

Consumer Behaviour and Moderating Effect of Frequency of Visit in Relation to Atmospheric Cues: An Experimental Study

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Abstract

Today, the retailers are striving hard to provide excellent customer experience because it is vital for their sustainability. Researchers and retailers have identified the importance of atmospheric in creating a good customer experience. The present study is based on the experimental study conducted in a real retail setting. Two atmospheric cues - background music and affability of the salesperson were considered for the experimental study in a real retail setting. The study shows the presence of moderating effect of frequency of visit to the store on the perception only for affability of salesperson and not on background music. Moderating effect of frequency of visit was not found on perception of merchandise quality and overall environment in the presence of atmospheric stimuli selected for the experimental study. But as far as emotion and behavior of shoppers are concerned, frequency of visit did have a moderating effect on the same. The study suggests that the retailers should provide novelty in atmospheric for frequent visitors to increase store patronage.

Keywords : atmospheric, ambient music, affability of salesperson, perception

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Organized retailing is set to grow with bounce and leap, especially after the revised FDI. The competition is going to be tremendous. The retailers are investing their time and resources to create unique customer experience in their stores. According to Gentile, Spiller, and Noci (2007), the customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. As per Meyer and Schwager (2007), this experience is strictly personal and implies the customer's involvement at different levels - rational, emotional, sensorial, physical, and spiritual. They further stated that, "Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs during the course of purchase, use, and service, and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representatives of a company's products, services, or brands, and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews, and so forth." Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros, & Schlesinger (2009) recommended the holistic nature of customer experience construct, which involves the customer's cognitive, affective, emotional, social, and physical responses to the retailer. They emphasized that the "experience is created not only by those elements which the retailer can control (e.g., service interface, retail atmosphere, assortment, price), but also by elements that are outside the retailer's control (e.g., influence of others, purpose of shopping).

Verhoef et al. (2009) concluded in their research that the customer experience encompasses the total experience, including the search, purchase, consumption, and after-sale phases of the experience, and may involve multiple retail channels, but they definitely did not ignore the importance of atmospheric in creating the right kind of experience for the customers. The term "Atmospheric" was defined first by Kotler in 1973. Kotler (1973) stated that elements of store atmospherics can be processed through sight, sound, touch, and smell. Consumers individually perceive different qualities of the environment, their perceptions being altered by selective attention, distortion, and retention (Kotler, 1973). These perceived elements influence the buyers' information and affective state, which in turn, may increase or decrease the latter's purchase probability or satisfaction with the service (Bitner, 1990, 1992 ; Kotler, 1973). In addition,

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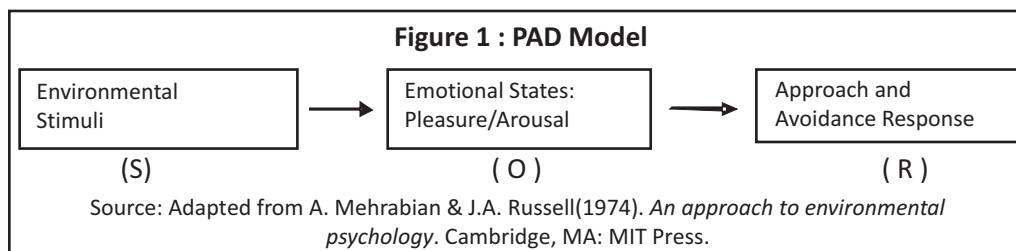
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atmosphere can help differentiate a service environment from its competitors and communicate information about the establishment to potential and actual consumers (Bitner, 1990, 1992; Baker, Grewal, and Parasuraman, 1994; Kotler, 1973). As per a study by Jha and Singh (2013), a positive effect was found between the affability of salesperson and music on perception regarding merchandise quality and overall perception in a retail store. The present study aims to understand the moderating effect of frequency of visit to a store on the perception of ambient music, affability of salesperson, perception of merchandise quality, and overall perception. The study also intends to understand the moderating effect of frequency of visit to a store on emotion and behavior of consumers in four experimental conditions.

Review of Literature

Mehrabian and Russell's PAD model is the first theoretical model which clearly explained the importance of environment on the emotion and finally on the behavior of consumers in a retail setting. Mehrabian and Russell's (1974) model is very popular in the study of environmental psychology and is based on the stimulus-organism-response (S-O-R) paradigm. As shown in the Figure 1, the (S) component is the environmental stimulus, the (O) component is the emotional states, and the (R) component is the approach-avoidance responses.



The (S) component identifies the importance of specific stimuli that are said to affect the emotional states of pleasure and arousal, the (O) component, which in turn affects the (R) component, the approach-avoidance behaviours. Mehrabian and Russell (1974) stated that a conditional interaction exists between pleasure and arousal in the determination of approach-avoidance behaviours, arousal amplifying approach behaviours in pleasant environments, and avoidance behaviors in their counterparts. The existence of such a relationship between positive emotions and approach, as well as between negative emotions and avoidance has been empirically proven by research (Donovan & Rossiter, 1982).

Store atmospherics has gained more importance in recent years because of the simple fact that customers are searching for good experience during their visit to the store. Grayson and McNeill (2009) from their study confirmed that atmospherics have the ability to create positive emotion and behavior. According to another study by Ghosh, Tripathi, and Kumar (2010), eleven store attributes were identified based on theory and judgement, and the factor analysis yielded three factors - Convenience & Merchandise Mix, Store Atmospherics, and Services. The study was conducted with reference to organized retailing in India. In another study by Kulkarni (2011), on customer expectation management (CEM), the role of various factors like availability of various products, quality of the products, store atmospherics, pricing, working hours, and behavior of employees were discussed and its importance to deliver superior customer experience was described in a retail chain grocery store. Rao & Manikyam (2013) conducted a case study on the importance of ambience factors, service performance, and sales promotion techniques in small - scale retail establishments.

Both the atmospheric stimuli - music and salesperson - considered for the present study appeared in the list of environment cues suggested by various authors in the context of retail settings. One of the two environmental cues, which is the subject of the present study, that is, music is a part of the aural dimension of Kotler's (1973) categorization. It also figures into the first dimension of both Baker (1986) and Bitner's (1992) typology of ambient cues, and in Turley and Milliman's (2000) classification. Music was identified as one of the elements of atmospheric by Theodoridis and Chatzipanagiotou (2009). The other environmental cue, that is, salesperson is identified under social factor of

atmospheric by Baker (1986). It also figures in the categorization done by Turley and Milliman (2000) under human variables. Sales personnel is identified as one of the constructs of store attributes by Theodoridis and Chatzipanagiotou (2009). Store personnel are significant for customer satisfaction (Theodoridis & Chatzipanagiotou, 2009).

Jain and Bagdare (2010) explained the influence of music on consumption experience at cognitive, emotional, and behavioural levels, specifically with regard to attitudes and perceptions, time and money spent, and moods and feelings in retail experience. Ferreira and Oliveira-Castro (2011) in their study proposed a behavioural perspective model to investigate an atmospheric variable in a consumer setting. In the study, they manipulated the quality of background music of a mall and observed its effects on consumer behaviour in two stores. Results of Ferreira and Oliveira-Castro's study showed that in a higher-quality condition, there was an increase in cash flow and verbal reports of pleasure, and a decrease in conversion rates. In another study by Iyiola and Iyiola (2011), significant effect of music on individual's emotion was found.

Salespeople are considered as the strength of the retail business. Though the expectation from the salespeople is dependent on the nature and category of the retail outlet, but it is one of the important dimensions to achieve a competitive advantage. Khare, Praveen, and Rai (2010) used SERVQUAL construct to study the service quality aspects of retail stores in Northern India. As per their study, customer satisfaction is dependent on the relationships retailers build with their customers through interactions, and customer's evaluation about service quality remains same across different age groups.

Research Objectives

- (1) To understand the moderating effect of frequency of visit on the perception of atmospheric stimuli music and affability of salespersons.
- (2) To understand the moderating effect of frequency of visit on the perception of merchandise quality.
- (3) To understand the moderating effect of frequency of visit on the perception of the overall environment.
- (4) To understand the moderating effect of frequency of visit on the emotion of the consumers.
- (5) To understand the moderating effect of frequency of visit on the behavior (approach/avoidance) of consumers.

Research Methodology

The present study is based on an experimental study conducted in a retail store in India. The experiment was conducted by manipulating the two independent variables - ambient music and affability of the salesperson in four conditions (absence/presence of the variables). Research design used for the study was 2x2 factorial design containing two environmental factors (music and salesperson) and four modalities (presence/absence of music, presence/absence of affability of the salesperson) were selected.

In control condition, both the variables, music and affability of the salesperson were absent. In Condition 1, only music was present and in Condition 2, only affability of the salesperson was present. In Condition 3, both the variables were introduced simultaneously. The total sample size taken for the study was 300 respondents, 75 respondents for each condition. Respondents of the study were above 18 years of age. They were selected randomly for data collection. Cronbach's alpha tests were performed to ensure reliability and internal consistency of the scale used for the data collection. All multi-item measures, perception of merchandise quality, perception of the overall environment, perception of ambient music, perception of affability of the salesperson, emotion (pleasure/arousal), and behaviour (approach/avoidance) exhibited Cronbach's alpha coefficient higher than the acceptable score of > 0.70 (Whitley,

Table 1: Predictors of Perception of Ambient Music

Predictors	Condition 3		Condition 2		Condition 1		Control Group	
	β -value	P value	β -value	P value	β -value	P value	β -value	P value
Visit store 4 or more times	0.078	0.570	0.012	0.925	0.044	0.719	0.052	0.654

Source : Primary Data

2002). Intra class correlation score was also observed to be high. Hence, it can be concluded that the scale used was highly reliable. The period of the study was from March to May 2011. Respondents who visited the store 4 or more times in a month were considered as frequent visitors for the purpose of the study. Regression analysis was done to measure the moderating effect of frequency of visit on other variables.

Table 2. Predictors of Perception of Affability of the Salesperson

Predictors	Condition 3		Condition 2		Condition 1		Control Group	
	β -value	P value	β -value	P value	β -value	P value	β -value	P value
Visit store 4 or more times	0.250	0.012*	0.291	0.018*	0.024	0.827	-0.073	0.545

Source : Primary data

Results and Interpretation

The results of the Table 1 explain that perception of independent variable - ambient music is not affected by the frequency of visit to the store. No moderating effect of frequency of visit was found on the perception of ambient music. The perception of ambient music remains uniform across all the respondents. As per the results of the Table 2, in Condition 2 and Condition 3, where affability of the salesperson was present, significant difference in perception was observed between the customers who visited the store frequently, and customers who did not visit the store frequently. The two sets of customers did not respond similarly with respect to the second stimuli, affability of the salesperson. Thus, it can be interpreted that frequency of visit had a moderating effect on the perception of affability of the salesperson. It can further be interpreted that frequent visitors could easily understand the difference in the changed level of behavior of the salesperson.

Table 3. Predictors of Perception of Merchandise Quality

Predictors	Condition 3		Condition 2		Condition 1		Control Group	
	β -value	P value	β -value	P value	β -value	P value	β -value	P value
Visit store 4 or more times	0.188	0.112	-0.171	0.183	0.198	0.199	0.367	0.002**

Source : Primary data

As far as perception of merchandise quality is concerned, frequent shoppers' and non frequent shoppers' responses were different without introducing the stimuli as depicted in the Table 3. There was a significant difference between their perceptions in a control group. But as the stimuli were introduced, the perception of all the shoppers remained similar irrespective of their frequency of visit to the store. Thus, no moderating effect of frequency of visit was found on the perception of merchandise quality in the presence of the atmospheric stimuli selected for the study. So, it can be concluded that the atmospheric stimuli had a direct influence on perception of merchandise quality. The atmospheric

Table 4. Predictors of Perception of Overall Environment

Predictors	Condition 3		Condition 2		Condition 1		Control Group	
	β -value	P value	β -value	P value	β -value	P value	β -value	P value
Visit store 4 or more times	0.156	0.239	0.170	0.188	0.235	0.102	0.239	0.039*

Source : Primary data

Table 5. Predictors of Emotion (Pleasure / Arousal)

Predictors	Condition 3		Condition 2		Condition 1		Control Group	
	β -value	P value	β -value	P value	β -value	P value	β -value	P value
Visit store 4 or more times	0.295	0.026*	0.040	0.762	0.091	0.463	0.042	0.720

Source : Primary data

Table 6. Predictors of Behaviour (Approach /Avoidance)

Predictors	Condition 3		Condition 2		Condition 1		Control Group	
	β -value	P value	β -value	P value	β -value	P value	β -value	P value
Visit store 4 or more times	0.213	0.002**	0.386	0.001**	0.011	0.935	0.128	0.273

Source : Primary data

cues have improved their perception and it is similar for frequent as well as non-frequent visitors. Again, the result of the Table 4 shows that without the atmospheric stimuli, there was a significant difference in the overall perception between frequent shoppers and the non frequent shoppers. However, as the stimuli were introduced, all the shoppers responded similarly, and no difference in the perception of the overall environment was found between frequent visitors and non-frequent visitors. Thus, it can be concluded that there was no moderating effect of frequency of visit on the affect of atmospheric stimuli on perception of the overall environment. The two atmospheric stimuli enhanced the perception of shoppers about the overall environment of the store, and it was not moderated by frequency of visit.

The results of the Table 5 revealed that there was a difference in the emotions of the shoppers who visited the store regularly and who did not visit the store regularly in Condition 3. Hence, some amount of moderating effect of frequency was found in the feeling and emotion of shoppers when both the atmospheric stimuli were present. The results of the Table 6 depict that the two group of consumers, frequent visitors and non-frequent visitors, exhibited significant difference in their behavior in Conditions 2 and 3. Thus, it can be interpreted that frequency of visit to a store had a moderating effect on the behavior (approach/avoidance) of the customers.

Conclusion

The present study aimed to find out the difference in perception about the atmospheric cues in a store between frequent visitors and non - frequent visitors. Significant difference in perception about the changed level of behavior of the salesperson was found, but no difference in perception was found between the frequent visitors and the non frequent visitors about the other atmospheric cue, music. Thus, it can be concluded that frequency of visit does have a moderating effect on the perception of affability of the salesperson, but it failed to have any moderating effect on the perception of background music. No moderating effect of frequency was found in the perception of merchandise quality and the overall environment during the experimental conditions. Some amount of moderating effect was found on the emotion and the behavior of the shoppers. The frequent visitors would have found the changed level of atmospheric as novel. The store environment would have appeared exciting and pleasant. In a pleasant environment, they would have exhibited positive emotion and subsequently, would have shown approach behavior. For non frequent shoppers, it must have been any other store and changed level of atmospheric would not have elated them. It can further be inferred that though the store atmospheric, music, and salesperson have a positive impact on consumer buying behavior, customers' expect novelty from the store. A novel atmosphere excites them, and they feel happy while shopping. In a pleasant emotional state, they tend to explore more and the possibility of purchasing is also more.

Managerial Implications

The present study measured the difference on the impact of music and behavior of salesperson on frequent shoppers and non frequent shoppers. Since moderating effect was found on the perception of affability of the salesperson, it is inevitable for the store managers to focus on the behavior and etiquettes of the salesperson. In fact, formal training sessions for salespersons and monitoring their behavior with the shoppers would help to increase the stores' sales multiple times. Formulation of customer relationship strategies can incorporate the role of salesperson as a significant tool to improve customer engagement. A well behaved salesperson can influence the emotion, and in turn, the purchase motive of the shoppers.

The results emphasize that the frequency of visit does not have a moderating effect on the perception of background music. The music played during the experimental period were latest filmi and non filmi Hindi and Kannada tracks. The store manager needs to change the background music from time to time to make the store novel and exciting for

the frequent visitors. The limitation of the study is that it was conducted only in one type of store. Such studies can be repeated in other retail formats as well. In addition, further research needs to be conducted to understand the different levels of atmospheric, which can create novelty in the store.

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