

Creating a Difference -The Store Ambience in Modern Day Retailing

Dr. sangeeta mohanty¹ and chitra sikaria²

¹ Academy of Business Administration, Balasoe

Received: 18 December 2010 Accepted: 10 January 2011 Published: 22 January 2011

Abstract

The dawn of 21st century has been welcomed by a changing culture in India. It's the change from the traditional retailing to the organized or modern retailing. Organized retailing is the buzz word in India in the 21st century. The Fact lies in the scope of the organized retail which forms only 4

Index terms— Ambience, retail outlet, organized retail

1 EXPERIENCE.

It supplements the other two elements mentioned above.

People like to be in good atmosphere, which in retail is the STORE AMBIENCE. The store ambience is an environment that is created by visual communications, lighting, music, colors etc., to generate a stimulus among the customer's perceptions & emotions that will affect their purchasing behavior. The store atmosphere is about HAVING A LOOK AND AN ENVIRONMENT that suits the target market & invites consumer for purchase. The Indian consumers generally shop from markets and areas which are tacky, filthy, stinking. They buy goods at bargained prices. But this trend is changing. Instead of moving into weekly haats, melas, mandis or any other traditional form of retail, consumers prefer walking into an air conditioned store to buy the products. Not only had this, but clean & tidy stores, high speed escalators, scented environment, arresting displays draw their attention making it more comfortable and fun to shop. Today the stores have become hotspots of entertainment for a major chunk of the population i.e., the YOUTH. The consumer expectation for modern retailing environment is accelerating at a very fast pace. In order to create an unparalleled experience with the retail store understanding the customer preferences is of prime importance. The store ambience is to be designed to make shopping easy and also give a comfortable feeling. It enhances the shopping experience by assisting the shoppers what they want from an assortment of products in the store. To create a favorable mindset of the consumer towards the store image and store position it is important to have an ambience that has the potential to make the shopping pleasurable by forgetting the bitterness of heavy prices to be paid for expensive products in the stores. With the growing trend of modernization, architects are designing stimulating storefronts and interiors that create an impression of distinctiveness. It helps satisfying the customers and to create a warm welcoming feeling which will certainly enhance a customer's mood and improve the chances of turning a single sale into a longterm relationship. It is incredible to make a sale but it is so much more profitable to keep the customer satisfied thus making developing customer loyalty. Store ambience also assists in enhancing the brand value of the various products. It helps to increase consumer footfalls and provokes them for repeated purchases. It is possible to attract the customers using the right mix of elements of store ambience. It is very simple-a poor product. A good ambience is also required to facilitate the browsing process for products, which need to be touched & felt before being chosen like clothes. Store ambience acts as a promotion tool used to communicate the store's image. An attractive store ambience is just like 'an icing with cherries on the cake'.

A striking store ambience draws the attention of the customer & enables him to take purchase decision within shortest possible time, and thus enhancing the selling process. The shoppers which comprise mostly of the youth desire a comfortable store, so that they can stay for longer on each visit. Shoppers would tend to buy at a leisurely pace in such stores. In many cases, these stores are also utilized for spending waiting or spare time or

46 meeting up with friends. The store ambience is responsible to create a difference between a forgetful transaction
47 and a memorable retail experience.

48 II.

49 2 RESEARCH METHODOLOGIES AND

50 3 DATA COLLECTION

51 A random sampling technique was used in selecting the sampling units. Data was collected from 120 respondents
52 of the different area of the city Bhubaneswar, Orissa, by using schedule method. The questionnaire was
53 administered to each of the respondents who visited the retail store over one month period. The sample includes
54 male and female, married and unmarried employees from different qualification, occupation, age group and income
55 group. As the youth mass is the regular shopper, it was observed that major chunk of the respondents is youth.
56 The data have been collected in the month of March 2009. In order to identify the important parameters of
57 ambience of a store a questionnaire on different items related to the attributes was constructed on 5-point likert
58 type scale in all eighteen attributes. The statements were measurable on a likert scale of 1-5; where 5 indicated
59 strongly disagree and 1 indicated strongly agrees. The maximum focus was given on store front, lighting, music,
60 store personnel behavior etc.

61 4 III.

62 5 Objective of the study

63 To find out the important reason of shifting from traditional to modern format.

64 To find out the parameters of ambience of a store To find out the association between the age of the respondents
65 and their preference to westernized outlook and the ad-ons of shopping experience.

66 To find out the association between the income of the respondents and preference to westernized outlook and
67 the ad-ons of shopping experience.

68 IV.

69 6 TOOLS AND TECHNIQUES USED

70 The statistical tools used for this purpose are Multiple regression technique-It is used to find out the weightage
71 of the dependent variable on independent variable.

72 Chi-square test of independence of attributes its property is to find out the association between two variables.

73 Ranking method-its basic property is to arrange a number of attributes in a particular order The data have been
74 analyzed by using SPSS version-11.0

75 7 Hypotheses

76 (1) For age wise analysis the hypothesis of our interest is H_0 : There is no significant association between the
77 age and the Preference of westernized outlook.

78 H_0 : There is no significant association between the age and ad-ons of shopping experience.

79 (2) For income wise analysis the hypothesis is H_0 : There is no significant association between the income
80 and the Preference of westernized outlook.

81 H_0 : There is no significant association between the income and the ad-ons of shopping experience.

82 (3) For gender wise analysis the hypothesis is H_0 : There is no significant association between the gender and
83 the Preference of westernized outlook.

84 H_0 : There is no significant association between the gender and the ad-ons of shopping experience.

85 V.

86 8 ANALYSIS AND INTERPRETATION

87 9 1) Shifting from traditional to modern format

88 The tendency of shifting from traditional to modern format is correlated with ambience, convenience, quality and
89 the involvement of MNC giving the international experience. Here the basic interest is to find out the weightage of
90 the independent variables (ambience, convenience, quality and the involvement of MNC giving the international
91 experience) on the predictor, "tendency of shifting from traditional to modern format".

92 To find out the relationship between the gender of the respondents and their preference to westernized outlook
93 and the ad-ons of shopping experience.

94 Let Y be the dependent variable $Y =$ the tendency of shifting from traditional to modern format. $B =$
95 the coefficient of determinant (a constant value) Interpretation: The respondents have given more importance
96 to ambience of the store and less importance to the variable "involvement of MNC giving the international
97 experience". $X_1 =$ Ambience $X_2 =$ Convenience $X_3 =$ Quality $X_4 =$ Involvement of MNC giving the international
98 experience. $Y = B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4$

99 2) Importance of the store ambience in attracting the crowd.

The importance of the store ambience is analyzed with respect to two attributes, westernized outlook and ad-ons of the shopping experience. We conducted a pilot survey on 30 people of different back ground and the majority of the responses favoured to these two attributes. In this case we have tried to find out the association between the personal background and the importance of the sore ambience in attracting the crowd. For this purpose we have performed chisquare test to test the relationship between age, gender, income and the importance of the sore ambience in attracting the crowd. Null hypothesis H 0 : There is no significant association between the gender and the Preference of westernized outlook.

10 2.1) Westernized outlook-Gender wise Analysis

Alternative hypothesis H 1: There is an association between the gender and the Preference of westernized outlook.

Test statistic:

$$\chi^2 \text{ (Chi-square)} = \sum \frac{(O-E)^2}{E} = 1.495$$

Tab. Val of χ^2 (0.05) at 1 d.f is 3.841

As, $\chi^2 \text{ cal} < \chi^2 \text{ tab}$, H 0 is accepted and H 1 is accepted rejected. Interpretation: There is no significant association between the gender and the Preference of westernized outlook.

2.1.1) Westernized outlook -Income wise analysis. Null hypothesis H 0 : There is no significant association between the income and the Preference of westernized outlook.

Alternative hypothesis H 1: There is an association between the income and the Preference of westernized outlook.

Test statistic:

$$\chi^2 \text{ (Chi-square)} = \sum \frac{(O-E)^2}{E} = 11.671$$

Tab. Val of χ^2 (0.05) at 3 d.f is 7.815

As, $\chi^2 \text{ cal} > \chi^2 \text{ tab}$, H 0 is rejected and H 1 is accepted. Interpretation: There is an association between the income and the Preference of westernized outlook. Westernized outlook -Age wise analysis. Null hypothesis H 0 : There is no significant association between the age and the Preference of westernized outlook.

Alternative hypothesis H 1: There is an association between the age and the Preference of westernized outlook.

Test statistic: Null hypothesis H 0 : There is no significant association between the gender and ad-ons of shopping experience. $\chi^2 \text{ (Chi-square)} = \sum \frac{(O-E)^2}{E} =$

Alternative hypothesis H 1: There is an association between the gender and ad-ons shopping experience.

Test statistic: $\chi^2 \text{ (Chi-square)} = \sum \frac{(O-E)^2}{E} = 0.349$

Tab. Val of χ^2 (0.05) at 1 d.f is 3.841

As, $\chi^2 \text{ cal} < \chi^2 \text{ tab}$, H 0 is accepted and H 1 is rejected Interpretation: There is no significant association between the gender and ad-ons on shopping experience.

2.2.1) Ad-on of the shopping experience -Income wise analysis. Null hypothesis H 0 : There is no significant association between the income and ad-on of the shopping experience.

Alternative hypothesis H 1: There is an association between the income and ad-ons of shopping experience.

Test statistic: $\chi^2 \text{ (Chi-square)} = \sum \frac{(O-E)^2}{E} = 4.45$ Tab. Val of χ^2 (0.05) at 3 d.f is 7.815 As, $\chi^2 \text{ cal} < \chi^2 \text{ tab}$, H 0 is accepted and H 1 is rejected Interpretation: There is no significant association between the income

and the ad-ons on shopping experience.

2.2.2) Ad-on of the shopping experience -Age wise analysis. Null hypothesis H 0 : There is no significant association between the age and the ad-ons on shopping experience.

Alternative hypothesis H 1: There is an association between the age and the ad-ons on shopping experience.

Test statistic: $\chi^2 \text{ (Chi-square)} = \sum \frac{(O-E)^2}{E} = 16.53$ Tab. Val of χ^2 (0.05) at 3 d.f is 7.815 As, $\chi^2 \text{ cal} > \chi^2 \text{ tab}$, H 0 is rejected and H 1 is accepted Interpretation: There is an association between the age and the

ad-ons on shopping experience.

3) Attributes of Ambience of a Retail Store

The importance of the physical environment in a retail setting has long been recognized. The retail environment has an impact on an array of consumer emotions and attitudes of choosing a store. The analysis of Shifting from traditional to modern format resulted that ambience of the store is the main reason of such shifting. It is therefore necessary to assess the important factors influencing the ambience of a store. There are so many factors, but we have included the following factors only. The data have been collected on 5-point likert type scale in all eighteen attributes. The statements were measurable on a likert scale of 1-5; where 5 indicates strongly disagree and 1 indicates strongly agree.

11 Table-11

Interpretation: From the above analysis we observed that the attributes Store Front, Display Windows and Marquee have the lowest rank sum. So, we conclude that the Store Front, Display Windows and Marquee are the prime factors of ambience, where as the least preference goes to Efficient Billing systems and the Availability of a cafeteria.

157 **12 VI.**

158 **13 CONCLUSION**

159 Beyond doubt there is no free lunch. The retailers have to shell out a huge chunk of there investment just to create
160 this shopping experience, but ultimately it is the customer himself who has to bear the load of this investment
161 by paying higher prices for this SHOPPING EXPERIENCE. With competition getting stiffer & stiffer day by
162 day, and the availability of the same brands across all stores, the only way out to differentiate is to STAND OUT
163 of the crowd. Ambience and facilities are more important in cases where the shopper spends more time within
164 the store. Out of the above the more challenging is the execution. It is very evident that customer experience of
165 the store ambience has the ability to make difference to a retailer’s performance.

166 The paper explores the following findings in that light.

167 The respondents have given more importance to ambience of the store and less importance to the variable
168 ”involvement of MNC giving the international experience”.There is no significant association between the gender
169 and the Preference of westernized outlook, but income And age are associated significantly with Preference of
170 westernized outlook.Income and gender are not significantly associated with ad-ons of the shopping experience.
171 Whereas age is significantly associated with ad-ons of the shopping experienceStore Front, Display Windows and
172 Marquee are the prime factors of ambience, where as the least preference goes to Efficient Billing systems and
173 the Availability of a cafeteria. ??rewal, D. and Levy (1992), ”An experimental approach to making retail store
174 environmental decisions”, Journal of Retailing, Vol. 68, pp. 445-60.

175 **14 References Références Referencias**

176 10) Baker, J., ??rewal, D., Levy, Parasuraman, A. and Glenn, B. (2002), ”The influence of multistore
177 environmental clues on perceived merchandise value and patronage intentions”, Journal of Marketing, Vol. 66,
pp. 120-41 11) ??im, B. and Park, K. (1997) ^{1 2 3}



Figure 1:

178

¹March 2011©2011 Global Journals Inc. (US)

²Global Journal of Management and Business Research Volume XI Issue III Version I March 2011 ©2011 Global Journals Inc. (US)

³Global Journal of Management and Business Research Volume XI Issue III Version I March 2011 ©2011 Global Journals Inc. (US) ©2011 Global Journals Inc. (US)

		1 -Variables Entered/Removed		
Model	Variables Entered	Variables Removed		
1	X4, X2, X3, X1	.		
a All requested variables entered.		This table shows us the order in which the variables were entered and removed from our model. We can		
b Dependent Variable: Y		were removed.		
		Table-2 -Model Summary		
Model	R	R Square	Adjusted	Std. Er
1	.625	.390	.268	8
a Predictors: (Constant), X4, X2, X3, X1		Adjusted R Square value tells us that our model accounts for 39% of variance.		

Figure 2: Table -

		3 -ANOVA		
Model		Sum of	Df	Mean F Si
1	Regression	992.260	4	248.065 3.1970
	Residual	1551.740	20	77.587
	Total	2544.000	24	
a Predictors: (Constant), X4, X2, X3, X1		This table reports an ANOVA, which assesses the		
b Dependent Variable: Y		significance of our model.		

Figure 3: Table -

4 -Coefficients

Model	Unstandardized Coeff.		Std.	Standardized Beta
	B			
1	(Constant)	33.871	22.26	1
	X1- Ambience	.498	.216	.514
	X2- Convenience	.227	.413	.111
	X3- Quality	.350	.962	.079
	X4- Involvement of MNC giving the international experience	-.285	.256	-.113

a Dependent Variable: Y

The Standardized Beta Coefficients give a measure of the contribution of each variable to the model. The t and Sig (p) values give a rough estimation of the effect of each predictor variable. Ambience has the highest beta value (0.498), convenience and quality have the beta values (0.227)

for involvement of MNC giving the international experience (-1.113) with the tendency to be traditional to modern format.

The multiple regression equation is $Y = 33.871 + 0.498 X_1 + 0.227 X_2 - 0.285 X_4$

[Note: and (0.350), involvement of MNC giving the international experience has the negative value of (-0.285). Error variance is explained by constant by (22.267), followed by ambience (0.216), convenience (0.413), quality (0.962), involvement of MNC giving the international experience (0.256). Sample t-test correlates negatively]

Figure 4: Table -

5

Gender	Male	Female	Total
Yes	18	63	81
No	13	26	39
Total	31	89	120

Figure 5: Table -

6

	<10,000	10,000-20,000	20,000-30,000	>30,000	Total
Yes	7	15	22	18	62
No	5	25	24	4	58
Total	12	40	46	22	120

Figure 6: Table -

-

		7			
Age	15-25	25-35	35-45	45 and more	Total
Yes	23	32	21	2	78
No	7	10	10	15	42
Total	30	42	31	17	120

Figure 7: Table -

-

		9			
Income	<10,000	10,000-20,000	20,000-30,000	>30,000	Total
Yes	5	20	28	16	69
No	7	20	18	6	51
Total	12	40	46	22	120

Figure 8: Table -

ANNEXURE

SWOT Analysis

STRENGTHS

? Use of modern technology to succeed

over

the unorganized retailers

? ? Growing population with the rise of middle

class income group.

? Unorganized retailing a major threat by THREATS

offering a parallel market to the organized retail.

? Prevalence of window-shopping instead of shopping culture.

?

[Note: OPPORTUNITIES?]

Figure 9:

