyyn and Nesdale (1994) stated that the pleasant environment heartens consumer to stay longer in the selling environment and to make unplanned purchase. Store atmospheric attributes such as color, lighting, interior decoration or music form the overall context within which shoppers make store selection and patronage decisions and are likely to have a significant impact on store image.

In Nepal, the traditional retail system is similar to that of other developing countries, there are unique aspects to the emergence of modern retail in Nepal that has grown over the past few years. Nepal is one of the underdeveloped countries, the feasible location for the Supermarkets are minimum as there are very few cities and most of them are villages (Thagunna and Khanal, 2013). The most recognized Supermarket in Nepal is Bhat Bhateni Supermarket with 12 outlets all over Nepal and are expected to increase to 15 in 2018. With rise of supermarket business through changing consumer’s behavior in the cities of Nepal, store owners find it necessary to establish attributes to improve their environment to satisfy the customers, thereby appealing to them to buy more goods. Atmospheric attributes, as an integrated part of supermarket business, has become a strategic tool in creating persuasive channel in a supermarket. Bhat Bhateni, one of Nepal’s major retail stores, has dynamically developed its business within the country to reach out to the Nepalese consumers with quality and advancement in products and services. Studying the Nepalese consumers’ views on store atmospheric attributes and their impact upon their buying intention will help Bhat Bhateni executives realize the issues concerning shopping at their supermarket.

**Literature Review**

Atmospheric Attributes

Kotler (1973) defined atmospheric attributes as the effort to design the buying environment to produce specific emotional effect in the buyer. Atmospheric attributes enhances purchase probability as a competitive tool to attract and maintain a specific target market especially where product and price differences are nominal. The role of store atmosphere in the success of retail outlet cannot be neglected (Turley and Milliman, 2000).
The impressive atmosphere of the retail chain outlets enhances the customer satisfaction level and purchase experience (Silva and Giraldi, 2010). Pleasant environments hearten consumers to stay longer in the selling environment and to make unplanned purchase. Store atmospheric attributes such as color, lighting, interior decoration or music form the overall context within which shoppers make store selection and patronage decisions, and are likely to have a significant impact on store image.

Buying Intention

Espejel, Fandos and Flavia (2008) defined buying intention as customer’s attitudes which forecast future purchases. Tanvir and Shahid (2012) stated that buying intention towards assessment of customers of their purchase behavior and the way where customers are seen to interact with the products and where deep feelings, experiences and thoughts tend to impact customer’s purchase decision.

According to Dodds, Monroe and Grewal (1991), buying intention comes into deliberation when a customer is most likely attempting to purchase some product or service. Their model consists of three main elements; cognitive element, affective element and behavioral element (Schiffman and Kanuk, 2000). Barsky (1992) explained that the more loyal a customer is to a service, the more likely they will be satisfied with the service and more likely they will repurchase the service thus, loyalty has been directly related to intention to purchase.

Review of Theories and Studies Related to Independent Variables

External Variable

Windows that generally have good displays are designed to help to create and maintain an overall store image (Park et al., 1986). The study showed influence of physical design which consists of window display and store fronts on buying behavior (Grossbart et. al., 1975). The results of window display, surroundings, storefront, parking and product category show that the external atmospheric stimuli had some significant influences on consumer’s sales, consumer’s decision to enter a store, to attract consumer attentions, intend to purchase and make decision to purchase. Pinto and Leonidas (1994) determined the influence of parking and location on perceptions on the behavior of retail consumers.
Parking

Van der Waerden, Borgers and Timmermans (1999) stated that the parking situation is defined as the surrounding of a shopping destination where available parking lots can be characterized in terms of scale, location, type, tariff, regulation, design, and accessibility. Van der Waerden and Borgers (1994) found empirical evidence of a strong relation between the location of the chosen parking lot and the location of visited stores. It showed that customers tend to visit stores where parking more available. Lorch and Smith, (1993) concluded that the probability of buying increases with an increasing size of the parking lot.

Surrounding Areas

Pinto and Leonidas, (1994) found that competitors, transportation access, population density, the type of neighborhood, nearness to suppliers, pedestrian traffic, and store composition determines, to a large extent how consumers feel and behave in a shop, and they expect the same atmosphere to do justice to the products or services which they intend buying (Terblanche, 1998). Kirby (1986) stated that location of the retail business will have a major impact on everything the shop does and the difference between selecting the wrong location and the right site could be the difference between business failure and success.

Window Display

Display is the glamour, the spark, the stage, and the sparkle that surrounds a store and makes the consumers stop, look, and buy what has been placed together with care and presented with skill (Mathew, 2008). Buttle (1984) stated that the display of products in windows is the first sign of visual merchandising display and done to increase the sales by attracting shoppers through the power of window displays.

General Interior

Atmospheric stimuli such as flooring/carpeting, lighting, scents, sounds, temperature, clearness, wall texture and color usage can be considered as general interior variables in a retail store. Music played on the store can have a significant impact on a variety of behaviors. Color appears to influence simulated purchases (Bellizzi and Hite, 1992), purchasing rates, time spent in the store, store and merchandise image and the
ability to attract a customer toward a retail display (Bellizzi, Crowley, and Hasty, 1983). The impact of lighting was examined by Baker, Grewal, and Parasuraman (1994), and Baker, Levy, and Grewal (1992). Atmospheric variables such as cleanliness, music, temperature, lighting, color and scent or fragrance affected the buying intention of customers (Hussain and Ali, 2015).

Color Scheme

Miremadi and Dizeji, (2014) stated that color evokes emotions that words and images sometimes cannot achieve. Rossotti (1983) indicated that different color schemes can be used to emphasize the uniqueness of departments. Colors attract people in the store, depending upon the product it visualizes which can make the consumers buy those products. The retail store must be smart while presenting out their products because involvement of colors in the product attracts buyers. (Gajanayake, Gajanayake and Surangi, 2011).

Cleanliness

Yun and Good (2007) stated that shopping in an immaculately clean store might generate image perceptions of cleanliness, contentment, or luxury. Cleanliness is the appearance of the retail outlet that improves the atmosphere which effects the customers feeling towards the outlet (Banat and Wandebori, 2012). Wanninayake and Randiwela (2007) stated that cleanliness of a store creates positive impression among consumers and makes them stay longer in the store.

Lighting

Lanjewar (2014) stated that the purpose of the lighting arrangement is that the shoppers can see the merchandise with ease while the retail setting looks brighter and more attractive to customers. Gajanayake et al. (2011) supported that lighting is one of the important aspect in the environment’s impact on individuals because brightly lit rooms are more arousing than dimly lit ones. Areni and Kim (1994) identified the impact of in-store lighting on various aspects of shopping behavior (consumer behavior, amount of time spent, and total sales) in a retail store setting.
Music

The notion that background music can be used to influence consumer behavior is derived from the concept of atmospherics (Kotler, 1973). Farias, Aguiar and Melo (2014) discussed that playing the appropriate background music can help retailers develop a desirable atmosphere, which contributes to the image of the store and consumer choice. McKendrick (2000) demonstrated that music can have reliable effects on atmosphere and purchase intentions in commercial environments. The impact of loudness on musical preference is moderated by gender, with females reacting more adversely than males to louder music (Kellaris, James and Ronald, 1993).

Store Layout

Well-designed layouts are extremely important because they strongly influence in-store traffic patterns, shopping atmosphere, shopping behavior, and operational efficiency (Vrechopoulos et al., 2004). Iyer (1989) studied atmospheric variables such as fixtures, allocation of floor space, product groupings, traffic flow, department locations and allocations. Store layouts are crucial part of merchandise and are matched to the targeted consumers to the extent that customers “buy into” branding statements when choosing to shop in the store (Newman and Foxall, 2003).

Department Location

Kim (2000) stated that the different location set helps customers locate specific products and departments as well give the overview of suggested items or special purchases. Donovan and Rossiter (1982) stated that the larger department stores have a lot of different kinds of products, and they divide these up into different sections to make things easier for people to find. These stores often put soft merchandize like clothing up front, with jewelry and accessories nearby to draw people in.

Floor Space Allocation

Cowles, (2002) stated that floor space allocation core requirements are enough space to move around the store, ease of access from outside the store and clear navigation and displays so that stores can also improve the communication of their values by memorable window displays, better point of sale (POS), personal touches to encourage customer loyalty, graphics, highlighting prices and age ranges in busy areas. Park, Iyer
(1989) explained space allocation of merchandising is an interest of retail store owners and retailers because it increase the sale of the product.

Product Groupings

Kim (2003) stated a product group is a collection of departments, classes, subclasses, or items that are grouped together for a common purpose. Newman and Foxell (2003) explained that grouping like products with like products will give customers additional reasons to buy more items from retail stores.

Traffic Flow

The overall objective of conducting a traffic flow analysis is to determine ways to make shopping and running the store easier, using layout and merchandising techniques to improve sales, enhance the store's appearance and make shopping more fun (Quinn and Stewart, 2007). Banat and Wandelbodi (2012) explained that when it comes to traffic patterns, nothing says it better than a correctly designed store where wide aisles encourage customers to power walk to the merchandise they have come into the store to buy.

Interior Display

Turley and Milliman (2000) defined interior display as the art or practice of planning and supervising the design and execution of architectural interiors and their furnishings. Kim (2003) explained that retailer always want to attract and show as much product as they can, which can be easily seen by the customer's eye sight. The interior of the store would be made in such a way that they use different displaying medium of attraction to provoke customer's interest and create desire to buy the products. The effects of shelf space and location on sales are “decidedly mixed”. There is a small, positive relationship between shelf space and unit sales (Curhan, 1973). Patton (1981) suggested that the amount of information in the sign can influence buyers to purchase more products.

Product Display

Gajanayake, et al. (2011) stated that product display has been identified as an in-store stimuli, which is a technique used to encourage impulse buying displays that increases the rate of unplanned purchase in retail stores. Presentation is formed in such a
way where they use forms or mannequins are used in order to provoke customers’ interest and create the desire to buy (Kim, 2003).

Racks and Cases

The shelf position influences the sales of supermarket products given the natural instinct of customers to focus on the products located at eye-level (Abratt & Goodey, 1990). Eye-movement studies found out that all the shelf locations do not attract equal attention from customers browsing products. Careful placing of high demand lines can help to attract customers to parts of the shop: while impulse purchase lines with high profit margins should be placed alongside everyday goods (Gajanayake et al., 2011).

Signs

Signage are the wordings used either alone or in conjunction with in-store display to convey product or promotional information to customers with the purpose of informing and creating demand for the merchandise (Kim, 2003). Bhatti and Latif (2014) stated that promotional signage like billboards, banners, posters, flex, bunting, placards, pamphlets, shop boards, shelf makers and hand bills of a retail store are the most direct means of communication to the product in merchandising where customers can see and visualize during their visit to the store or market.

Human Variables

Baker, Levy and Grewal (1992) investigated the effects of social cues number or friendliness of employees. They found that more social cues present in the store environment, the higher subjects arousal. The appearance of retail employees is important so that it can be used to communicate a firm’s ideals and attributes to customers (Solomon et al., 1985).

The interaction between customers and frontline employees is likely to affect customer perceptions of the shopping and consumption experience in retail and other service environment. Interactions expressed verbally and non-verbally leaves long lasting impression that affects satisfaction, repeat buying, and financial performance (Brown and Lam, 2008). According to Thang and Tan (2003), receiving good service from the store’s personnel leaves a good impression on customers, which encourages repeat visits and repurchase opportunities.
Employee Characteristics

Tendai and Crispin (2009) stated that consumers tend to enjoy a shopping experience with supportive and friendly shop assistants who can really make the shopping experience fun and enjoyable by providing extraordinary service. Wu, Kim and Koo (2015) stated that an important aspect of shopping in a retail store is the quality of the interactions between store employees and customers that construct interpersonal service quality. When Employees are customer-oriented, have good relationship with customers and exhibit perceptive and attentive listening skills, then customers will evaluate the service more highly and will be more likely to return (Gremler and Gwinner, 2000).

Research Framework

This conceptual framework was based on three theoretical frameworks which were connected with the atmospheric attributes of the store. There are five independent variables with sub-variables. The framework is shown in Fig.1. Based on the conceptual framework, five hypothesis are applied by the researcher and shown in details as follows:

H1: The external variable in terms of window display, parking and surrounding area have impact on customer’s buying intention.

H2: The general interior in terms of color scheme, lighting, music and cleanliness have impact on customer’s buying intention.

H3: The store layout in terms of floor space allocation, product grouping, traffic flow and department location have impact on customer’s buying intention.

H4: The interior display in terms of product display, racks and cases and signs have impact on customer’s buying intention.

H5: The human variable in term of employee characteristics has an impact on customer’s buying intention.
The purpose of this research is to determine the impact of atmospheric attributes of the supermarket on the buying intention of customers. The specific supermarket is Bhat Bhateni Super Market of Kathmandu Valley. There are five independent variables
with sub-variables. The variables and its sub-variables are: External Variables (Window Display, Parking and Surrounding Area), General interior (Color Scheme, Lighting, Music, Cleanliness), Store Layout (Floor Space Allocation, Product Grouping, Traffic Flow and Department Locations), Interior Displays (Product Display, Racks and Cases and Signs) and Human Variables (Employee Characteristics). All 400 research questionnaires were distributed to target population who were Nepalese people who have visited the supermarket at least once. The researcher used quota sampling and convenience non-probability sampling. The researcher used descriptive research methodology in order to examine impact of atmospheric attributes towards buying intention of costumers in Bhat Bhateni Super Market in Kathmandu, Nepal.

**Research Findings**

There are a total of five hypotheses which were tested in this research. Based on the research objectives, Multiple Linear Regression and Simple Linear Regression analysis were used in this study.

Table 1:

*The summary of hypothesis testing*

<table>
<thead>
<tr>
<th>Result</th>
<th>Significance Level</th>
<th>Beta (β)</th>
<th>Null Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: The external variables in terms of window display, parking and surrounding areas has impact on customer’s buying intention.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Window Display</td>
<td>.000</td>
<td>.208</td>
<td>Rejected</td>
</tr>
<tr>
<td>Parking</td>
<td>.000</td>
<td>.273</td>
<td>Rejected</td>
</tr>
<tr>
<td>Surrounding Areas</td>
<td>.000</td>
<td>.237</td>
<td>Rejected</td>
</tr>
<tr>
<td>H2: The general interior in terms of color scheme, lighting, music and cleanliness has impact on customer’s buying intention.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Color Scheme</td>
<td>.018</td>
<td>.143</td>
<td>Rejected</td>
</tr>
<tr>
<td>Variable</td>
<td>p-value</td>
<td>Significance</td>
<td>Result</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------</td>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Lighting</td>
<td>.027</td>
<td></td>
<td>Rejected</td>
</tr>
<tr>
<td>Music</td>
<td>.731</td>
<td></td>
<td>Failed to Reject</td>
</tr>
<tr>
<td>Cleanliness</td>
<td>.000</td>
<td></td>
<td>Rejected</td>
</tr>
</tbody>
</table>

H3: The store layout in terms of floor space allocation, product grouping, traffic flow and department location has impact on customer’s buying intention.

- Floor Space Allocation
  - Product Groupings: .010, .164, Rejected
  - Traffic Flow: .007, .196, Rejected
  - Department Location: .181, .096, Failed to Reject

H4: The interior display in terms of product display, racks and cases and signs has impact on customer’s buying intention.

- Product Display: .172, .095, Failed to Reject
- Racks and Cases: .000, .493, Rejected
- Signs: .980, -.001, Failed to Reject

H5: The human variable in terms of employee characteristics has an impact on customer’s buying intention.

- Employee Characteristics: .000, .395, Rejected

In this research, 400 questionnaires were distributed to the customers who have at least visited Bhat Bhateni Supermarket once in one of their five different outlets in Kathmandu Valley. The demographic factors taken into consideration in this study are gender, age, occupation, income level in NPR, how often customers shopped at the store, average visit, shopped alone or accompanied.

All the hypotheses have an impact upon the customer’s buying intention of at least one sub-variable. Amongst them hypothesis 1, external variable and all its sub variables had an impact upon buying intention. The null hypothesis was rejected.
displays, parking and surrounding areas all have moderately low impact upon customer’s buying intention with beta value of .208, .273 and .237 respectively. The previous study of Grossbart *et al.* (1975) supported that the external attributes have an impact on the shopping behavior.

Similarly, hypothesis 2, general interior have three sub-variables having impact upon customer’s buying intention which are color scheme, lighting and cleanliness. But, one of the sub-variables of general interior: Music has no impact upon customer’s buying intention in Bhat Bhateni Supermarket. The sub-variables which have impact upon customer’s buying intention are moderately low with the values for color scheme is .143, for lighting is .133 and cleanliness is .383, which shows cleanliness being the most important sub-variable in general interior which make an impact on customer’s buying intention. From the previous study, Richardson *et al.* (1996) discovered that the store’s interior atmosphere significantly enhances the customers’ impression about the store they visit. Hussain and Ali (2015) supported that atmospheric variables such as cleanliness, scent, and lighting, have a positive influence on consumers’ purchase intention; whereas music and color have insignificant impact on consumers’ purchase intention.

The hypothesis 3, store layout shows three sub-variables having an impact upon customer’s buying intention whereas one sub-variable has no impact upon customer’s buying intention in Bhat Bhateni Supermarket. The store layout in terms of floor space allocation, product grouping and department location have an impact on customer’s buying intention as the null hypothesis for this sub-variables were rejected whereas, store layout in terms of traffic flow has no impact on customer’s buying intention. The store layout in terms of floor space allocation, product grouping and department location have moderately low impact upon customer’s buying intention as its beta value are .164, .196 and .232. The previous study of Gajanayake *et al.* (2011) supported that store layout in supermarket had positive impact on patronage intention which held in Sri Lanka.

The hypothesis 4, interior display has 3 sub-variables where only one null hypothesis was rejected out of the three. The interior display in terms of racks and cases has an impact on customer’s buying intention in Bhat Bhateni Supermarket whereas, product display and signs have no impact on customer’s buying intention. Racks and cases have moderately medium impact on customer’s buying intention with its beta value being .493. Kim (2003) supported that visual merchandising had significant relationships
between college students’ impulse buying behavior and in-store product display and signage.

The last hypothesis 5, which uses simple regression line is impact of human variables in term of employee characteristics. In this hypothesis testing, there is an impact of employee characteristics on customer’s buying intention in Bhat Bhateni Supermarket. There is moderately low impact of employee characteristics on customer’s buying intention with beta value of .395. Chang et al. (2015) supported that employee characteristic having an impact on buying intention.

References


