

THE EFFECTS OF STORE ATMOSPHERE ATTRIBUTES ON STORE LOYALTY INTENTIONS OF HYPERMARKET/SUPERMARKET CUSTOMERS

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ÖZET

Bu çalışma mağaza atmosferi değişkenlerinin tüketicilerin mağaza sadakati niyetlerini nasıl etkilediğini incelemektedir. Literatür araştırması ve araştırmacı tarafından gerçekleştirilen kalitatif çalışmanın sonucunda süpermarket/hipermarket gibi gıda perakende firmalarında mağaza atmosferi değişkenleri 5 faktör (satın alma uygunluğu, insan etkileşimleri, mağaza dizaynı, fiziksel olgular ve satınalma sonrası uygunluğu) altında toplanmıştır. İstanbul'da yaşayan 317 tüketiciden toplanan veriler mağaza atmosferi değişkenlerinin tüketici satınalma davranışı üzerinde güçlü bir etkisi olduğunu ve bu davranışların tüketici sadakat niyetlerinde olumlu bir etki yarattığını göstermiştir.

1. Introduction

How customers develop loyalty to a particular store and how that loyalty can be maintained are open questions. An understanding of current customers' store loyalty intentions and their determinants is very important to retailers to optimise their activities. Especially in the grocery retail industry, there is still uncertainty and incorrect beliefs about what matters to

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customers. Recently, retailers realize the importance of store atmosphere to create better shopping experience, which in turn more happy satisfied customers. That's why understanding the role of store atmospheric cues on shopper perceptions and behavior is critical for success.

In today's competitive marketplace, retailers find it more difficult to differentiate their stores solely on the basis of merchandise, price, promotion, or location. However, the store itself, can offer a unique atmosphere that may influence the consumers' patronage decision (Kotler, 1973-74). In store elements such as colour, lighting, style or music may have more immediate effects on decision making than other marketing inputs such as advertisements that are not present at the point of purchase (Baker and Grewal, 1994). It is also found that consumers' beliefs about the physical attractiveness of a store had a higher correlation with patronage intentions than did merchandise quality, general price level, or selection (Baker and Grewal, 1994).

Marketing researchers realised that if consumers are influenced by physical stimuli experienced at the point of purchase, then, creating influential atmospherics should be an important marketing strategy for retailers. Such atmospheric planning can make the difference between a business success and failure (Turley & Milliman, 2000). Mostly, the essential purpose of a differential advantage for retailers, as for manufacturers, is to increase loyalty among customers.

Recent evidence suggests that profits may be enhanced when strategies focus on retaining current customers. Even small increases in retention rates can dramatically increase profits (Reicheld and Sasser, 1990). Focusing on one's current customers' results an increase in satisfaction may also generate other benefits, such as the generation of positive word-of-mouth, which results in enhanced loyalty (Sirohi et.al.1998).

Increasing competition in Turkish grocery market is pushing retailers to search for new ways to differentiate themselves and gain a better competitive position in the minds of consumers to improve store loyalty. Still efforts are not sufficient therefore this study will provide basic knowledge to the retail sector. Besides, customers deserve a better way of treatment and improvement of quality of life that is partially linked to where and how people do their shopping.

According to a study done in Turkey by AC Nielsen Zet (2000) loyalty is a positive concept for Turkish consumers. 53% of them prefer to do grocery shopping from the same store. But only 23% of them stay loyal to

their store. The other 30% tell expensive prices, inefficient sales personnel, difficulty in transportation and low product assortment are the main reasons for them to switch to other stores.

Specifically, the present study tests the relationship between store atmosphere attributes and store loyalty intentions of current big food retail customers in Istanbul. Although a number of grocery-image studies done have identified store attributes, evidence suggests that these attributes vary by store type and over time (Mitchell and Kiral, 1998). Yet, in Turkey very little work has been done about the most important aspect to retailers, namely store loyalty.

This study will help retailers to understand how the store atmosphere attributes and store loyalty intentions of the customers are linked. Our study seeks to help food retailers find an answer to how to increase store loyalty intention of their customers. Thus, we seek a broader understanding of how store atmosphere attributes effect store loyalty intentions of food retailer customers. We begin with a brief review of previous research on store atmosphere effects on shopping behaviour with impacts for retailers. Then we discuss the literature on the impacts of store loyalty for retailers. This is followed by a presentation of the hypotheses examined in our study. The methodologies employed to test the hypotheses are then explained, followed by a report on the results.

2. Literature review

We position this research in three ways. First, we discuss the literature on the effects of store atmosphere on shopping behaviour. Next, we examine the impacts of store atmosphere on retailers. Finally, the impacts of store loyalty for retailers are discussed.

2.1. Atmospheric variables effect on shopping behaviour

The influence of the atmospheric variables on consumers' feelings and behaviours is a research topic of great relevance to retailers. Knowing what atmospheric variables impact on the feelings of consumers can suggest appropriate marketing strategy to create and maintain positive shopping experiences. Donovan et al.'s study (1994) reveals that pleasurable shopping experiences induced by environmental factors in turn are likely to encourage

consumers to spend more money than intended. Kotler (1973-74) supported these findings in his study. Regardless the designers effort to create an atmosphere (intended atmosphere), different customers perceive atmosphere differently (perceived atmosphere). There is an important distinction between intended atmosphere and perceived atmosphere. One's reaction to colours, sounds, noises, and temperatures are partly learned.

People of different cultures have different ideas about colours, smells, and sound (Kotler, 1973-74). Therefore, Turkish customers may have different perceptions of the same attributes than other customers of other nations. Our study can make contributions to the academicians for a comparative study.

Physical environment influences behaviours and creates image mostly in service businesses such as hotels, banks, restaurants, retail stores and hospitals. Because the service generally is produced and consumed simultaneously while the consumer is in the facility where the service is produced. The facility (store) cannot be hidden and in fact have a strong impact on consumers' perception of the service experience (Bitner, 1992).

The retail environment provides a complex physical situation. The design and layout of a store, for instance width of aisles and music inside the store will influence the level of satisfaction and purchase patterns. The degree of crowding in a shop also affects purchase behaviour. Heavily crowded supermarket leads to faster shopping and a low level of purchase. On the other hand people shopping together stimulates each other to buy more (Bireham, 1995). It is proposed that consumer's attitude be positively related to the internal and external environment of the retail setting. The store's environment could be attractive enough for a consumer to enter. In order to complete sale, the other environmental variables, such as waiting time at the cash registers, music inside the store, etc. should be acceptable to the consumer. Thus retail atmospheric plays a critical role in consumer shopping behaviour (Kumar et al., 2000).

Ward, Bitner and Barnes (1992) refer to store atmosphere as store's physical environment and according to them store's physical environment can be divided into two parts: the external environment which is the part of the store visible prior to entry like parking lot, entrance, traffic and the internal which is the part of the store visible from the retail selling space. In this study, only internal environment, referred to store atmosphere, is examined since it has proven that many consumers make decisions at the point of purchase (Baker and Grewal, 1994).

Another classification came from Berman and Evans (1995), which divides atmospheric stimuli into four categories: the exterior of the store, the general interior, the layout and design variables, and the point-of-purchase and decoration variables. However, Turley and Milliman(2000) added a fifth category, which is human variable. This typology (Table 2.1) is used as a conceptual framework in this research which allows managers to begin to identify and tailor appropriate atmospheric elements in order to communicate a desired image or environment to a particular shopper segment or target market and induce a desired result from shoppers. However, as mentioned earlier external variables are excluded in this study since according to the literature many consumers make decisions at the point of purchase (in the store) (Baker and Grewal,1994).

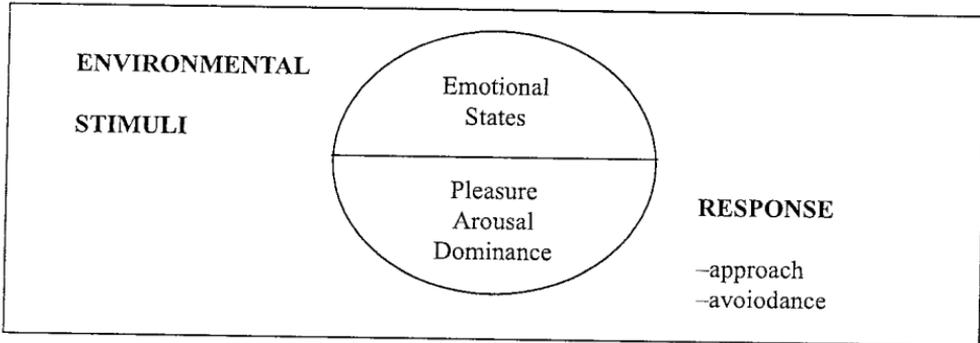
Table 2.1 Atmospheric Variables

External Variables	General Interior Variables	Layout and Design Variables	Point-of-Purchase Variables	Human Variables
Exterior signs	Flooring and carpeting	Space design and allocation	Point-of-purchase displays	Employee characteristics
Entrances	Colour schemes	Placement of merchandise	Signs and cards	Employee uniforms
Exterior display windows	Lighting	Grouping of merchandise	Wall decorations	Crowding
Height of building	Music	Work station placement	Degrees and certificates	Customer characteristics
Size of building	Scents	Placement of equipment	Pictures	Privacy
Colour of building	Tobacco smoke	Placement of cash registers	Artwork	
Surrounding store	Width of aisles	Waiting areas	Product displays	
Lawns and garden	Wall composition	Waiting rooms	Usage instructions	
Address and location	Paint and wall paper	Department locations	Price displays	
Architectural style	Ceiling comp.	Traffic flow	Tele-text	
Surrounding area	Merchandise	Racks and cases		
Parking availability	Temperature	Waiting ques		
Congestion and traffic	Cleanliness	Furniture		
Exterior walls		Dead areas		

Source: Turley and Milliman, 2000

Environmental psychologists develop a paradigm called stimulus-organism-response (S-O-R). In this paradigm, the atmosphere is the stimulus (S) that causes a consumer' evaluation (O) and causes some behavioural response (R) (Donovan and Rossiter, 1982)(Figure2.1).

Figure 2.1 The Mehrabian-Russell Model of Environmental Influence



Source: Mehrabian and Russel, 1974

Turley and Milliman (2000) have placed these stimuli into 5 basic categories, which illustrates the way store atmosphere influences shopper behaviour in accordance with S-O-R paradigm (Appendix I).

There are some important factors in this figure. First of all, the physical environment interacts with the characteristics of individuals to determine their response. Therefore, an atmospheric variable that produces a certain response for an individual or group of people at a given time may produce an entirely different response for another individual or group of people. For example, the response produced by atmospheric stimuli may be different for teenagers and older shoppers. Secondly, the store atmosphere influences both the customers and the store's employees; who in turn may influence each other through their interactions (Turley and Milliman, 2000).

Turley and Milliman (2000) after reviewing the pertinent literature of the empirical studies of the influence of atmospherics (facility based environmental cues) on consumers, found that atmospheric variables influence a wide variety of consumer evaluations and behaviours. In spite of the diversity in methodologies used in those empirical studies, it is important to note that each of these studies found some type of statistically significant relationship between the atmosphere and consumer behaviour.

2.2. Impacts of store atmosphere for retailers

Marketers understand that the environment of a store is an important part of the shopping experience and it can influence consumers' decision to visit the store (Kotler, 1973-74).

Retailers can segment their market and differentiate their offerings. However, within a given format like hypermarket, discount stores retailers tend to use very similar layouts, promotional techniques and prices. That is why store values are frequently the subject of many researchers to differentiate stores and create added value.

The retail environment provides many informational cues that consumers use to form impressions about the store. Those cues are "controllable cues" which are directly related to 4 P's. However there are many other "uncontrollable cues" such as shoppers' personal characteristics (Sirgy et al., 2000). Store cues related to place could be grouped in terms of store atmospherics and store location. Store atmospheric cues, such as colour, lighting, interior decoration, music, scent effect consumers' patronage decisions and have a significant impact on store image (Turley and Milliman, 2000). That's why retailers try to improve their store atmosphere to attract their target customers and therefore to increase their profitability.

With this in mind, retailers try to create generally better shopping experience. No shopper could object to investment in personnel, systems and technology, number of checkouts, range of products stocked quality property (wide aisles, cleanliness) (Corstjens et al., 1998).

Marketers know that those atmospheric variables have an impact on the attributes and behaviours of the consumers. This will influence the level of satisfaction and purchase patterns. Atmospherics have an effect on purchase behaviour by creating an attention, giving a message and having an effect, ie. increase purchase probability. Of course individuals may react differently to the physical environment. Reactions to places occur in two general and opposite forms of behaviour: approach and avoidance. Therefore, firms want to encourage approach behaviour and discourage avoidance behaviour. Marketers understand that the store atmosphere is an important part of the shopping experience and that they can create the experience they want for the customers by manipulating atmospherics.

2.3 Impacts of store loyalty for retailers

In retail sector, building and retaining loyalty is a vital issue. The key dimensions of loyalty, which are service quality, product quality and price, make a major contribution to build customer satisfaction and loyalty.

Retailers benefit from developing marketing strategy around either converting more of their shoppers into loyal customers or concentrating their efforts on satisfying needs and wants of their loyal customers (Know and Denison, 2000).

The impacts of store loyalty can be grouped as relationship impacts and financial impacts for retailers.

2.3.1. Relationship impacts

Loyalty schemes have a number of relationship benefits for the retailer. The retailer can accurately track the purchasing habits of loyal customers and this enables them the acquisition of important data, which can be used for relationship retailing to create more focused retailing strategy such as targeted promotional incentives. Loyal customers create repeat purchases through targeted promotional incentives and benefits and those incentives will also act as a promotion for new customers and they, in turn, can tell others about their experience. Furthermore, customers will not take as much notice of competitive offers and promotions if they are already linked to the store (Gilbert, 1999).

2.3.2. Financial impacts

The longevity of a customer's relationship favourably influences profitability. Customers who remain with a firm for a period of years because they are pleased with the service are more likely than short-term customers to buy additional services and spread favourable word-of-mouth communication. The firm also may be able to charge a higher price than other companies charge, because these customers value maintaining the relationship. The initial costs of attracting and establishing these customers have already been absorbed and, due to experience-curve effects, they often can be served more efficiently. Reichheld and Sasser (1990) supports this view, contending that profit on credit card services purchased by a ten-year customer is on average three times greater than for a five-year customer.

When customers are lost, new ones must be attracted to replace them, and replacement comes at a high cost. Capturing a new customer is expensive since it involves advertising, promotion, and sales costs, as well as start-up operating expenses. New customers are often unprofitable for a period of time after acquisition. Capturing customers from other companies is also an expensive proposition (Zeithaml&Berry, 1996).

2.3.3 Summary of impacts of store loyalty for retailers

If we summarise the impacts of store loyalty for retailers we see two categories; relational impacts and financial impacts. (Figure 2.2)

Figure 2.2 Impacts of Store Loyalty for Retailers

RELATIONSHIP IMPACTS	FINANCIAL IMPACTS
<ul style="list-style-type: none"> - be able to track the purchasing habits - be able to create repeat purchases - be able to create positive word-of-mouth - be able to make customers to ignore competitors' offers 	<ul style="list-style-type: none"> - be able to make customers to pay higher prices - be able to improve business profitability - be able to make customers to spend more money - be able to charge higher price than competitors

3. Hypotheses

The following 5 hypotheses were formed from the reviewed literature on store atmosphere and store loyalty. Since the relevant issues were identified in the previous discussion, in this section, we merely state the hypotheses.

Ho1: There is no relationship between general interior variables (GIV) and store loyalty intentions.

Ho2: There is no relationship between layout and design variables (LDV) and store loyalty intentions.

Ho3: There is no relationship between point-of-purchase and decoration variables (POP&DV) and store loyalty intentions.

Ho4: There is no relationship between human variables (HV) and store loyalty intentions.

Ho5: There is no relationship between store atmosphere attributes (overall) and store loyalty intentions.

4. Methodology

At first, exploratory research was performed by means of literature survey. This enables us to be familiar with the concepts and terminology of store atmosphere and store loyalty. In the second stage, descriptive research by means of survey performed on a representative sample of current hypermarket/supermarket customers. This enables us to obtain consumers' opinions on store atmosphere attributes and their loyalty intentions for that specific food retail store.

4.1. Questionnaire Design

To refine the store atmosphere constructs to be examined, and to reduce potential threats to face validity, several steps were taken. First, in a pilot study consisting of 30 people, the respondents were asked to consider the following question: "With respect to your big food retailer shopping experience, which store atmosphere attributes do you consider when selecting a store?" The responses were compared to the lists identified in the literature review. Necessary adjustments and improvements than made. A questionnaire consist of 32 store atmosphere attributes was carefully developed. In the beginning of the questionnaire a categorical question was asked to respondents to specify the retailer (where) the respondent do shopping most frequently. The respondents were then asked to answer the rest of the closed-ended questions which are measured on a five-point scale from "never to always" according to that specific store which they chose.

Six questions were asked to measure store loyalty intentions of the customers for that particular store. The following store loyalty intention indicators all measured on a five- point scale from "never to always". The indicators are:

- intent to continue to do shopping from this store;
- intent to use the store for more grocery needs in the next twelve months;

- intent to recommend the store to friends;
- intent to say positive things about the store;
- intent to consider the store the first choice from which to do shopping;
- intent to encourage friends/relatives to do shopping from this store.

4.2. Variables

In accordance with the objectives of the study, 38 variables are investigated among which six (V33-V38) are dependent variables measuring store loyalty intentions. The first 32 questions (V1-V32) belong to store atmosphere scale measuring the existence of store attributes. Those dependents and independent variables measured in the questionnaire are presented below Table 4.1. :

Table 4.1. Variables Measured by the Questionnaire

Variable Name	Scale and Measurement	Sources
Music (v1)	Interval	Adopted from Berman et al. (2000) Turley and Milliman, 2002
Scent (V2)	Interval	Adopted from Berman et al. (2000) Turley and Milliman, 2002
Temperature (V3)	Interval	Adopted from Berman et al. (2000) Turley and Milliman, 2002
Lighting (V4)	Interval	Adopted from Berman et al. (2000) Turley and Milliman, 2002
Tobacco Smoke (V5)	Interval	Adopted from Berman et al. (2000) Turley and Milliman, 2002
Crowding (V6)	Interval	Adopted from Berman et al. (2000) Turley and Milliman, 2002
Equipment (V7) Shopping-cart maintenance	Interval	Adopted from Berman et al. (2000) Turley and Milliman, 2002
Equipment (V8) Shopping-cart size	Interval	Adopted from Berman et al. (2000) Turley and Milliman, 2002

Variable Name	Scale and Measurement	Sources
Equipment (V9) Shopping-cart workingcon	Interval	Adopted from Berman et al. (2000)
Signs (V10)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Space Design and Allocation (V11)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Space Design and Allocation (V12)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Grouping of Merchandise (V13)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Cleanliness (V14)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Resting Areas (V15)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Racks and Cases (V16)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Point-of-Purc.Displays (V17)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Usage Instructions (V18)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Price Displays (V19)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Teletext (V20)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Employee Characteristics (V21)/existence	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Employee Characteristics (V22)/uniforms	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Employee Characteristics (V23)/cleanliness	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)

Variable Name	Scale and Measurement	Sources
Employee Characteristics (V24)/giving information	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Employee Characteristics (V25)/listening	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Customer Characteristics (V26)/disturbance	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Employee Characteristics (V27)/disturbance	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Customer Privacy (V28)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Information/Complaint Desks (V29)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Cash Registers (V30)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Cash Registers (V31)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Employee Characteristic/packing(V32)	Interval	Turley and Milliman, 2002 Adopted from Berman et al. (2000)
Intent to continue to do more shopping(V33)	Interval	Turley and Milliman, 2002 Adopted from Prus and Brandth(1995) Zeithaml et al (1996)
Intent to use store more (V34)	Interval	Adopted from Prus and Brandth(1995) Zeithaml et al (1996)
Intent to consider the store as first choice(V35)	Interval	Adopted from Prus and Brandth(1995) Zeithaml et al (1996)
Intent to say positive things(V36)	Interval	Adopted from Prus and Brandth(1995) Zeithaml et al (1996)
Intent to recommend the store(V37)	Interval	Adopted from Prus and Brandth(1995) Zeithaml et al (1996)
Intent to encourage friends/relatives (V38)	Interval	Adopted from Prus and Brandth(1995) Zeithaml et al (1996)

4.3. Sampling

The population was defined as active hypermarket and supermarket shoppers chosen as big food retail customers. Out of five hundred 317 questionnaires have been returned. This reflects a response rate of 63.4%. So the sample consisted of 317 hypermarket/supermarket shoppers in Istanbul. Individual hypermarkets were chosen according to the number of stores they have. The respondents are non-randomly selected by snowball method. Although they did not necessarily have to purchase their whole shopping there, they were all habitual customers of that specific store.

4.4. Methods of Data Analysis

The questionnaire of 38 variables, which were, administered through advanced data analysis utilities of SPSS 8 (statistical package for social sciences) for Windows run on a PC. First, factor analysis for store atmosphere scale is performed. Secondly the reliability of those factors are investigated. Also the reliability analysis is performed for our dependent variable, which is store loyalty intention. Thirdly the correlation analysis is performed to see if the hypothetical relations between independent variables and dependent variable exist.

4.5. Limitations of the study

The method of sampling, which is non-random convenience method, is a limitation. Also since the questionnaires are distributed by snowball method, the control over who fills the questionnaire was limited. Since our analysis was conducted on shoppers who mentioned the chain as their most preferred outlet, it is possible that this introduces a bias. However, this effect, if it exists, applies to all respondents, and it may have little impact on the results.

5. Results

5.1. Reliability and Factor Analysis

A principle component analysis (for variables 1 to 32) with varimax rotation conducted resulted in 7 factors. Reliability analysis for each factor was performed. The items that decreased the reliabilities (10 items) were

eliminated and factor analysis was repeated. Therefore those 10 variables are not included in further factor analysis.

In the final factor analysis for store atmosphere attributes, KMO measure of sampling adequacy is .873. which falls in the acceptable range (>.50). The result was 5 factors with reliabilities $\alpha = .8151, .8587, .7627, .6958$ and $.5228$ respectively. Total variance explained was 61.59%. Factors are then named as "Purchasing Convenience", "Human Interaction", "Layout and Design", "Physical Aspects" and "After Purchase Convenience". Also the factors, their loadings, explained variances and reliability values are shown in Table 5.1. The overall reliability value of store atmosphere attributes is .9145 which is very high meaning that a reliable store attribute scale could be reached. From this point forward these new variables will be used in our hypotheses and analyses.

Table 5.1 Reliability and Factor Analysis for Store Atmosphere Attributes Scale

Item Labels	Factor Loadings	Variance Explained	Cronbach Alpha	Number of items
Factor1:Purch. Convenience		15.901	.8151	7
V31. Shopping cart wheels	.747			
V32. Section directions	.706			
V34. use space	.684			
V29. Shopping cart maintenance	.638			
V33. Products prevent passing	.634			
V35. Grouped acc.types	.457			
V24. scent	.453			
Factor2:Human Interaction		14.999	.8587	5
V46. Detail information	.814			
V47. Listening to customer needs	.770			
V44. Uniforms	.752			
V45. Hygiene	.731			
V41. Price labels	.490			
Factor3:Layout& design		12.812	.7627	6
V37. Resting areas	.658			
V42. Teletext	.608			
V40. Usage instructions	.601			
V51. After sales service	.579			
V39. Point-of-purchase signs	.569			
V38. Shelves	.476			
Factor4:Physical aspects		9.085	.6958	2
V26. lighting	.802			
V25. air-conditioning	.726			
Factor5:afterpurch. convenience		8.796	.5228	2
V52. open cash registers	.802			
V53. cash registers space	.593			
Total Variance Explained (%)		61.593	.9145	22
Scale's Cronbach alpha		.873		
Kaiser-Meyer-Olkin measure of Sampling Adequacy	Approx.	1513.046		
Barlett's Test of Sphericity	Chi-square			
	Df	231		
	Sig.	.000		

5.2. Correlation Analysis

Pearson Correlation matrix provides information about the nature, direction and significance of the relationship between two variables (Sekaran,1998).

The null hypotheses formulated for correlation tests are below:

Ho1: There is no relationship between a Purchasing Convenience & store loyalty intentions.

Ho2: There is no relationship between Human Interaction & store loyalty intentions.

Ho3: There is no relationship between Layout and Design & store loyalty intentions.

Ho4: There is no relationship between Physical Aspects & store loyalty intentions.

Ho5: There is no relationship between After Purchase Convenience & store loyalty intentions.

Ho6: There is no relationship between store atmosphere attributes (overall) & store loyalty intentions.

Table 5.2 provides the results of correlation analysis.

Table 5.2 Results of Correlation Analysis

HYPOTHESES	CORRELATION
H1: Purchasing Convenience & Store Loyalty Intention.	.380*
H2: Human Interaction & Store Loyalty Intention.	.491*
H3: Layout and Design & Store Loyalty Intention	.516*
H4: Physical Aspects & Store Loyalty Intention.	.340*
H5: After Purchase Convenience & Store Loyalty Intention	.522*
H6: Store Atmosphere Attributes (overall) & Store Loyalty Intention.	.587*
*p<.05	

For all six hypotheses(H1,H2,H3,H4,H5 and H6), results presented in Table 5.2 are significant.

There is a positive weak correlation between Purchasing Convenience & Store Loyalty Intention ($r:0.380$). Similarly there is a positive weak correlation between human interaction and store loyalty intention ($r:0.491$). Again there is a positive weak correlation between physical aspects and store loyalty intentions ($r:0.340$).

There is a moderate positive correlation between layout and design and store loyalty intention ($r:0.516$). Similarly there is a positive moderate correlation between after purchase convenience and store loyalty intention ($r:0.522$). Finally, there is a positive moderate correlation between store atmosphere attributes(overall) and store loyalty intention ($r:0.587$). So we understand that the highest correlation is between overall store atmosphere attributes and store loyalty intention.

6. Conclusion

The customers who have different consumption habits with different income levels want something in common; to be able to find all the needy products in fair price-quality line. They also want to enjoy their shopping in a decent environment. In modern retailing, retailers' competitive power depends on their ability to serve nice store atmosphere and high service quality to their customers (Arasta, 2001). To gain loyalty of their customers is another important challenge for retailers because the cost of getting new customer is 5-10 times more than keeping the current customer. Also every lost customer is a potential gain for competitors. In this study we tried to combine the literature of store atmosphere and store loyalty to prove the effect of store atmosphere attributes on store loyalty intentions supermarket/hypermarket customers.

Customers are while going through the purchase-cycle, he or she experiences some attitude/behaviour changes based on some stimulus in the environment, which leads to the formation of certain judgements about the store. Those judgements, inturn, influence how the customer behaves. Our findings support this assertion. As the level of store atmosphere attributes increase, so did the level of customers' store loyalty intention.

So, the five dimensions of store atmosphere which are purchasing convenience, human interaction, layout & design, physical aspects and after-

purchase convenience can be used by retail managers in order to communicate a desired environment to their customers. At the end of this communication, store loyalty intention can be developed because of increased level of customer satisfaction and purchase patterns. If store loyalty intention, which is an attitude turns into an actual behaviour (i.e. store loyalty), repeat purchases occur. And those repeat purchases provide retailers with better financial results. Therefore, we can conclude that store atmosphere attributes have a positive effect on store loyalty intention of customers resulting more profits for retailers.

7. Implications of the study

This study clearly shows that retail consumers' attitudes and behaviours can be influenced to behave in certain manners based upon the atmosphere created by retail management. Although major big retailers make causal decisions about store atmosphere issues, many medium or smaller retailers seems to make arbitrary choices about store environments (Arasta, 2001).

This study has an important implication that small/ medium size retailers need to make more formalised and causal decisions about store environments. We found that the 43.8% of big food retail customers do shopping also from small/medium size retailers, which implies that the small retailers should also focus on the "loyalty" assuring factors. They may not be powerful enough to compete with big retailers for the whole market. However, if they choose a narrower target market and create customised store atmosphere for that customers, they most probably are able to induce more consistent attitude and behaviour from their customers, which brings loyalty. Our suggestion is in accordance with relationship retailing, which is attracting, retaining and enhancing customer relationships.

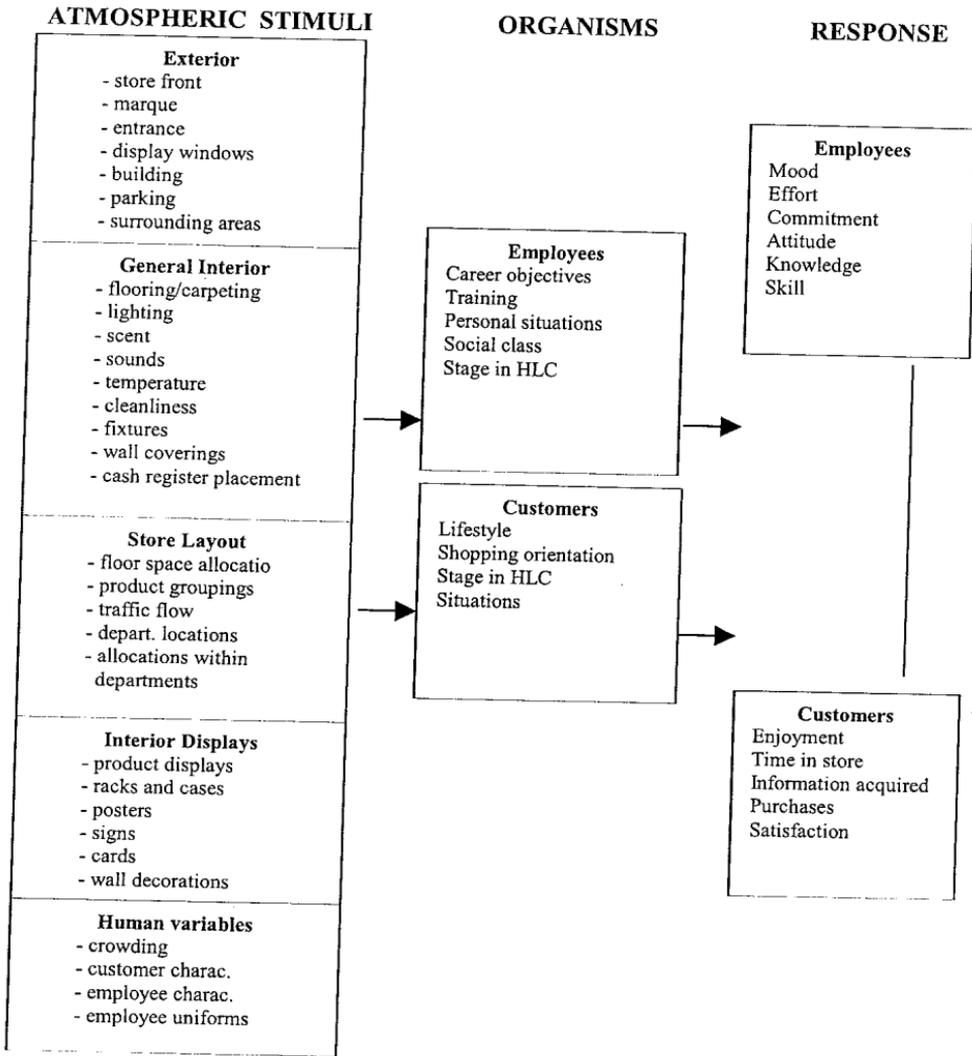
As an implication of the study for manufacturers, it can be concluded that they should be given more importance to the store atmosphere of the retailers in choosing their chain stores.

The study's findings have also important implications for government. Each person deserves a quality of life, which is very much related with decent shopping environments and good service quality. Especially for food sector, it is even more important because of health issues. Therefore, government should have new regulations about store atmosphere attributes and service quality in food retailing industry.

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APPENDIX The Influence of Retail Atmospherics



Source: Turley and Milliman, 2000