



ATMOSPHERIC AMBIENCE INFLUENCE ON CUSTOMERS' EXPERIENCE IN SERVICE MARKETING

ADEBAYO, A. A. (Ph.D)

Department of Business and Entrepreneurship, Kwara State University, Malete

adeyemi.adebayo20@kwasu.edu.ng

Abstract

This study examined the consequence of atmospheric ambience on customers' experience in service marketing with special interest in store-based retail business. Quantitative technique was used as a research design; the population size was infinite as the study focuses on the customers of 19 retail outlets in Lagos state metropolis. Survey method through questionnaire was used to collect the primary data; Godden (2004) model sample size was adopted and 246 was determined as sample size, convenience sampling techniques was employed in the study. Out of the 246 copies of the questionnaire that were administered, 150 were finally retrieved and coded for data analysis. Standard multiple regression (SPSS version 26) was adopted to analyze the data. The conclusion of the study shows that retail store ambience is probably one of the most important factors in attracting and retaining customer and enhancing positive customer experience in retail outlets. The study recommends that the retail stores practitioners should try as much as possible to emphasise more on ways of improving their retail store environment and also make frantic effort in ensuring that their customers have easy access to and fro the retail store by effectively managing the parking lot of their retail store environment.

Keywords: *Ambience, Customers' Experience, Store Atmosphere, Store Environment, Store Image.*

Introduction

Retailers struggle to maintain their dedicated clientele in the present economic environment because of the strong competition (Hegner-Kakar et al., 2018). Due to the fluctuating tastes and preferences of customers, it is also challenging and hard to maintain clients (Kamran-Disfani et al., 2017). In the majority of developing countries, the retail business competes strongly with other industries to keep its present customer (Mahmoud et al., 2019; Grosso et al., 2018; Alam, 2018; Konuk, 2018). In addition, for a retail business to record significant success, it must be willing to improve the quality of its both tangible and intangible service in accordance with the demand of their esteem customers. Quality has been significantly viewed as a strong aspect of competitive advantage and

therefore improvement in the quality of the products and services has been a matter of great concern to organizations. Quality in retail business is not only limited to quality of products on the shelves but the environment where the retail business exist. This environment consists of both internal and external arrangements that will serve as an ambience that will trigger the emotion of the customers to improve their patronage and attraction.

It is hard to exaggerate the significance of the atmospheric ambience in store-based retail operations. A merchant may exploit the retail environment, which includes the display, design, and fixtures, scents, store lighting, temperature, music, and wall covering, to alter the customer's buying mood. Customers' conduct is ultimately impacted by the



environment of the retailer's business, which is another reason why it is strategic in nature. Today's companies consistently give clients with a great buying experience. The design of the retail environment seeks to reflect brand identity, develop the reputation of the service providers, and generate a setting that can be utilised to set the company apart from competitors and arouse clients' interest in making purchases by appealing to their senses. It is vital to underline the major contrast between the ideal environment and the observable surroundings (Kotler, 1973). The phrase "desired atmosphere" defines a combination of sensory qualities developed for an artificial environment in order to achieve a specific "ambiance". One's sensitivity to colours, sounds, loudness, and temperature is mostly taught and cannot be regulated by organisation (Zomerdijs & Voss, 2010). Perceived environment may also change from person to person.

Statement of the Problem

Previous customers emphasized product features or traits while choosing a store. Consumers often look for more favourable factors when choosing retail stores. One of the things that is often wanted in retail chain locations is a welcoming atmosphere. It is essential to consider how the store's atmosphere affects a retail outlet's success (Turley & Milliman, 2000). Retail chains are replacing small, independent traditional stores. Convenience, product variety, enough space, and affordable pricing are all factors that contribute to the retail chain industry's success in contrast to conventional shops. Wakefield and Baker (1998) established that atmospheric stimulation enhances the chance of people lingering longer in stores. Because of the positive environmental stimuli, customers will spend longer in a specific shop and make more purchases when they are

happy with the retail environment (Bohl, 2012). The surroundings greatly influence the customer's emotional state and satisfaction level. According to Silva and Giraldo (2010), the astounding atmosphere of retail chain stores improves consumer achievement levels and the shopping experience.

Research Questions

To what extent does retail store atmosphere affect customers' experience in a store – based retail outlets in Nigeria?

Objectives of the Study

To investigate the extent at which retail store atmosphere affect customers' experience in a store – based retail outlet in Nigeria.

Research Hypothesis

Retail store atmosphere does not have significant effect on customers' experience in a store – based retail outlet in Nigeria

Literature Review

Concept of Store Atmospherics

The word "atmosphere" in marketing language refers to an aspect of constructing retail or commercial venues that consumers visit to make purchases of products and services. Kotler (1973) was the first to use the word "atmospheric." He goes on to claim that consumers are not just drawn to tangible goods since they make up a tiny portion of the whole consumption package, but also to what he refers to as the "total consumption package" that includes services, warranties, packaging, and shop ambiance. The architectural component, which includes but is not limited to interior design, external structure, and design of window display, performs three purposes of generating attention, message conveyance, and impact in



retailing marketing management where shop design is one of the primary jobs.

Store atmosphere is defined by Sezgin and Küçükköylü (2014) as the overall environment that includes a variety of stimulants like store decoration, product shapes, packages, product presentation within the store, colours, illumination, ventilation, scent, underground music, the appearances of sales representatives and their attitudes, other customers, and any other stimuli that may be having an effect on the customers. They went on to define shop environment as how a consumer interprets the emotional and structural makeup of the business. Customers' perceptions of a shop are influenced by a variety of factors. These components include the settlement strategy, the architectural style, the emblems, the colours, the advertising, and the demeanour of the salespeople.

Another element that may lead to impulsive purchases at convenience shops, according to Komang and Gusti (2022), is the environment of the business. Retail marketers and convenience store service providers in particular, need to take into account the shop environment. This is due to the fact that a decent and well-designed store ambiance setting will make customers feel comfortable and encourage them to stay in the store for an extended period of time, increasing the likelihood that they will make more purchases (Hussain & Siddiqui, 2019). A satisfying shopping experience that will stick in the customer's mind for a long time may be provided by the environment and perception of the atmosphere both inside and outside the business.

Concept of Customer Experience

One of the most crucial elements in maintaining a company's competitive edge over competitors is customer experience (CX)

(Bascur & Rusu, 2020). The idea of the customer experience was first acknowledged in the middle of the 1980s, when Holbrook and Hirschman (1982) discussed the idea of consumption experience and hedonic consumption. Pine and Gilmore (1998) and Carbone and Haeckel (1994), cited in Sharman and Rather (2015), went on to popularise this idea in marketing literature. With this background in mind, Gentile, Spiller, and Noci (2007) recently defined the customer experience as a collection of interactions between a customer and a product or aspect of its organisation that either cause the customer to develop loyalty or not. They said that the participation of the client occurs on a variety of levels, including the intellectual, sensorial, physical, and emotional. Regarding this, one or more of the aforementioned characteristics influence the level of the client experience. Experiences are unique and individualised; they include the perception and engagement of the consumer; they arouse the customer's emotions; they are shared with others; and they are long remembered (Walls, 2009). User experience (UX) is a subset of customer experience (CX). Users' experience (UX) was described as the perceptions and reactions of individuals as a consequence of the expected usage of a product, system, or service in the ISO 9241 standard (ISO Standard 9241-210, 2010). In the literature, customer experience has been defined in a variety of ways (Lemon & Verhoef, 2016). The customer experience is the result of repeated encounters and relationship-building between a business and a client. Along with the acquisition of products and the usage of services, this connection also includes the customer's attraction, awareness, discovery, cultivation, and advocacy. A person's experience at all points of contact is evaluated in comparison to their expectations. According to Peppers



and Rogers (2005), the idea of the customer experience has emerged as the single most crucial factor in attaining success for enterprises across all strata. Customer experience management (CEM or CXM) was described as a strategy that centres a company's operations, procedures, and capabilities on the requirements of each individual customer. The value of the customer experience should be emphasised by businesses with a customer-centric company strategy. Customer experience management, in a nutshell, is the discipline, technique, and/or process used to carefully control a customer's exposure to, engagement with, and transaction with a business, product, brand, or service across all channels (Peppers & Rogers, 2005).

Empirical Review

The atmosphere of a store has a significant impact on impulsive buying, as demonstrated by Komang and Gusti's (2022) study. The research project, titled "The Function of Happy Emotion to Boost the Influence of Store Atmosphere and Discount on Impulse Buying," sheds light on the effect of store atmosphere and price discounts on impulsive buying with positive emotions as a mediator for consumers at Coco Marts in Denpasar. The study collected data from 85 respondents through a questionnaire, and SPSS software was used to evaluate the data using path analysis. The findings suggest that store atmosphere has a positive impact on impulsive purchases, happy emotions, and positive emotions, while price reduction also has a favorable effect on impulsive purchases and positive emotions. Positive emotions can mediate the effect of store atmosphere and price discounts on impulse buying. Jaiswal and Singh's (2020) study aimed to identify the essential elements or characteristics that influence consumers' buying experience on

digital platforms and its impact on online customer happiness. The research surveyed 325 online customers who had recently made purchases to investigate the factors influencing Indian consumers' online shopping experiences and how they affect customer satisfaction. Multiple regression analysis and exploratory factor analysis were used to analyze the data. The study found that economic value, customization, post-purchase experience, and customer services are crucial determinants of customers' satisfaction and loyalty. Tjahjaningsih, Maskur, Widyasari, and Kusuma's (2020) research aimed to determine the factors that impact customer happiness and service quality. The study collected data from 104 PT Indonesia Communications clients and SPBU Semarang using purposive sampling. Multiple regression tests were used to analyze the data collected, and the results showed that customer experience, service quality, and satisfaction have a positive impact on loyalty, which in turn helps to foster client loyalty. Muhammed and Deddy's (2018) research project investigated the impact of store atmosphere on customers' inclination to purchase. The study aimed to evaluate and quantify the factors affecting store atmosphere and how they affect customers' intent to buy at Alfamart and Circle K locations in Indonesia's Bandung area. Multiple linear regression analysis using SPSS was used to examine the 314 questionnaire responses gathered in Bandung, Indonesia. The findings showed that in-store, ambient cue, and out-of-store factors all significantly influence customer purchasing. Sezgin and Küçükköylü's (2014) study focused on the effect of the atmosphere of the shop on the store's reputation in terms of sustainable store management. The research collected data from 363 respondents using a survey methodology. The study's statistical findings indicate that the ambiance



of a business significantly affects all facets of that store's image. SPSS software was used to analyze the collected data, and multiple regression analysis was used to ascertain the relationship between store atmosphere and image.

Methodology

This study adopts quantitative method to assess the effect of atmospheric ambience on customers' experience in service marketing with special interest in store-based retail business in selected retail outlets in Lagos state, Nigeria. The population of the study is infinite as Godden sample size determination was used to arrive at 246. Survey method was well thought-out through a self-administered questionnaire in order to establish the opinions and attitude of target beneficiaries about the effect of retail store atmosphere on customers' experience with evidence from selected store-based retail outlets in Lagos state Metropolis. Convenience sampling technique was also adopted and instruments

used for the regression analysis was SPSS version 26.

Data Analysis, Results and Discussion **Mean and Standard Deviation of the Retail Store Atmosphere**

The mean and standard deviation indicated in table 1 indicates below that there are 10 items representing store atmosphere with two dimensions (store layout and store temperature). All the items recorded high levels of mean score. "Store's layout and space for location of clerks and checkout counters attract customers" recorded highest mean score ($M = 4.04$, $SD = 1.146$), whereas "Store's space temperature makes customers to stay longer" recorded a lowest mean score of ($M = 3.79$, $SD = 1.329$) respectively. This result shows that "Store's layout and space for location of clerks and checkout counters attract customers" is the main characteristic representing the store atmosphere in selected retail store in Lagos Nigeria.

Table 1: Mean and Standard Deviation of Store Atmosphere

Code	Detail	Mean	SD
Store Layout			
SL1	Customers are attracted to store where the inventories are well arranged through racetrack layout.	4.02	1.144
SL2	Store's layout and space for location of clerks and checkout counters attract customers	4.04	1.146
SL3	Customers increases patronage when store location or other signage are easy to identify	3.97	1.176
SL4	Firm's exceptionally beautiful decoration guarantees customer retention	4.04	1.080
SL5	Rate of customer defection are low when retail service providers were able to provide lighting features	3.98	1.207
Store Temperature			
ST1	Store's space temperature makes customers to stay longer.	3.79	1.329
ST2	Store's ambient temperature influence customer's spending habit	3.84	1.227
ST3	Customer's positive experience increases with conducive store temperature	3.84	1.270
ST4	Store ambient temperature guarantee repeat purchase	3.86	1.280



ST5	Rate of customer defection are low when retailers provides low ambient temperature for their customers	3.81	1.304
-----	--	------	-------

Sources: *Field Survey, 2023*

The mean and standard deviation indicated in Table 2 below shows there are five items representing customer experience. All five items recorded high level of mean score. ‘Customers develop trust where the retail providers value employees’ ideas’ recorded highest mean score ($M = 3.97$, $SD = 1.170$), whereas ‘Customers patronize store where the

products and services that meet their needs and wants are available’ recorded a moderated mean score of ($M = 3.82$, $SD = 1.237$) respectively. This result shows that ‘Customers develop trust where the retail providers value employees’ ideas’ is the main feature representing the customer experience

Table 2: Mean and Standard Deviation of Customer Experience

Code	Detail	Mean	SD
CE1	Customers patronize store where the products and services that meet their needs and wants are available	3.80	1.264
CE2	Customers recommends store that create emotional connection with friends and associates.	3.81	1.206
CE3	Customers exhibits repeat purchase habit with store that practice team work in enhancing customer satisfaction	3.91	1.123
CE4	Customers develop trust where the retail providers value employees’ ideas.	3.97	1.170
CE5	Store repeat purchase is guaranteed where customers’ voice are heard	3.95	1.128

Sources: *Field Survey, 2023*

Regression Analysis and Hypothesis Test between Store Atmosphere and Customers’ Experience

atmosphere) and customer experience of selected store- based retail outlets in Lagos state Metropolis.

Multiple regression analysis was used to determine the relationship between store atmosphere (store layout and store

Table 3: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.726 ^a	.582	.471	.84051	1.550

a. Predictors: (Constant), Store Layout, Store Temperature

b. Dependent Variable: Customer Experience

Sources: *Researcher’s Survey, 2023*

The model summary as indicated in table 3 above shows that R-Square is 0.582; this implies that 58.2% of variation in the

dependent variable (customer experience) was explained by the store atmospheric variables (store layout and store atmosphere) while the



remaining 41.8% is due to other variables that are not included in the model. This means that the regression (model formulated) is useful for making predictions.

Table 4: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	23.075	2	12.537	16.331	.000 ^b
Residual	243.848	147	.706		
Total	226.023	149			

a. Dependent Variable: Customer Experience

b. Predictors: (Constant), Store Layout, Store Temperature

Sources: Researcher's Survey, 2023

The table 4 above summarized the results of the analysis of variation in the customer experience with large value of regression sum of squares (23.075) in comparison to the residual sum of squares with value of 243.848. The result indicated that the model fit to explain a lot of the variation in the

operation customer experience. Thus, the estimated F-value (16.331) as given in the table above with significance value of 0.000, is less than p-value of 0.05 ($p < 0.05$). This means that the store atmosphere as a whole can jointly influence change in the customer experience.

Table 5: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.139	.315		6.781	.000
Store Temp	.253	.072	.291	3.502	.001
Store Layout	.192	.076	.210	2.529	.012

a. Dependent Variable: Customer 's Experience

Sources: Researcher's Survey, 2023

The dependent variable as shown in the table 5 clarifies the influence of store atmosphere variables (store layout and store temperature) on the customer experience. This was used as a yardstick to examine the influence between the two independent variables. Specifically, Hypothesis H_b predicted that store layout is positively related to customer experience. Result indicated that store layout had a significant positively relationship with customer experience ($\beta = 0.192$, $t = 2.529$, $p = .012$). The result revealed that the store layout will eventually serve as the determinant of

customer experience. Therefore, Hypothesis H_b is supported.

Hypothesis H_a predicted that store temperature is positively related to customer experience. Result indicated that store temperature had a positive and significant relationship with customer experience ($\beta = 0.253$, $t = 3.502$, $p = .001$). Thus, the Hypothesis H_a is supported at 5% level of significant. The overall summary of this regression analysis result in relations to the coefficient of store atmosphere have significant influence on customer experience of store-based retail outlets in Lagos state



Metropolis in the area of store layout and store atmosphere. This implies that the null hypothesis was rejected, hence, the alternate hypotheses was accepted. Thus, store atmosphere has significant influence on customer experience of store-based retail outlets in Lagos state Metropolis. The result of the above analysis for hypothesis four supported the empirical findings of Ndengane and Mason (2021), Riaz and Mazhar (2015), Mohammed and Deddy (2018), Richard, Roger and Mischeck (2021) where positive correlations were found between the independent variables of store atmosphere (cleanliness, lighting, music, floor adverts, employee efficient service, employee appearance) and the dependent variables of customer satisfaction (positive image of store, pleasant mood, time spent in store, intention to revisit store).

Summary of Findings

The objective of the study which is to determine the extent at which retail store atmospheric ambience affect customers' experience in service marketing with special interest in retail outlet was investigated through a hypothesis formulated in null form, reveal that store layout and store temperature that are sub-variables of retail store atmospheric are positively related to customer experience. The implication of this is that retail store ambience is probably one of the most important factors in attracting and retaining customer and enhancing positive customer experience. In spite of this, retail store with beautiful environment both in and out tends to set the mood, character, quality, tone and atmosphere of their business that will have considerable effect in building customer loyalty. Therefore, creation of appealing store ambient through using of mood, lighting, clean environment, using of color psychology are essential constituents

which supports retail store atmosphere and customer loyalty.

Conclusion and Recommendations

The finding of the study concluded that retail store ambience is probably one of the most important factors in attracting and retaining customer and enhancing positive customer experience. In lieu of this, creation of appealing store ambient through using of mood, lighting, clean environment, using of color psychology are indispensable ingredients which supports retail store atmosphere and customer loyalty.

The study recommends that retail stores practitioners should try as much as possible to emphasise more on ways of improving their retail store environment. In recent years, retail store service providers are not competing on product display alone but on the beautification and attractiveness of their store environments at both internal and external. Retail store service providers should also make frantic effort in ensuring that their customers have easy access to and fro the retail store by effectively managing the parking lot of their retail store environment.

References

- Alam, M. M. D. (2018). The effect of service quality on customer loyalty of Generation Y-an empirical investigation on superstores in Bangladesh. *Malaysian Management Journal*, 22, 161–183.
- Bascur, C. & Rusu, C. (2020). Customer experience in retail: A systematic literature review. *Applied Sciences*, 10(21), 7644
- Bohl, P. (2012). The effects of store atmosphere on shopping behaviour', a



- literature review. Corvinus Marketing Tanulmányok.
- Carbone, L. P., & Haeckel, S. H. (1994). Engineering customer experiences. *Marketing Management*, 3(3), 2-10.
- Gentile, C., Spiller N., & Noci, G. (2007). How to sustain customer experience: An overview of experience components that co-create value with the customer. *European Management Journal*, 25(5), 395-410.
- Grosso, M., Castaldo, S., & Grewal, A. (2018). How store attributes impact shoppers' loyalty in emerging countries: An investigation in the Indian retail sector. *Journal of Retailing and Consumer Services*, 40, 117-124.
- Hegner-Kakar, A., Richter, N. F. & Ringle, C. M. (2018). *The customer loyalty cascade and its impact on profitability in financial services*. Pre-Publication version of the article in Partial Least Square Structural Equation Modeling: Recent Advances in Banking and Finance
- Holbrook, M. B., & Hirschman, E. C. (1982). The experiential aspects of consumption: Consumer fantasies, feelings, and fun. *Journal of Consumer Research*, 9(10), 132-40.
- Hussain, S., & Siddiqui, D. A. (2019). The Influence of Impulsive Personality Traits and Store Environment on Impulse Buying of Consumer in Karachi. *International Journal of Business Administration*, 10(3), 50.
- Jaiswal, S. & Singh, A. (2020). Influence of the determinant of online customer experience on online customer satisfaction. *Paradigm*, 24(1), 41-55.
- Komang, S. & Gusti, A. K. S. A. (2022). The role of positive emotions to increase the effect of store atmosphere and discount on impulse buying. *European Journal and Management Research*, 7(1), 219-223.
- Lemon, K. N. & Verhoef, P. C. (2016). Understanding customer experience throughout the customer Journey. *Journal of Marketing*, 80(2016), 69-96.
- Kamran-Disfani, O., Mantrala, M. K., Izquierdo-Yusta, A., & Martinez-Ruiz, M. P. (2017). The impact of retail store format on the satisfaction-loyalty link: An empirical investigation. *Journal of Business Research*, 77, 14-22.
- Konuk, F. A. (2018). The role of store image, perceived quality, trust and perceived value in predicting consumers' purchase intentions toward organic private label food. *Journal of Retailing*, 43, 304-310.
- Kotler, P. (1973). "Atmospherics as a marketing tool". *Journal of Retailing*, 49(4), 48-64
- Muhammed, I. G. & Deddy, G. (2018). The influence of store atmospheric factors towards customer purchase intention on minimarket industry branding, Indonesia. *9th Industrial Research Workshop and Natural Seminar*.
- Mahmoud, A. B., Ekwere, T., Fuxman, L., & Meero, A. A. (2019). Assessing patients' perception of health care



- service quality offered by COHSASA-accredited hospitals in Nigeria. *SAGE Open*, 9(2).
- Ndengane, R. F. & Mason, R. B. (2021). The influence of store atmospheric on customers' satisfaction at selected South African retail outlets. *Innovative Marketing*, 17(1), 26-39.
- Peppers, D., & Rogers, M. (2005). *Return on customer: Creating maximum value from your scarcest resource*. New York: Doubleday/Currency
- Pine, B. J., & Gilmore, J. H. (1999). *The experience economy: Work is theatre & every business a stage*. Harvard Business School Press: Boston.
- Riaz, H. & Mazhar, A. (2015). Effect of store atmosphere on consumer purchase intention. *International Journal of Marketing Studies*; 7(2), 35-43.
- Richard, M. N., Roger, B. M., & Mischeck, M. (2021). The influence of store atmosphere on customers' satisfaction at selected South Africa retail outlets. *Innovative Marketing*, 17(1), 26-29.
- Sharma, J. & Rather, A. R. (2015). Understanding the customer experience: an exploratory study of "a" category hotels. *International Journal on Customer Relations*, 3(2), 21-31.
- Sezgin, M. & Küçükköylü, S. (2014). Store atmosphere's importance in creating store's image in sustainable management of store and a research in Konya (Turkey). *Journal of Advanced Management Science*, 2(3), 186-191.
- Silva, T. S., & Giraldi, J. D. M. E. (2010). The influence of store image on customer satisfaction: a case study of a shoe store. *Brazilian Business Review*, 7(2), 60-77.
- Tjahjaningsih, Maskur, Widyasari and Kusuma (2020). The effect of customer experience and service quality on satisfaction in increasing loyalty. *3rd international Conference on Banking, Accounting, Management and Economics*, 2020.
- Turley, L. W., & Milliman, R. E. (2000). Atmospheric affects on shopping behaviour a review of the *experimental*. *Journal of Business Research*, 49, 193-211.
- Wakefield, K. L., & Baker, J. (1998). Excitement at the mall: determinants and effects on shopping response. *Journal of Retailing*, 74(4), 515-539.
- Walls, A. (2009). An examination of consumer experience and relative effects on consumer values. *Unpublished Doctoral Dissertation*. University of Central Florida, Orlando.
- Zomerdijk, L. G., & Voss, C. A. (2010). Service design for experience-centric services. *Journal of Service Research*, 13(1), 67-82